House of Commons
Work and Pensions Committee

The role of Jobcentre Plus in the reformed welfare system


Volume I: Report, together with formal minutes, oral and written evidence

Additional written evidence is contained in Volume II, available on the Committee website at www.parliament.uk/workpencom

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The Work and Pensions Committee

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Summary

Jobcentre Plus (JCP) is the arm of the Department for Work and Pensions (DWP) which deals with out-of-work benefits, including providing employment support through Jobcentres.

JCP is capable of responding well to policy changes and fluctuating claimant numbers. It performs effectively against its current key performance indicators and is cost-effective. JCP should continue to provide a public employment service for the unemployed, broadly along current lines, particularly through the current period of intense change in the welfare system.

However, two key reforms are required to: make better use of Jobcentre resources; promote longer-term outputs; and mitigate the risks of perverse, target-driven behaviour:

1. The establishment of a more thorough and systematic face-to-face assessment of claimants’ potential barriers to employment at an early stage of unemployment benefit claims. **DWP should work towards establishing a jobseeker classification tool** prior to the re-letting of Work Programme contracts in 2016; and

2. **Revision of JCP’s key performance indicators to incentivise claimants’ off-flow from benefits into employment.** Claimants leaving benefit due to benefit sanctions and other non-work related destinations should not count towards the achievement of key performance targets. **As Universal Credit is implemented, performance measures should be further revised to measure sustained job outcomes.**

JCP needs to do more to **balance increasingly strict benefit conditionality rules with effective, in-depth employment support for those claimants who need it.** A number of our recommendations seek to achieve this, including:

- Using a classification tool to categorise claimants into separate work streams, according to need for support, including a “no initial face-to-face signing on group”;
- Using Universal Jobmatch to monitor claimants’ job-seeking activity between Adviser interviews, freeing up more time for in-depth advice and support during interviews; and
- Addressing as a matter of urgency the unacceptably high ratio of Employment and Support Allowance claimants to specialist Jobcentre Disability Employment Advisers (currently over 600:1).

Our evidence suggests that many claimants have been referred for a sanction inappropriately or in circumstances in which common sense would suggest that discretion should have been applied by JCP staff. **DWP should launch a second, broader, independent review of conditionality and sanctions, to include investigation of whether the process is being applied appropriately, fairly, proportionately and in accordance with the rules, across the Jobcentre network.**
The current welfare reforms could offer opportunities for Jobcentres to build closer working relationships with local providers of a range of services to address the broader social and health issues which affect claimants’ employability. However, DWP has been slow to produce a comprehensive framework which sets out in detail how this will be achieved in partnership with local authorities. If the Government is to achieve its aim of better benefit support services under Universal Credit “than ever before”, a comprehensive Local Support Services Framework must be published by autumn 2014 at the latest, to allow local authorities to design and commission services in time for the planned national roll out of the new benefit from financial year 2015–16.

In a number of areas JCP should establish effective processes for identifying and disseminating good practice across the Jobcentre network, including in relation to:

- Effective use of the Flexible Support Fund;
- Successful engagement with local employers; and
- Employment support for claimants affected by the Benefit Cap.

Jobcentres will be asked to do more at the same time as DWP as a whole will have to further reduce its running costs, following the 2013 Spending Round. DWP must be clearer about the impacts of recent and planned policy changes on Jobcentre footfall and how it plans to ensure that JCP will be sufficiently resourced to deliver the policy changes and effective employment support over the medium term.
1 Introduction

1. In the text of this Report, our conclusions are set out in bold type and our recommendations, to which the Government is required to respond, are set out in bold italic type.

Jobcentre Plus

2. Jobcentre Plus (JCP) was established in 2001–2003. It merged the Employment Service and the parts of the Benefits Agency dealing with working-age benefits. Until October 2011, JCP was an executive agency of the Department of Work and Pensions (DWP), with its own Chief Executive and board. The current Government abolished its agency status and brought it into the core Department. The move was intended to streamline the management of JCP and was also part of DWP’s response to its requirement to reduce its corporate running costs by 40%, as set out in the 2010 Spending Review.¹

3. JCP has two core roles in the welfare system: administering working-age benefits; and providing a public employment service for the unemployed through its network of over 700 Jobcentres, arranged into geographical districts across Great Britain. Longer-term unemployed claimants are referred to externally contracted Work Programme providers, typically after 12 months of benefit claim. JCP is also the referral route to Work Choice, a much smaller, specialist employment programme for claimants with disabilities.²

4. As a public employment service, JCP has three key aims: to provide effective advice and support for claimants looking for work; to ensure that claimants fulfil their responsibilities to look for work; and to support an efficient and flexible labour market by offering an effective recruitment service to employers and matching unemployed people to suitable job vacancies.³

Reforms affecting Jobcentre Plus

5. A number of the Government’s welfare reforms are affecting the way JCP delivers its services. The most substantial and high profile of these is the gradual introduction of Universal Credit, which is merging six working-age benefits and in-work tax credits—including the income-related elements of the two main unemployment benefits, Jobseekers Allowance (JSA) and Employment and Support Allowance (ESA)—into a single benefit payment. Universal Credit is intended to be a mainly online process, supported by online job-searching and job-matching using the new internet-based vacancy system, Universal Jobmatch.

6. Under Universal Credit, which will be paid to both working and non-working claimants, DWP will have the power to require low-paid claimants to take steps to increase their

¹ See “Government announces organisational changes to Jobcentre Plus and the Pension, Disability and Carers Service”, DWP press release, 12 September 2011
² See Work and Pensions Committee, Can the Work Programme work for all user groups?, First Report of Session 2012–14, HC 162 [Hereafter, Committee’s Work Programme Report]
³ Centre for Economic and Social Inclusion, Ev 112
earnings to the equivalent of 35 hours per week at the National Minimum Wage. Plans for this “in-work conditionality” regime are still being formulated but are widely expected to increase JCP’s potential customer base by over 1 million claimants.4

7. The conditionality rules for both JSA and ESA were strengthened by the Welfare Reform Act 2012. JCP is also rolling out a new Claimant Commitment, replacing the previous JSA Jobseekers Agreement, which seeks to set out more clearly what each claimant must do to find work and to instil in unemployed claimants the notion that “looking for work is a full-time job”.5

8. JCP is also involved in the implementation of the Benefit Cap—introduced from April 2013, this is a cap on the total value of a range of working-age benefits payable to households. Since April 2012, JCP has been offering employment support as the “best mitigation” for claimants likely to be affected by the Cap.6

9. Recent policy announcements which will further affect JCP in the medium term include: weekly, rather than fortnightly, “signing on” for “half of all jobseekers”; and daily signing on for a third of all claimants who complete two years on the Work Programme without a job.7

Our inquiry

10. We received 56 written submissions and held six oral evidence sessions. A full list of witnesses is set out at the end of this Report. We also visited Ashton-under-Lyne and Oldham Jobcentres, both of which have been “Pathfinders” in the early implementation of Universal Credit and the Claimant Commitment. We are very grateful to all those we met and to everyone who has contributed to the inquiry.

11. Our primary focus in this inquiry was on: how the reforms and policy changes are likely to affect the way services are delivered by staff in Jobcentres; the potential impacts on claimants; how JCP performance should be measured; and how the Government plans to ensure that Jobcentres will have sufficient resources to deliver the changes and provide effective employment support.

12. We also considered options for fundamental reforms of JCP in the future, including splitting JCP’s benefits administration and employment support arms; immediate referral of some claimants to externally contracted specialist providers in the private and voluntary sectors; and greater local accountability for employment services, for example through local authorities or Local Enterprise Partnerships.

13. However, although we make recommendations to improve its efficiency and effectiveness, we took note of authoritative research which suggests that JCP is cost-effective; has increased the numbers of claimants coming off unemployment benefits

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4 See, for example, DWP, Ev 143; Centre for Economic and Social Inclusion, Ev 118
5 “Claimant Commitment to spell out what jobseekers must do in return for benefits”, DWP press release, 29 August 2013
6 DWP, Ev 143
7 HC Deb, 26 June 2013, col 315; “Help to Work scheme announced by the government”, HM Treasury press release, 30 September 2013
relatively quickly; and is likely to have more than paid for itself since it was established. In 2013 the National Audit Office found that Jobcentres offer value for money and have proved capable of responding effectively both to policy change and fluctuating claimant numbers during the recent economic downturn. Our starting point in this Report is therefore that JCP should continue to provide a public employment service for the unemployed, broadly along current lines, particularly through the current period of extensive change in the welfare system.

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9 National Audit Office, Responding to change in Jobcentres, HC 955, February 2013
2 Assessing claimants and tailoring employment support

14. Witnesses emphasised that, to be effective, employment support needed to be tailored to a claimant’s particular circumstances. This in turn required an effective initial assessment by JCP of a claimant’s job-readiness, experience and skills, and the identification of any barriers they may have to finding work.

Assessing claimants’ needs and barriers to work

15. The first face-to-face contact job-seeking claimants have with JCP is a “new claimant interview” with a Jobcentre Adviser (some Jobcentre interviews are conducted by Assistant Advisers—in this Report we make no distinction between the two JCP staff grades). These interviews typically last around 40 minutes, during which the Adviser outlines what is expected of the claimant in return for benefit (known as the conditionality regime, see chapter 4) and also tries to build a picture of the claimant’s employment support needs and any barriers which might prevent them from returning quickly to work. After the new claimant interview all claimants are required to attend the Jobcentre at regular intervals to “sign on” (see chapter 3).

16. Witnesses believed that there was considerable scope for JCP to improve its processes for establishing claimants’ potential barriers at the outset of claims. Policy Exchange had conducted research which found that JCP’s administrative system only enabled Jobcentre Advisers to capture information about a claimant’s:

- Personal characteristics, for example: gender; age; and lone parent status;
- Benefit claim history in the last two years i.e. number of days in receipt of a range of benefits; and number of individual claims; and
- Income and capital.11

Witnesses argued that a more thorough initial assessment was crucial if JCP was to focus its resources on those most at risk of longer-term unemployment.12

17. DWP’s written submission did not set out in any detail JCP’s processes for identifying claimants facing particular disadvantages. It merely stated that, as part of regular interviews with claimants, Jobcentre Advisers: “Assess a claimant’s need, including any challenges they face in returning to employment e.g. skills needs, health related support, childcare or adult caring responsibilities and identify options for addressing those needs”. Information gathered during our visits to Ashton-under-Lyne and Oldham Jobcentres suggested that Jobcentres adopt varying approaches. There did not appear to be a single,

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10 DWP, Ev 135
11 Ev 172
12 Q 10 [Matthew Oakley]; Q 69 [Chris Johnes]; Q 162 [Charles Law; Helen Flanagan]
systematic process for identifying barriers and assessing a claimant’s need for more intensive advice and support.

**Categorising claimants**

18. Our May 2013 Report on the Work Programme considered how claimants might be allocated to separate groups according to their level of need for intensive employment support. We recommended that DWP consider an assessment tool along the lines of the Jobseeker Classification Instrument (JSCI), which takes the form of a comprehensive questionnaire designed to assess claimants’ distance from the labour market against some 18 categories of personal circumstances. Claimants are then allocated to one of four separate work streams according to level of need for support. A JSCI has been used in the Australian welfare system for around 15 years and has been through several iterations. A range of witnesses to this inquiry believed that the JSCI was the most effective claimant classification tool currently available.  

19. DWP took a different view. Neil Couling, DWP’s Director of Work Services, believed that a UK jobseeker classification tool which could accurately assess claimants’ likelihood of long-term unemployment was the “holy grail” of employment support. He reported that trials of a JSCI-type tool in the UK had proved unsuccessful: in 2010 DWP had adapted and tested a tool similar to that used in Australia but it “just didn’t work” in the UK context.  

20. However, the conclusions of a recent DWP working paper, which sets out the methodology and results of DWP’s research into the effectiveness of a JSCI approach, were not clear-cut. DWP researchers tested a telephone survey of new JSA claimants, including questions about demographics, work experience, level of education and skills, health and other barriers to working. It should be noted that telephone surveys are discouraged in the Australian system as they are thought to inhibit full disclosure of barriers by claimants in some circumstances. Researchers tracked the claimants for a year and recorded their benefit claim “journeys”, including which claimants remained on benefit for three, six and 12 months. They tested a number of models, employing different sets of data, to see if they could predict which claimants would reach these points in their benefit claims. The best performing model for predicting likelihood of 12 months’ unemployment was “59% of the way between a random model and a model with perfect prediction.”  

21. The working paper highlights the need for a careful analysis of the accuracy of the JSCI approach weighed against the costs of potentially expensive support to address more complex barriers. It also notes potential difficulties in establishing a JSCI in a “live
operational setting”. However, it states that DWP is “undertaking further work in this area […] to inform strategic decision-making about the use of segmentation approaches.”

22. Neil Couling highlighted the fact that DWP would be trialling a different approach to categorising claimants according to their likelihood of long-term unemployment, starting in February 2014, but his view was that it was “the labour market equivalent of cold fusion, […] wonderful if we could do it, but I’m not sure it is actually practical.”

23. DWP’s intentions with regard to “segmentation” were unclear. On the one hand we were told that DWP considered segmentation tools, including the Jobseeker Classification Instrument, to be ineffective and on the other hand we were told that “further work was being undertaken” to test a similar tool. We made recommendations in relation to classification and segmentation of jobseekers in our 2013 report on the Work Programme. It is important that DWP clarify its intentions in this regard.

24. Current processes for establishing claimants’ needs vary between Jobcentres and are prone to missing crucial information about complex barriers to employment. The initial interview between claimant and Jobcentre Adviser is focused largely on the requirements the claimant must fulfil in order to remain in receipt of benefit. This risks overlooking important issues with the work-readiness of the claimant and failure to address these can lead to a longer than necessary period of unemployment, which is detrimental to the claimant and causes increased cost to the taxpayer. We recommend that Jobcentres adopt a more thorough and systematic initial face-to-face assessment of claimants’ barriers to employment to identify the level of employment support they need from Jobcentres and contracted providers. Assessments should be regularly updated during longer claims, and relevant data passed to Work Programme and other contracted providers if claimants are referred on.

25. We further recommend that DWP continue to work to develop a “segmentation” tool, to be conducted by Jobcentre Advisers face-to-face with claimants, to allocate claimants to separate work streams according to their distance from the labour market and relative need for intensive employment support. This tool should be established prior to drawing up the specifications for the re-letting of Work Programme contracts in 2016.

26. A more effective initial face-to-face assessment should also enable a “no initial face-to-face signing on work stream” to be established, in which determinedly job-seeking claimants who are closest to the labour market and likely to return to work quickly with little or no support are, for a limited period, not required to visit the Jobcentre, freeing up time for Jobcentres to support those with greater barriers. We recommend that DWP pursues this approach.

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99 Q 471
Employment support interventions

“Get Britain Working” measures

27. JCP has a range of employment support interventions to which claimants can be referred. Six schemes are grouped together under the brand name “Get Britain Working” (GBW):

- **Work Experience** placements, predominantly for 18–24 year-old claimants, which typically last for between two and eight weeks but can be extended for a further four weeks in some circumstances;

- **Sector-based Work Academies** (SBWAs), which combine an eight-week work experience placement with relevant pre-employment training and a guaranteed job interview in sectors of the local economy with high numbers of vacancies;

- The **New Enterprise Allowance** (NEA) for claimants who wish to start their own businesses;

- **Enterprise Clubs** to encourage claimants who want to start a business to meet others with the same aspiration and local business people to share experiences and get advice;

- **Work Clubs**, run by community-based organisations, offer jobseekers a "place to meet, exchange skills, share experiences, find opportunities, make contacts and get support"; and

- **Work Together**, which provides advice on local volunteering opportunities.

Broadly, witnesses felt that GBW represented a good range of schemes. There were no suggestions of glaring omissions from the suite of available interventions.

28. Our Report on *Youth Unemployment and the Youth Contract*, published in September 2012, highlighted the potential of the JCP Work Experience scheme to help many young people into work, particularly if it was focused on claimants with little or no work history and therefore likely to have a limited chance of finding paid work. We were also supportive of the SBWA approach because it is rooted in local sectors in which real jobs are being created. It also gives jobseekers directly relevant pre-employment training and a guarantee of at least a job interview. We recommended that where possible JCP should prioritise SBWAs.\(^{20}\)

29. Aside from some early evidence of the beneficial effects of the Work Experience scheme, expert witnesses were concerned that not enough was known about the effectiveness of each of the other GBW schemes in relation to employment outcomes. Adam Sharples, who was until 2011 DWP’s Director General for Employment Group,


found it “puzzling” that there was so little publicly available information on the effectiveness of the GBW measures, particularly as some of the schemes, such as the NEA, appeared to be very successful. DWP published an evaluation of the NEA in April 2013 but it was “qualitative in nature, and aimed to understand the experiences and views of those involved in the programme.” It did not include any analysis of quantitative data on employment outcomes.

30. Tony Wilson of the Centre for Economic and Social Inclusion (Inclusion) told us that DWP publishes a regular GBW statistical summary but that it only includes headline figures on the cumulative numbers of claimants taking part in Work Experience, SBWAs and the NEA. Expert witnesses agreed that the schemes ought to be properly evaluated, although Matthew Oakley of Policy Exchange was concerned about the resource implications for DWP of doing so. He suggested that DWP should at least publish “raw data” on the outcomes for claimants taking part in the schemes, so that independent researchers could evaluate their effectiveness.

31. The relative effectiveness of each of the Government’s employment support interventions needs to be more transparent. We recommend that, at the very least, the Government publish raw data on benefit off-flows into employment for claimants taking part in each of the Get Britain Working schemes, to supplement the current publication of headline statistics showing the number of claimants taking up Work Experience, Sector-based Work Academy placements and the New Enterprise Allowance. We also recommend that DWP consider commissioning independent evaluations of the effectiveness of each of the schemes in relation to employment outcomes.

The Flexible Support Fund

32. As part of a drive in recent years towards greater local flexibility in the support offered to jobseekers, Jobcentres have access to a Flexible Support Fund (FSF), which can be used to cover a range of jobseekers’ expenses, for example the travel and childcare costs of attending job interviews, and to purchase external provision, such as education and training courses. Claimants have no absolute right to claim such expenses from the Fund; payments are made at the discretion of local JCP managers (we return to this issue in relation to the Claimant Commitment, in chapter 3).

33. The purpose of the FSF is to allow JCP Advisers greater freedom to tailor back-to-work support to individual and local labour market needs. Total FSF expenditure in 2012–13 was £122.3 million. There is very little other publicly available information about the FSF, for example on national and district level budgets, and how the Fund is used or evaluated. Tony Wilson of Inclusion was “hugely concerned” about a lack of transparency around how the FSF, which he described as a “substantial chunk” of JCP funding, was being used.

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22 HC Deb, 11 July 2013, col 345W
23 Q 33
Adam Sharples agreed that the FSF was “remarkably opaque”. DWP told us that JCP districts monitor use of the FSF for “financial probity and due process”; however, there are “no separate measures of the overall performance impact for FSF”.

34. We recommend that the Government separately evaluate the impacts of the Flexible Support Fund on employment outcomes and identify and disseminate good practice across JCP districts. We also recommend that the Government publish details of Flexible Support Fund budgets and spending at national and district levels as part of DWP’s Annual Report and Accounts.
3 The employment support process

The typical “signing on” process

35. After the initial 40-minute meeting described in the previous chapter, the main interactions JSA claimants have with Jobcentres are regular face-to-face interviews with Jobcentre Advisers, in which compliance with their Jobseekers Agreement (JSAG) is monitored. These interviews typically occur every two weeks and are known within JCP as fortnightly job-search reviews (FJRs) and, more commonly, as “signing on”.

36. The National Audit Office (NAO) has highlighted that Jobcentres have applied a considerable amount of flexibility to the signing on process, for example by cutting the average time of FJRs or conducting interviews over the telephone or in groups, in order to cope with large and fluctuating caseloads. This was particularly the case in the recent economic downturn, during which JCP cut the average time of FJRs from 5–10 minutes to 4–7 minutes.

37. Jobcentres also have flexibility to vary the timing, length and number of more in-depth, work-focused interviews (WFIs), in which Advisers offer support and advice and can refer claimants to external sources of support where appropriate. The NAO found that JCP prioritised compliance-based FJRs over WFIs during the height of the downturn: between 2008–09 and 2009–10 the number of FJRs increased by around a half, while WFIs increased in absolute terms by only 11% and decreased as a proportion of all Jobcentre interviews from a quarter to a fifth.30

38. Witnesses, including the PCS union and Inclusion, were concerned that JCP’s predominant focus was now on compliance monitoring with less attention given to meaningful and in-depth employment advice and support. Inclusion called for JCP to “re-balance their relationship with claimants [...] towards offering higher levels of positive support.”31 In the 2013 Spending Round, which set out plans for financial year 2015–16, the Government announced a return to WFIs at specific points in claims (see chapter 7).

The Claimant Commitment

39. The Claimant Commitment was designed as part of Universal Credit (UC) but DWP has taken the decision to apply it to JSA claimants ahead of the slower than anticipated implementation of UC (see below). DWP started to apply the Claimant Commitment in around 100 Jobcentres per month from October 2013 and it is expected to replace the JSAG across the whole Jobcentre network by late spring 2014.

40. The key aim of the Claimant Commitment is to more clearly and specifically set out what claimants must do to try to find work: each claimant “will be given a weekly timetable of tasks to complete”. Launching the Claimant Commitment for new JSA claimants in October 2013, the Minister for Employment (Esther McVey MP) said:

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30 National Audit Office, Responding to change in Jobcentres, HC 955, February 2013
31 Ev 115
The Claimant Commitment marks the start of a redefinition of the relationship between the welfare state and claimants. In return for state support, we expect claimants to do all they can to meet their responsibilities to return to work.

It also strengthens the ability of Jobcentre Plus staff to support claimants back into work at the earliest opportunity. Work coaches and jobseekers will agree regular specific tasks and training opportunities and the penalties claimants could face for failing to meet their responsibilities to get into work will be clearly spelt out.\(^{32}\)

41. Under the Universal Credit Regulations 2013, UC claimants can be required to commit to up to 35 hours of job-searching activity per week—exceptions are made for jobseekers with caring responsibilities and those with physical or mental health conditions or disabilities.\(^{33}\) The Government’s intention is to instil in the majority of unemployed claimants the notion that “looking for work is a full-time job”.\(^{34}\)

42. During our visit to the North West of England, JCP staff told us that the Claimant Commitment was an improvement on the JSAG as it enabled them, and claimants, to set out more specific and measurable job-search activities; in contrast, the JSAG often simply stipulates that the claimant complete two or three job-search activities per week. However, staff also reported that there was a high volume of claimants who were finding it difficult to fulfil the terms of their Claimant Commitment, particularly the requirement to spend 35 hours per week looking for work.

43. Some witnesses believed it was important that JCP take care in how it “operationalised” the full-time job-search requirement. Adam Sharples told us that JCP had taken positive steps in recent years towards a greater focus on outcomes rather than processes. Tony Wilson argued that JCP needed to avoid process-driven, box-ticking behaviour. He highlighted research undertaken by the Cabinet Office Behavioural Insights Team (BIT, often called the “Nudge Unit”) in Loughton Jobcentre, where BIT had piloted a new approach to the FJR process. This offered “a different form of intervention with more time” and in which the claimant is asked to “set out what you are going to do, verbalise what you are going to do, come back two weeks later and discuss whether you have done it or change your objectives, go out and do it again.” He believed that the trial had achieved better outcomes as a result of this “more focused one-to-one engagement” between Jobcentre Adviser and claimant.\(^{35}\) The trial achieved a 15–20% increase in off-flow from benefits at 13 weeks of claim.\(^{36}\)

44. The Minister told us that monitoring compliance with the Claimant Commitment would include Jobcentre Advisers checking job-search activities such as: how many jobs claimants had applied for; and how many interviews they had attended.\(^{37}\) Neil Couling

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\(^{32}\) “Jobseekers to start signing new Claimant Commitment today”, DWP press release, 14 October 2013

\(^{33}\) The Universal Credit Regulations 2013

\(^{34}\) “Claimant Commitment to spell out what jobseekers must do in return for benefits”, DWP press release, 29 August 2013

\(^{35}\) Q 17

\(^{36}\) http://blogs.cabinetoffice.gov.uk/behavioural-insights-team/2012/12/14/new-bit-trial-results-helping-people-back-into-work/

\(^{37}\) Q 516
confirmed that claimants would be expected to keep a diary of their job-search activities but indicated that Jobcentre Advisers would not set strict minimum expectations on the number of hours to be spent looking for work. JCP had taken the Nudge Unit research into account and the Claimant Commitment was intended to be “much more of a discussion” between claimant and Adviser. The approach being adopted was a “hybrid” of the Nudge Unit approach and that used in the UC Pathfinders and would be evaluated as it is rolled out over the next few months.38

45. The trial undertaken in Loughton Jobcentre using a different approach to the fortnightly job-search review was not only different insofar as it was about future rather than past activities; it also involved the Jobcentre Adviser spending more time with the claimant. Evaluation of the trial must take this into account.

46. Claimants are required to make themselves available for jobs within a radius of 90 minutes’ travel time from their homes. We were concerned that 35 hours per week job-searching might increase travel expenses incurred by claimants and that some might therefore struggle to afford “full-time” job-seeking. As noted in the previous chapter, claimants have no absolute right to claim travel expenses from the FSF.

47. The Minister assured us that reasonable travel expenses would be available through the FSF for those claimants who needed them. Neil Couling said that in his experience claims for travel expenses tended to be turned down only where JCP had some doubt about whether the claim was related to a genuine job opportunity. In general, claims for travel within the 90 minute area would be met. The Minister indicated that, when recording time spent looking for work, claimants could legitimately include time spent travelling to and from an interview, as well as the time spent at the interview itself.39

48. We welcome the introduction of the Claimant Commitment and the greater clarity and support for claimants that it should bring. We consider that to be fully effective it should represent a discussion between the claimant and the Jobcentre Adviser. It would be highly regrettable if the Claimant Commitment resulted in a process-driven, box-ticking exercise in which Jobcentre Advisers measure the length of time claimants spend searching for jobs, regardless of the likely effectiveness of the job-search activities undertaken. We recommend that guidance on this issue is set out clearly for Jobcentre staff.

Improving ongoing support through online processes

Universal Credit

49. The original intention for UC was that almost all claimants would make and manage their claims online. One of the policy intentions of this “digital by default” approach within UC was to produce efficiencies in benefits administration processes.40

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38 Q 518
39 Q 516
40 Work and Pensions Committee, Universal Credit implementation: meeting the needs of vulnerable claimants, Third Report of Session 2012–13, HC 576, para 17 [Hereafter, Committee’s Universal Credit Report]
50. Adam Sharples noted that there had already been significant progress in online claiming of JSA.\(^{41}\) Recent figures show that 84.2% of JSA claims made in October 2013 were made online.\(^{42}\) He believed that online management of ongoing UC claims had the potential to achieve greater efficiencies, with less need for manual intervention from JCP staff in the event of changes in circumstances as UC rolls out.\(^{43}\)

51. However, it should be noted that the implementation of UC, and the requisite IT, has proceeded at a far slower pace than originally intended. An initial Pathfinder began in four Jobcentres in Greater Manchester in April 2013. Claims in the Pathfinder Jobcentres were initially restricted to relatively simple new claims from single, childless claimants who would otherwise have been eligible for JSA. The first phase of national implementation was originally scheduled to start in October 2013—and be fully completed in 2017—but was scaled back to include only six further Pathfinder Jobcentres and initially restricted to the same simple types of claim.\(^{44}\)

52. The NAO reported in September 2013 that DWP “does not yet know to what extent its new IT systems will support national roll-out.” It found that the Pathfinder systems had limited functionality and did not yet allow claimants to report changes of circumstances online.\(^{45}\) In oral evidence on UC implementation on 9 December, Howard Shiplee, DWP’s Senior Responsible Officer for UC, confirmed that IT systems could not currently support online management of claims and that the development of a system which could do so might “take some considerable time.”\(^{46}\)

53. DWP set out its plans for the next implementation phase of UC in a Written Statement on 5 December 2013, after we had concluded taking evidence for this inquiry. It will start to test the functionality of the UC system in relation to couples, from summer 2014, and families from autumn 2014, in the 10 Pathfinder Jobcentres. DWP’s current “planning assumption” is that a UC service will be: “fully available in each part of Great Britain during 2016, having closed down new claims to the legacy benefits it replaced; with the majority of the remaining legacy caseload moving to Universal Credit during 2016 and 2017.”\(^{47}\) The Secretary of State confirmed in oral evidence on UC implementation that about 700,000 ESA claimants would not migrate to UC until after 2017.\(^{48}\)

**Universal Jobmatch**

54. JCP’s system for advertising local job vacancies to benefit claimants has developed considerably in recent years with advances in technology. It has moved from a system of vacancies on cards displayed on boards in Jobcentres to vacancy databases accessed through computer terminals, known as “job points”, in Jobcentres. The most recent

\(^{41}\) Q 56  
\(^{42}\) DWP, *Business plan transparency measures*, December 2013, para 15.1  
\(^{43}\) Q 56  
\(^{44}\) HC Deb, 10 July 2013, col 22WS  
\(^{45}\) National Audit Office, *Universal Credit: early progress*, HC 621, September 2013  
\(^{46}\) Q 31  
\(^{47}\) HC Deb, 5 December 2013, col 65WS  
\(^{48}\) Oral evidence taken on 9 December 2013, HC (2013-14) 867, Q 53
development is the introduction, from November 2012, of Universal Jobmatch (UJ), which is both an online vacancy database and a recruitment website on which benefit claimants, and other jobseekers, can search for and apply for jobs.49

55. Claimants are required to register with the website as a condition of receipt of benefit and their online job-search activity can be monitored by Jobcentre Advisers. JCP staff in Greater Manchester confirmed during our visit that claimants who did not wish to record their activities on UJ, or did not wish to allow Advisers to view their online activity, had the option to bring in their activity record in hard copy to the Jobcentre. However, all claimants were encouraged to create a CV and upload it to the UJ site so that it could be easily sent to employers.

56. A number of witnesses agreed that UJ represented a considerable improvement on the previous system. Matthew Oakley of Policy Exchange believed that a key potential benefit of utilising technology in this way was that it could enable Jobcentre Advisers to monitor claimants’ job-search activity more proactively between interviews with claimants and therefore facilitate a more “interactive” and personalised approach to employment support during interviews.50 Jobcentre staff also highlighted this benefit of the new system during our visit to Greater Manchester.

57. Adam Sharples believed that UJ had “the basis of a very useful and quite sophisticated system” but that there were a number of ways in which it might be further developed in the future. His view was that a more developed system could have “huge potential”:

   [...] if when you signed on, you were given your own account with access to a library of training material, videos, online tools for job search and CV templates, you could imagine a world in which the whole process of job search was so much more helpful, friendly and sophisticated than it is now with your chance to go in and see a Jobcentre Plus Adviser for three minutes once a fortnight.51

We discuss the current functionality of the Universal Jobmatch system, in relation to supporting an effective and flexible labour market, in more detail in chapter 5.

58. Universal Jobmatch has great potential to facilitate effective job-search. We recommend that DWP guidance to Jobcentre staff makes clear that Universal Jobmatch should be promoted to claimants as a potentially effective tool to find work, and that Jobcentre staff should provide advice and support on getting the best out of the system. Universal Jobmatch also provides a useful tool for monitoring claimants’ compliance with benefits conditionality. However, we recommend that guidance makes clear that this is a secondary function, with the emphasis on the benefits of using Universal Jobmatch to monitor compliance between claimant interviews, freeing up more time for advice and support during interviews. We also recommend that DWP explore the potential for increased functionality of Universal Jobmatch, particularly in the areas of assessing quality of CVs and the likelihood of success of job applications, to ensure that claimants’ job-search activities are focussed and effective.

49 Centre for Economic and Social Inclusion, Ev 112
50 Q 58
51 Q 56
Support for vulnerable claimants

59. In our November 2012 Report on Universal Credit we concluded that there would be a significant increase in demand from claimants for advice and support services in the transition to the new benefit. We recommended that DWP quantify and provide the extra resources necessary to ensure the successful implementation of the new benefit for all claimants, including the most vulnerable.\(^52\)

60. DWP has taken significant steps to provide online access and support for claimants in Jobcentres. The job-points used by claimants to access the old JCP vacancy system are currently being replaced by computer terminals, known as Internet Access Devices (IADs). Around 9,000 IADs are being installed across the network of 719 Jobcentres.\(^53\) The Minister for Welfare Reform (Lord Freud) told us in December that Wi-fi access was now being made available in Jobcentres.\(^54\) During our visit to Greater Manchester we heard about plans for a “digital Jobcentre” in Oldham (see chapter 7).

The Local Support Services Framework (LSSF)

61. In February 2013 DWP published, with the Local Government Association (LGA), the Local Support Services Framework (LSSF), a document which broadly sets out the types of advice and support services likely to be required as UC rolls out and how they might be delivered through local partnerships including JCP, local authorities and community-based providers. It was explicitly only an outline, the “start of a conversation” about how benefit support services might be delivered in the future.

62. The stated intention is to provide “better support under UC than has ever been available before.” The LSSF states that the existing benefits system involves a large number of organisations delivering advice and support across the range of working-age benefits. It assumes that some of this support will no longer be required under UC and states that therefore “UC creates the opportunity for support organisations to focus more of their resources on higher value-added activity aimed at helping people overcome their barriers to becoming self-sufficient and independent of State support”.\(^55\)

63. The LSSF recognises that a significant proportion of claimants will require support in at least two key areas: coping with the online application and claims management processes; and opening a bank account and managing household budgets after the move to a single monthly benefit payment. It highlights the need to identify vulnerable claimants—for example, homeless people, those with addiction or mental health problems and people with learning difficulties—who may be in particular need of assistance.\(^56\)

64. Some witnesses argued that JCP should take a much broader approach, establishing closer links with a diverse range of local services which are involved in tackling not just digital and financial exclusion but also the range of social and health issues which can

\(^{52}\) Committee’s Universal Credit Report
\(^{53}\) HC Deb, 10 July 2013, col 22 WS
\(^{54}\) Oral evidence taken on 9 December 2013, HC (2013–14) 867, Q 75
\(^{55}\) DWP/LGA, Universal Credit: Local Support Services Framework, February 2013, p 6
\(^{56}\) Ibid., p 9
contribute to worklessness. Chris Johnes of Oxfam argued that particularly disadvantaged jobseekers required help to address these types of problems before they could think about returning to work. Jobcentre staff in Ashton-under-Lyne and Oldham told us that they were increasingly building working relationships with local support services, for example hostels, probation officers, local authority welfare advisers and Registered Social Landlords, as part of their response to the current welfare reforms.

65. The LGA believed that the LSSF, as a broad framework, provided a “huge opportunity” to improve support services for benefit claimants. Its vision was of “a locally commissioned and very diversely sourced range of support”. However, it was unable to describe in any detail which types of services would be delivered and by which organisations. London Councils told us that it was unable to give its full backing to the approach because the current LSSF lacked detail and clarity. Both the LGA and London Councils told us that they urgently needed information about how the LSSF would be funded because councils would soon need to set their budgets for 2014–15. Councillor Sharon Taylor of the LGA told us that: “the sooner we can have the information around the funding of this, the sooner and better we will be able to plan for what our role is going to be”. 58

66. Citizens Advice acknowledged that the slower than anticipated roll out of UC would offer the opportunity to more fully develop the LSSF. However, it also highlighted that, without “any strong sense” of available funding levels, it was “impossible” for local authorities and advice organisations to start planning.

67. DWP published an updated document, Local Support Services Update and Trialling Plan, on 6 December 2013. This is not yet a comprehensive LSSF to support national roll out of UC; it is “an interim document” which reflects the slower than anticipated implementation timetable outlined above. The document focuses on provision of online and budgeting support but also lists support for claimants with “complex needs” within the scope of the framework. It states that “different arrangements for partnership working, financial management [and] the effective delivery of front line services” will be tested over the course of 2014. A further LSSF document will be published in Autumn 2014, “to allow local partnerships to plan their services for the 2015–16 financial year and beyond.” 60

68. We welcome steps taken by DWP to improve online access and support for claimants—this will be crucial in the roll out of Universal Credit. However, DWP has been slow to produce a detailed framework for the delivery of a comprehensive range of Universal Credit support services, and there remains a lack of clarity about how these services will be funded or what JCP’s role will be in delivering or coordinating them. We believe that a diverse range of services, which go beyond online support and help with budgeting, will be necessary if the Government is to achieve its aim of “better support under Universal Credit than has ever been available before.”
The slower than anticipated roll out affords Jobcentres the opportunity to build strong relationships with a range of local services to support claimants in the transition to Universal Credit and beyond. We recommend that DWP identifies good practice in building local services and disseminates this across the Jobcentre network as the Universal Credit Pathfinders are expanded through 2014.

The Local Support Services Framework, now due to be published in Autumn 2014, will set out the agreed process for providing support to claimants. We request an assurance from DWP that this will be a comprehensive document, which provides a best practice framework for the provision of a diverse range of support services and sets out a robust plan for how these services will be funded and delivered nationally from financial year 2015–16, so that local authorities are able to make budgeting decisions and commission services.

Support for claimants with health conditions and disabilities

Over half (53.2%) of all working-age disabled people in the UK were either unemployed or economically inactive in the fourth quarter of 2012, the most recent period for which data are available. The very difficult challenges of supporting jobseekers with disabilities and health conditions into work have recently been highlighted by the poor performance of the Work Programme in relation to ESA claimants.

A number of witnesses highlighted with concern the relative lack of JCP resources devoted to supporting ESA claimants. Jobcentres have specialist Disability Employment Advisers (DEAs) but some witnesses believed that there were insufficient DEAs to support the ESA caseload: there are around 900 DEAs spread across JCP’s 719 Jobcentres. The total ESA caseload, excluding those in the process of being assessed, is around 1.2 million, of which 546,000 are in the ESA Work-Related Activity Group (WRAG) and likely to be subject to some level of job-seeking or work-preparation conditionality, depending on their prognosis. Therefore the ratio of DEAs to ESA claimants requiring some level of employment support is over 600 to one. The average JSA caseload is around 140 claimants per Adviser.

Tony Wilson of Inclusion noted that ESA claimants typically attend a Jobcentre no more than twice a year and therefore "do not really have any engagement with a personal adviser", prior to referral to the Work Programme or Work Choice. He argued that employment support for ESA claimants should be a priority for the Government, as this is the group at greatest risk of being overlooked:

95% of people on ESA are not in the Work Programme, are not in Work Choice and if they are seen by Jobcentre Plus they are seen every six months. That is a group,
among others, where we should be increasing resources, looking at how we can use resource more flexibly. If that means, therefore, spending less time with more employable job seekers, those are the trade-offs we need to consider. 68

74. Following the particularly poor job outcome performance of the Work Programme in relation to ESA claimants, the Government recently announced three new pilots to test approaches to employment support for this group. A group of ESA WRAG claimants in central England “will be required to have regular meetings with healthcare professionals to help them address their barriers to work—or face losing their benefits”. The effectiveness of the healthcare professional-led approach will be compared against two other pilots: in southern England a group of ESA WRAG claimants will receive “enhanced support from JCP”; and in the North East of England a group will receive increased help from Work Programme providers. In all, around 8,300 claimants are expected to take part in the three separate pilots, which are due to be completed in August 2016. 69 We expect to return to the issue of specialist employment support for unemployed people with disabilities later in 2014.

75. The Government has recognised the need to improve employment provision for Employment and Support Allowance Work Related Activity Group (ESA WRAG) claimants. However, the current ratio of one specialist Jobcentre Disability Employment Adviser (DEA) to more than 600 ESA WRAG claimants is unacceptably high. We welcome the three new pilots designed to test the relative effectiveness of support provided by: healthcare professionals; JCP; and Work Programme providers. However, the pilots will include only around 8,300 claimants, from a caseload of over 540,000, and will not be completed until 2016. This means that the very large majority of ESA WRAG claimants will continue to rely on standard Jobcentre support which often amounts to no more than two interviews with an Adviser each year. We recommend that urgent action is taken to improve the level of JCP support for job-seeking claimants with health conditions and disabilities, including by addressing the unacceptably high ESA WRAG caseloads per DEA.

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68 Q 18
69 “Pilot schemes to help people on sickness benefits back to work”, DWP press release, 4 November 2013
4 Enforcing the responsibilities of claimants

Benefit conditionality and sanctioning

76. Conditions have always been applied to the payment of unemployment benefits. The concept of a conditionality regime enforced by financial sanctions—i.e. stopping benefit payments for a limited period—for claimants who fail to comply with the rules dates from the 1980s. The system has been strengthened a number of times in recent decades and broadened to apply to a greater proportion of the workless population—there are now requirements on some claimants with ill-health and disabilities and lone parents with young children to at least prepare for a return to work, for example.70

77. For a typical claimant the conditions for continued entitlement to JSA include: signing a JSAG; actively seeking employment; being available for at least 40 hours work per week; attending the Jobcentre as required (as noted in chapter 3, most JSA claimants are currently required to attend fortnightly); applying for any job notified to them by a Jobcentre Adviser; and completing any relevant job-search activity as directed. Exceptions and flexibilities apply to claimants with ill-health or disabilities which limit their capacity to work and to people with caring responsibilities.71

78. Under Universal Credit the conditions are broadly similar but with reduced powers for Jobcentre staff to apply discretion.72 As noted in the previous chapter, the Claimant Commitment potentially adds a layer of conditionality in that it enables Jobcentre staff to require claimants to spend 35 hours per week looking for work.

79. In our Report on Universal Credit implementation we concluded that conditionality has an important role to play but that the strict conditionality inherent in the Claimant Commitment should be balanced by meaningful employment support for claimants. We noted that there is little evidence that sanctions strengthen work incentives on their own; our view was that sanctions should therefore be used primarily as a deterrent and a last resort.73

80. We reiterate our view that conditionality is a necessary part of the benefits system and that sanctioning, if used appropriately, can be a useful tool for encouraging engagement with employment support. Sanctions should be used primarily for this purpose and as a last resort. Strict conditionality regimes should be balanced by meaningful and in-depth advice and support from JCP for those who need it.

Welfare Reform Act 2012: tougher sanctions

81. Prior to the Welfare Reform Act 2012 coming into force, the maximum period for which a claimant’s benefit could be stopped for a breach of the rules was six months. New rules which came into force following the Act increased the maximum period of a JSA

30 Dr David Webster, Ev w91
31 DWP, Ev 141
32 Centre for Economic and Social Inclusion, Ev 117
33 Committee’s Universal Credit Report, paras 182–183
benefit sanction to three years. Sanctions are applied according to the seriousness of the infraction as follows:

- Low level failures, including failure to complete a specific action as directed by a Jobcentre Adviser, can result in a one month sanction or three month sanction for a repeat offence;

- Intermediate failures include a more general failure to actively seek work or failure to be available for work and can result in disentitlement to benefit. If claimants re-apply, no benefit is payable for one month after a first failure and three months for a second or subsequent failure; and

- High level failures, including failure to accept a reasonable job offer or leaving a job voluntarily, can result in the longest “sanction”, which is effectively disentitlement to benefit for three years.\(^{74}\)

82. The Act also strengthened ESA sanctions. Under the previous system ESA WRAG claimants who failed to attend a Jobcentre appointment, or who failed to carry out agreed work-related activity, could be subject to an open-ended sanction. The sanction amount was 50% of the work-related activity component of their benefit (i.e. around £14 per week), increasing to 100% (£28.15 per week) of the component after four weeks. Under this regime full benefit was reinstated as soon as the claimant recommenced compliance with the conditions.

83. Under the new rules, ESA WRAG claimants who fail to comply can receive the same open-ended sanction of their work-related activity component while they fail to comply, followed by a fixed period sanction once they start to comply again. The fixed period sanction is one week for a first failure, two weeks for a second failure and four weeks for third and subsequent failures in a 52 week period. The fixed period sanction is loss of the claimant’s entire ESA basic component (£71 per week). The claimant’s work-related activity component is unaffected under the new rules.\(^{75}\)

84. For both JSA and ESA, Jobcentre Advisers are responsible for referring claimants for a sanction where they believe the claimant has failed to meet the conditions of benefit—known as “raising a doubt”. The decision about whether a sanction should be applied rests with a DWP Labour Market Decision Maker, who is independent of the employment support process, following the rules as set out in legislation and several internal staff guidance documents.\(^{76}\)

### Increasing prevalence of sanctioning

85. Research by Dr David Webster of the University of Glasgow shows that the prevalence of sanctions increased in the period 2008–2012. Dr Webster highlighted the “common misconception” that sanctions only affect a very small minority of claimants—his research found that around one fifth (19%) of all JSA claimants in the period April 2008 to March

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\(^{74}\) "Choosing a life on benefits is no longer an option", DWP press release, 22 October 2012

\(^{75}\) www.dwp.gov.uk/adviser/updates/esa-sanction-changes/ [accessed 5 December 2013]

\(^{76}\) DWP, Ev 141; See also, HC Deb 18 November 2014, col 674W
2012 were sanctioned (1.4 million people). He also noted that, as there are around twice as many sanction referrals as there are “adverse decisions” resulting in a claimant’s benefit actually being stopped, around 3 million people were “threatened” with a sanction in the same period. Sanctioning rates in the year to October 2012 were 4.2% of all JSA claimants per month. For JSA claimants aged 18–24 the rate was 8% per month.\(^{77}\)

86. The latest release of official data, covering the period from the introduction of the tougher regimes in late 2012 to June 2013, shows that sanctioning rates have increased further. The proportion of all JSA claimants being sanctioned each month increased to around 5%. In total there were 553,000 JSA sanctions applied, an increase of nearly 11% on the same period in 2011–12. There were 11,400 ESA sanctions applied in the period from the introduction of the tougher ESA regime in December 2012 to June 2013. This is nearly double the number in the same period in 2011–12.\(^{78}\) Dr Webster pointed out that the number of sanctions in the year to 30 June 2013 was around 860,000, the highest number in any 12-month period since statistics began to be published in their present form in April 2000.\(^{79}\)

**Reported inappropriate sanction referrals**

87. Most witnesses accepted that conditionality regimes were necessary and that sanctioning of benefits was the most practicable method of enforcing a conditionality regime—a notable exception was the PCS union, representing Jobcentre staff, which was of the view that sanctioning “does not work in terms of getting people into work.”\(^{80}\)

88. However, witnesses also believed that Jobcentre staff were too quick to raise doubts and make sanction referrals without applying due discretion. We were provided with a number of real life examples of referrals which appeared to be inappropriate. These included referrals made for missing Jobcentre appointments despite claimants having good cause and informing the Jobcentre of the reason.\(^{81}\) Citizens Advice reported an example of a claimant referred for a sanction for not actively seeking work in the period between finding a job and starting that job.\(^{82}\)

89. The PCS union reported that Jobcentre staff were being put under pressure by management to increase sanctioning rates. DWP has strongly denied the existence of any national or local targets for sanctioning—following an investigation and report to the Secretary of State on the issue carried out by Neil Couling. However, PCS believed that the Department had “expectations” about the appropriate level of sanctioning and that these were “targets by another name”. The PCS also highlighted that Jobcentre staff whose sanctioning rates were not meeting expectations were subject to an “improvement plan”—

\(^{77}\) Ev w90

\(^{78}\) DWP, *Jobseeker’s Allowance and Employment and Support Allowance Sanctions—decisions made to June 2013, GB, 6 November 2013

\(^{79}\) Ev w111

\(^{80}\) Q 205 [Charles Law]

\(^{81}\) Church Action on Poverty, Ev 123; Citizens Advice Scotland, Ev w8

formal performance management proceedings. The Minister for Employment recently confirmed that the number of sanction referrals made by Jobcentre Advisers is part of a “variety of performance data” used to monitor Advisers’ performance.

90. Neil Couling told us that he and the Department had an expectation that people would be sanctioned, “because that is the law” and “public servants are meant to follow the law.” DWP monitored sanctioning rates to highlight and investigate anomalies with a view to ensuring that sanctions were being properly and consistently applied across the Jobcentre network. In the course of his investigation into the alleged existence of sanctioning targets, he had found variations in sanctioning rates between different Jobcentres which he was seeking to address.

91. Under the new rules introduced in late 2012, the number of sanctions has increased to the extent that some 5% of all Jobseekers Allowance claimants are sanctioned every month. Some 860,000 Jobseekers Allowance claimants were sanctioned in the year to June 2013, the highest number in any 12-month period since at least April 2000. Our evidence suggests that many claimants have been referred for a sanction inappropriately or in circumstances in which common sense would suggest that discretion should have been applied by Jobcentre staff.

The link between sanctioning and benefit off-flow

92. Several witnesses noted the risk that Jobcentre staff might see sanctions as positive outcomes in themselves, particularly as JCP performance is measured primarily against the proportion of claimants coming off benefit by specific points in claims (known as benefit off-flow, see chapter 5). The concern was that Jobcentre staff might see sanctioning, and other actions which discourage people from claiming benefits, as a route to achieving off-flow performance targets. Inclusion believed that such behaviour was unlikely to be widespread but noted that it had occurred when similar targets were in place in the 1980s.

93. The Minister implied that the risk was minimal because, when you are under a sanction, “So long as you continue signing on, you are not taken off the claimant count.” We asked DWP to clarify whether in fact a claimant could be required to continue to sign on if they were not receiving benefit because of a sanction. We also asked DWP to provide data on the number and proportion of sanctioned claimants who do not continue to sign on during the period of the sanction or for longer periods. The response we received merely confirmed that sanctioned claimants come off the claimant count only if they become disentitled to benefit because they choose not to sign on during a sanction period. DWP was unable to provide any information on the number or proportion of sanctioned claimants who choose this course of action. The impact of sanctioning on benefit off-flow therefore remains unclear.
The impacts of sanctioning on claimants

94. Some witnesses were concerned that sanctions were leading to severe financial hardship for some claimants. Most notably, Church Action on Poverty (CAOP) and Oxfam reported that financial hardship due to sanctioning was a significant factor in a recent rise in referrals to food banks. A joint CAOP/Oxfam report published in May 2013 estimated that 500,000 people in the UK were “reliant on food aid”. The report estimates that “up to half” of people who turn to food banks do so “as a direct result of having benefit payments delayed, reduced, or withdrawn altogether.”

95. The Trussell Trust, a charitable organisation which runs the largest chain of food banks in the UK, reported in October 2013 that it had received 350,000 referrals to its food aid in April to September 2013, a threefold increase on the same period in 2012. It has previously published statistics which show that changes to benefit payments, including sanctions, are the third most commonly reported reason for referral to food aid, accounting for 15% of referrals in 2011–12.

96. DWP has stated that Jobcentres “signpost” claimants to food aid where appropriate. However, there are no official data on referrals to food aid or on how many referrals are related to financial hardship caused by benefit sanctions. Ministers have also stated that the Department does not currently collect or collate data on the number of claimants signposted to food aid by Jobcentres. However, in oral evidence, the Minister reported that she believed that DWP was “doing a lot of information gathering into why people present themselves at food banks”.

97. We recommend that DWP take urgent steps to monitor the extent of financial hardship caused by benefit sanctions, including by collecting, collating and publishing data on the number of claimants “signposted” to food aid by Jobcentres and the reasons for claimants’ need for assistance in these cases.

Monitoring the conditionality regimes

98. On 15 May 2013, DWP set out terms of reference for an independent review of the JSA conditionality and sanctions process. An independent review of the operation of the sanctions regime is required by the Jobseekers (Back to Work Schemes) Act 2013. The independent review’s report will be presented to the Secretary of State as soon as reasonably practicable after 26 March 2014. The terms of reference for the review include:

- The clarity of information on conditionality provided to JSA claimants;
- The options available to claimants who are sanctioned, including the availability of hardship payments; and

89 Church Action on Poverty/Oxfam, Walking the breadline: the scandal of food poverty in 21st Century Britain, May 2013
88 “Tripling in foodbank usage sparks Trussell Trust to call for an inquiry”, Trussell Trust press release, 16 October 2013; See also, www.trusselltrust.org/stats
91 HC Deb, 5 June 2013, col 1204W; HC Deb, 14 October 2013, col 490W
92 Q 572
The clarity of the review and appeals process.\textsuperscript{93}

99. In oral evidence the Minster told us that she was committed to establishing a further independent review to investigate whether sanctions were being applied proportionately.\textsuperscript{94}

100. It is important that JCP makes fair and proportionate sanction referrals and that the process is transparent. We welcome the current independent review which will focus on the clarity of communications between JCP and claimants in relation to the conditionality and sanctioning process; the availability of hardship payments for sanctioned claimants; and the clarity of the review and appeals process. We strongly believe that a further review is necessary and welcome the Minister’s commitment to launch a second and separate review into the broader operation of the sanctioning process.

101. We recommend that the second review of sanctions investigate: whether sanction referrals are being made appropriately, fairly and proportionately, in accordance with the relevant Regulations and guidance, across the Jobcentre network; and the link between sanctioning and benefit off-flow, including whether benefit off-flow targets have an influence on sanctioning rates. We also recommend that this review consider whether, and to what extent, the use of sanctions is having the desired effect of encouraging claimants to engage more actively in job-seeking. We further recommend that this review is launched as a matter of urgency and reports before the end of 2014.

\textsuperscript{93} “Independent reviewer of benefit sanctions announced”, DWP press release, 19 September 2013
\textsuperscript{94} Q 574
5 Supporting an efficient and flexible labour market

Measuring JCP performance

Benefit off-flows

102. Prior to April 2011, JCP performance was measured against a range of indicators including the proportion of claimants leaving unemployment benefits to enter work and activity measures such as the number of Adviser interviews. In April 2011 DWP simplified JCP’s Key Performance Indicators. Its aim was to move away from activity measures because they “reduced focus on outcomes” and it was difficult to assess the real value of each separate activity. JCP performance is now primarily measured simply by the proportion of claimants who have left benefit by the 13th, 26th, 39th and 52nd weeks of claims.95

103. As we noted at the outset of this Report, JCP has a good record of helping the large majority of claimants to come off unemployment benefits relatively quickly. Around 75% of JSA claimants come off benefit within six months, for example.96 The Minister for Employment has highlighted that almost 90% of JSA claimants are off benefit within 12 months of their claim.97

The risks of a primary focus on benefit off-flows

104. In February 2013, the NAO highlighted the risks of a primary focus on benefit off-flows, including perverse target-driven behaviour such as prioritising those claimants most likely to contribute to the achievement of targets in the short term. JCP staff might feel under pressure to concentrate on claimants approaching their 13th, 26th, 39th or 52nd weeks on benefit. They may choose to prioritise more job-ready claimants, whom they believe will be easiest to take off benefit quickly, to the detriment of claimants who are more in need of their attention. As noted in chapter 4, there might also be a risk that JCP staff could see sanctions as positive outcomes in themselves. It should be noted that it was not clear from the NAO’s research whether the benefit off-flow performance measures had in fact led to these perverse behaviours.98

105. Nevertheless, a key point highlighted by the NAO, and echoed by a range of witnesses to our inquiry, was that benefit off-flow rates do not necessarily reflect positive outcomes.99 There are a number of reasons why claimants might leave benefit without entering work, including: coming to the end of their time-limited period of contribution-based benefit;

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95 National Audit Office, Responding to change in jobcentres, HC 955, February 2013, paras 2.2-2.3
97 HC Deb, 10 October 2013, col 170WH
98 National Audit Office, Responding to change in jobcentres, HC 955, February 2013
99 Q 16
transferring to another benefit; withdrawing from the benefits system altogether, possibly as a result of sanctioning; or being imprisoned.

106. DWP’s own figures show that, of the 2.88 million people who left JSA within 12 months of their claim in August 2011 to July 2012: 667,000 (23.2%) “flowed back on to benefit or left the active labour market e.g. retired”; and 534,500 (18.5%) “found work”. In the remainder of cases (1.68 million (58.3%)) DWP were not aware of the claimant’s destination. In the course of its research the NAO found that in 40% of cases JCP did not record the reason why a claimant had left benefit. One of its key conclusions was that “Simply measuring how many people end their claims for benefits does not reveal the true impact of jobcentre services.”

107. However, DWP defended its use of off-flows as JCP’S key performance measure. It highlighted survey evidence that a large majority (68%) of claimants leaving benefit do so initially to enter paid work. DWP therefore considers off-flow to be a reasonably good indicator of positive outcomes. Neil Couling argued that off-flow targets are part of a “very successful, very active system at the moment”.

**Measuring benefit off-flow into work**

108. Some witnesses appreciated the logic of JCP concentrating on benefit off-flows and believed that DWP had taken a pragmatic decision to measure what can most easily and accurately be measured within the current system. Adam Sharples noted that previous attempts to measure “job entries” by people leaving benefit had involved a “team of several hundred people” phoning employers to check that ex-claimants were in paid work. Another attempt to measure employment outcomes had involved cross-checking off-benefit data with PAYE income tax data. Phoning employers was thought to be an inefficient use of resources. Measuring performance by tracking outcomes through the tax system could only be done with a twelve-month delay, which Tony Wilson described as “like driving a car by looking in the rear-view mirror”.

**Measuring sustained job outcomes**

109. Policy Exchange drew on the same survey evidence cited by DWP to argue that JCP’s approach tended to produce short-term outputs. For example, it noted that the latest destinations survey findings showed that “just 36% of JSA claimants will find a job within six months and remain employed for the following seven or eight months.” It believed that JCP’s short-term focus was resulting in many claimants coming on and off benefits for short periods, in what it termed a “low pay, no pay cycle.” Policy Exchange and other
witnesses argued that JCP performance should be measured in relation to sustained employment outcomes.106

110. However, some witnesses highlighted the current difficulty of measuring sustained job outcomes. Tony Wilson noted that Work Programme providers, who are paid for achieving sustained job outcomes for long-term unemployed claimants, faced considerable administrative burdens in tracking and verifying those outcomes. This was primarily due to the lack of a technological solution, which had originally been envisaged in the design of the Work Programme but had not yet been delivered. Tracking and verification of outcomes therefore involved phoning employers and producing paper-based evidence. Tony Wilson believed that these administrative burdens were “disproportionate” and should not be replicated within JCP.107

Measuring JCP performance under Universal Credit

111. Expert witnesses believed that in the longer term the implementation of UC could offer a technological solution to the problem of measuring sustained employment outcomes. As noted, UC will merge in-work and out-of-work benefits and tax credits. It will gradually reduce people’s benefit payments as their earnings increase. The key to this approach will be real-time information on earnings (RTI) supplied through a new HM Revenue & Customs IT system. Matthew Oakley believed that RTI should enable JCP performance to be measured against sustained job outcomes, as claimants’ progress in work would need to be tracked as part of the UC system.108

112. However, in February 2013 the NAO found that DWP had yet to decide how to adapt JCP performance measures after the implementation of UC.109 Neil Couling acknowledged that UC would change the nature of JCP’s role and that performance indicators which measured sustained outcomes and pay progression were clearly desirable. He told us that DWP was still exploring how sustained employment outcomes might be measured using RTI and considering at which point in the transition to UC JCP might move over to a new system of performance measures which better recognises the changing nature of what Jobcentres were being asked to achieve (see “in-work conditionality”, chapter 7).110

113. We believe that benefit off-flow is a very blunt instrument for measuring JCP’s performance. A particular weakness is that non work-related outcomes, which are often negative, currently count towards the achievement of key performance targets. These outcomes will include claimants leaving benefit because of a long-term benefit sanction; because their time-limited contribution-based benefit entitlement has come to an end; or because they have withdrawn altogether from the active labour market. Such outcomes should not contribute towards the achievement of JCP’s primary performance targets. We recommend that JCP establish a system by which it records, as a matter of course, the reason claimants leave benefit at the time they end their claims. We further recommend

106 Ibid.; Centrepoint, Ev 120; Inclusion, Ev 115; Local Government Association, Ev 157
107 Q 16
108 Q 16
109 National Audit Office, Responding to change in jobcentres, HC 955, February 2013, para 2.16
110 Q 491
that DWP use this information to re-establish “off-benefit and into work” performance measures with immediate effect.

114. We recommend that DWP prioritise the formulation of JCP performance indicators which promote and measure sustained job outcomes and better reflect the changing role of JCP consequent on the implementation of Universal Credit and the proposals for in-work conditionality, with a view to establishing the performance measures across the Jobcentre network when full national implementation of Universal Credit has been achieved.

Provision of longer term training for claimants

115. The Association of Colleges (AoC) believed that JCP’s performance measures incentivised a short-term and potentially counter-productive approach to pre-employment skills training. The AoC’s view was that JCP was primarily “focused on getting people off the unemployment register”. It argued that this was “entirely different from meeting the needs of the labour market.”

116. The AoC highlighted that full-time placements and courses offered through JCP, for example Sector-based Work Academies and Work Experience, were restricted to between two and eight weeks, in accordance with benefit conditionality rules. The Minister recently made clear that DWP had no plans to extend the permissible length of full-time training courses for claimants. The situation is that:

All claimants can attend up to two weeks of full-time further education or training in any 12 month period, with the agreement of their Jobcentre adviser. In addition, claimants who have been on Jobseeker’s Allowance for six months or more can undertake full time further education or training for a maximum of eight weeks where skills needs are a barrier to getting into work.

117. Colin Booth of AoC argued that this approach had prevented claimants from completing courses which, in his view, would be very likely to produce excellent sustained job outcomes.

118. The CBI told us that this issue was not one on which it had had a great deal of feedback from employers. However, Lena Tochterman of the CBI believed that longer-term, full-time training was likely to be the best option for some claimants. To this extent, the CBI supported flexibility in the rules. Similarly, Kevin Green of the Recruitment and Employment Confederation (REC, representing private sector recruitment agencies) also stated that he had “not come across this as a major issue”, but argued that, where claimants were being held back from achieving sustained job outcomes through lack of skills, and where longer-term, full-time training could provide them with the skills they needed to

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111 Q 227
112 HC Deb, 23 October 2013, col 166W
113 Q 258
achieve sustained job outcomes, “we need to find a way of supporting them as best we can.”

119. **We recommend that DWP make clear in guidance that Jobcentre staff can apply flexibility to the rules on the permissible length of full-time pre-employment training if it is clear that the claimant is being held back from finding sustained employment by a lack of skills which could be addressed by training courses longer than the currently permissible two to eight-week period.**

**Universal Jobmatch**

120. As highlighted in chapter 3, broadly witnesses believed that Universal Jobmatch (UJ) represented an improvement on the previous vacancy system and had the potential to significantly improve the efficiency and effectiveness of claimants’ job-searching. DWP’s view was that UJ:

> [...] has made it easier for employers to recruit unemployed people by automatically matching jobs to work-ready claimants. In doing so it also identifies gaps in candidates’ skills and experience which, together with the local labour market information it provides, will increasingly be used to improve unemployed claimants’ readiness for work.  

121. However, a range of witnesses highlighted problems they had experienced using UJ. Tees Valley Unlimited, a Local Enterprise Partnership, reported that UJ contained “dubious” vacancies, including for “diplomats” in North East England, and a significant number of “duplicate” vacancies. JCP staff in Oldham told us that the system contained a significant number of vacancies which had already been filled. They believed that this was because employers were not specifying a closing date after which vacancies would be automatically removed.

122. Tony Wilson reported that he had tested the system by searching for sales and retail jobs in London. The system had returned results which included, in the top 10 most suitable vacancies, a “retail solutions analyst” in Bracknell, a sous chef and a “copy and print centre specialist”.

123. Employers also felt that the system was not working as well as it might. The CBI told us that UJ was “a good idea that has had some unintended consequences”. It believed that UJ’s dual function as both a job-matching and recruitment website and a tool for Jobcentres to monitor claimants’ job-seeking activity had resulted in employers being “flooded” with applications from poorly matched candidates. It believed that the way the system was being utilised encouraged claimants to make a certain number of applications
as a way of meeting conditionality rules, regardless of whether those applications had any real chance of being successful.\textsuperscript{118}

124. Damian Kenny, representing Monster Government Solutions, the company commissioned by DWP to design and deliver the UJ system, explained that UJ had been designed to produce a broad range of vacancies from job searches. The system employed an innovative “semantic job-search system” which produced matches with vacancies that required similar or related skills to those of jobseekers. It employed a technique called “spidering” to produce a broader range of search results. He described spidering using the following example:

The system [...] knows that a plumber has a similar skill set to someone who may be a gas fitter. It then opens up all of those skills, and that may also then move into another set of skills for a pipe-fitter in a power station. What the system is trying to do is give the jobseeker more opportunities to define jobs. It is trying not to stifle that choice.\textsuperscript{119}

125. However, he also acknowledged that there was an issue with employers incorrectly categorising vacancies. He explained that DWP had commissioned a “self-service” system, on which employers could upload their own vacancies via Business Link, an internet portal. He stressed that it was Monster’s responsibility to provide a platform to support DWP’s policy aims. While Monster had provided answers to Frequently Asked Questions within the online platform, it was the role of JCP staff to provide advice and guidance to claimants and employers using the system.\textsuperscript{120} In response to the CBI’s point about large numbers of “inappropriate” applications, Monster highlighted that there had been a total of 4.2 million jobs advertised on the system and 33 million applications made.\textsuperscript{121} A ratio of less than 8 applications per advertised job might indicate that the problem of employers being “flooded” with applications is not widespread.

126. Neil Couling told us that the intention had been to develop UJ as a self-service platform which was easy to use. However, he acknowledged that some employers were experiencing difficulties in using the system. DWP had established a telephone helpline for employers experiencing problems and some employers had received help from JCP Employer Advisers.\textsuperscript{122}

127. We recognise the improvement Universal Jobmatch represents over the previous vacancy system and the scope for further enhanced uses of the system and data. However, Universal Jobmatch appears to contain a significant number of dubious, duplicate, out-of-date and inaccurately categorised job vacancies, which pose a risk to its efficiency and effectiveness as a job-search tool. We recommend that DWP increase its oversight of vacancies posted onto Universal Jobmatch, including by working with Monster Government Solutions to regularly purge the system and ensure that it contains, as far as

\textsuperscript{118} Q 403
\textsuperscript{119} Q 418
\textsuperscript{120} Q 405
\textsuperscript{121} Ev 75, footnote 1
\textsuperscript{122} Q 532
is possible, only genuine and accurately described job vacancies. This is particularly important as Universal Jobmatch is intended to be used as a tool to monitor claimants’ compliance with job-seeking conditionality. Claimants should only be required to apply for genuine vacancies which meet all the relevant employment standards. We recommend that this is made clear in guidance to JCP staff.

128. We recognise the desirability of a self-service online vacancy system. However, some employers require greater support and training on how to use Universal Jobmatch effectively, including how to accurately categorise their vacancies. We recommend that guidance make clear that it is an explicit part of the JCP Employer Adviser role to monitor use of Universal Jobmatch by local employers and to offer help and guidance where necessary.

Engaging with employers

129. Our Report on the Work Programme identified weaknesses in some Work Programme providers’ approaches to employer engagement. While there were some examples of providers engaging very effectively with local employers and providing well-matched candidates, we concluded that providers generally could do more to prepare jobseekers for real local job vacancies.123

130. Witnesses to this inquiry made similar points in relation to JCP. The CBI told us that it often heard “great stories” from employers about their close working relationships with individual Jobcentres.124 As constituency MPs, many of us can point to successful local partnerships, such as Warrington Jobcentre’s joint working with Waitrose, in which 47% of vacancies in a newly opened local store were filled by previously unemployed people. However, the CBI reported that a great deal depends on the quality of local working relationships and the leadership of local JCP managers.125 REC told us that, in its experience, many Jobcentres do not really see employer engagement as a “core part” of JCP’s role.126

131. Currently the level of service employers receive from JCP varies widely and is largely dependent on local JCP management. We believe that employers are ultimately JCP’s key customers and employer engagement must therefore be seen as a core role in all Jobcentres. We recommend that DWP review the service provided to employers by JCP to identify best practice and then take urgent steps to disseminate understanding of what works best across the Jobcentre network.

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123 Committee’s Work Programme Report, paras 67–75
124 Q 381
125 Ibid.
126 Q 446
6 Wider welfare reforms: the Benefit Cap and the Social Fund

The Benefit Cap

132. The Government has introduced a Benefit Cap (the Cap) on the total value of a range of working-age benefits and tax credits which can be received by households. It has been set at £500 per week for couples and lone parents and £350 per week for single adults. The policy intentions of the Cap are:

- To produce savings to the Exchequer;
- To promote fairness by ensuring that workless households cannot receive more in benefit payments than the median average income of a working household; and
- To encourage people into at least 16 hours of employment per week.

133. A phased introduction of the Cap began in four London local authority areas in April 2013. National rollout began in July 2013. Official data show that 32,940 households were capped in the period to 21 November 2013.

134. JCP’s role is to “promote employment support as the best mitigation for the Cap”. Staff in Oldham Jobcentre told us that the 246 local households expected to be impacted by the Cap had been contacted several times by telephone and letter well in advance of its introduction. Claimants likely to be affected were given full access to the range of local employment provision. JCP staff reported that claimants’ feedback was generally positive and that some claimants had already moved into employment.

135. There are no data specifically on the effectiveness of JCP employment support for members of capped households. DWP has published data which show that, in the period from when claimants were first notified of the Cap in April 2012 to 8 November 2013, approximately 35,600 individual claimants had engaged with JCP employment support. Around 16,500 claimants identified as living in potentially capped households moved into work. However, the statistics do not establish the additional numbers entering work as a direct result of JCP employment support. Nor do they include any information on the duration of jobs or types of work.

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127 The working-age benefits included in the Cap are: Bereavement Allowance; Carer’s Allowance; Child Benefit; Child Tax Credit; ESA WRAG; Guardian’s Allowance; Housing Benefit (except that for Supported Exempt Accommodation); Incapacity Benefit; Income Support; JSA; Maternity Allowance; Severe Disablement Allowance; Widowed Parent’s Allowance; Widowed Mother’s Allowance; and Widow’s Pension. Households claiming Working Tax Credit are exempt from the cap, as are claimants of a range of disability benefits and the War Widows and War Widowers pension; and those who have recently been employed. See, DWP, Benefit Cap Factsheet.

128 DWP, Benefit Cap – number of households capped, data to October 2013, GB, January 2014

129 Ev 143

130 DWP, Jobcentre Plus activity regarding claimants who have been identified as potentially impacted by the benefit cap, October 2013
136. Some 47% of capped households are in London. Councillor Peter John of London Councils told us that there were examples of successful employment support for capped claimants in some areas of the capital, such as in Enfield (one of the pilot boroughs), where 1,000 households were potentially affected and 25% of affected claimants had moved into work. However, there were currently insufficient data to show “whether the focus on employment support for benefit cap claimants has been successful or what interventions are working best.”

137. Haringey Council recently published data on the effects of the Cap in its area. Survey responses from the 737 affected households in Haringey suggest that most claimants are likely to respond to the Cap by seeking employment. However, it found that “only a few” affected claimants had so far managed to move into 16 or more hours of work per week. While there was evidence that the Cap is “changing attitudes to work”, many claimants were experiencing significant barriers, particularly a lack of job-seeking skills and the availability and affordability of childcare. Claimants were likely to require “intensive and personalised” support to help them move into employment.

138. There is insufficient information to establish the causal links between: the Benefit Cap; affected claimants engaging with employment support; and the likelihood of affected claimants entering work. We recommend that DWP conducts and publishes research into these causal links in 2014, in order to establish whether the Benefit Cap is achieving one of its key policy aims.

139. Initial, limited data indicate that the Benefit Cap is having positive effects in terms of claimants’ attitudes to work but that very few affected claimants have been able to overcome the significant barriers they face in finding employment. We recommend that DWP conduct a review of the employment support needs of claimants affected by the Benefit Cap and the availability of the requisite support in Jobcentres. The review should be conducted with a view to identifying and disseminating best practice across the Jobcentre network.

Localisation of the discretionary Social Fund

140. From 1 April 2013, under the provisions of the Welfare Reform Act 2012, elements of the discretionary Social Fund were abolished. Since 1988 the discretionary Social Fund had been available, by application through JCP, to support benefit claimants facing severe short-term financial hardship.

141. The two elements which were abolished were Crisis Loans (designed to financially assist people facing unforeseen emergencies) and Community Care Grants (to assist people leaving institutional or residential care; those dealing with family breakdown; or provide money to cover travel costs incurred in attending a family funeral). Other elements of the fund are still available through JCP, in the form of repayable Benefit Advances and Budgeting Loans.

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131 DWP, Benefit Cap – number of households capped, data to October 2013, GB, January 2014
132 Q 311
133 Haringey Council, Experiences and effects of the benefit cap in Haringey, October 2013
142. The Government made funding available to local authorities in England and to the devolved administrations to establish their own schemes to replace Crisis Loans and Community Care Grants. The funding is not ring-fenced for any particular purpose and some pressure groups and welfare rights organisations have raised concerns that the level of funding is insufficient to meet residents’ needs.134

143. JCP’s role in relation to the localised schemes is in ensuring that claimants in need of emergency assistance are directed to local authorities where appropriate. London Councils highlighted a lack of clarity about when it was appropriate for claimants to apply for the remaining JCP Social Fund schemes and when it was appropriate for them to be referred to the local authority. It believed that in some cases JCP was “inappropriately” referring claimants to the local schemes, when claimants should have more appropriately been advised to apply for a Benefit Advance or Budgeting Loan via JCP. Citizens Advice confirmed that in its experience claimants were not being given information about the availability of the remaining JCP Social Fund schemes and that there was some evidence of inappropriate referrals to local authorities. Kathleen Caper of Citizens Advice believed that JCP staff might not be sufficiently aware of the new rules and guidance.135

144. We recommend that DWP review the clarity of guidance to JCP staff on the circumstances in which it is appropriate to refer claimants to local welfare assistance schemes operated by local authorities, which have replaced elements of the discretionary Social Fund, and that it take steps to ensure that the guidance is followed across the Jobcentre network.

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134 Localisation of the Social Fund, House of Commons Research Paper, SN/06413, November 2012
135 Qq 343–355
7 Resourcing of JCP in the medium term

Recent policy announcements and planned changes affecting JCP

Spending Round 2013

145. In the 2013 Spending Round, which set out financial plans for 2015–16, the Government made a number of announcements which will affect Jobcentre services. Some measures introduce more stringent conditions before unemployed people can start to claim benefit, for example:

- The introduction of a seven day wait before benefit is paid, for all new Universal Credit claimants; and

- “Upfront Work Search”, which will require all claimants to register a CV with the Jobcentre and sign up to Universal Jobmatch prior to receiving benefit.

The Spending Round also signalled a return to the more intensive signing on and regular work-focused interview (WFI) system which existed prior to April 2011:

- Weekly signing on for “half of all jobseekers”. This will reintroduce weekly signing for claimants between weeks 13 and 19 of claims; and

- Quarterly WFIs.

HM Treasury estimates that the range of measures will result in savings of £350 million, through a combination of increased off-flows achieved by the more intensive Adviser support regime and delaying payment of claims. At the same time DWP as a whole will be required to reduce its departmental running costs by a further 9.5%.\textsuperscript{136} The planned changes were reiterated in the Chancellor of the Exchequer’s 2013 Autumn Statement, which stated that the new approach would require an investment of £250 million over two years.\textsuperscript{137}

Post-Work Programme regime

146. Jobcentres will also be involved in delivering an intensive employment support regime for claimants who reach the end of their two years on the Work Programme without finding work. The current arrangements for Work Programme participants who leave the programme without finding work are known as the Mandatory Intervention Regime (MIR). Claimants returning to JCP from Work Programme providers must sign on weekly and participate in a training course, “intensive work preparation”, or Mandatory Work Activity (compulsory work placements arranged through externally contracted providers). MIR was announced by DWP on 31 May and has been applied since the first cohort of

\textsuperscript{136} HM Treasury, Spending Round 2013, p 8

\textsuperscript{137} HM Treasury, Autumn Statement 2013, para 1.284
Work Programme participants completed two years on the programme and returned to JCP support in June 2013.\textsuperscript{138}

In September 2013, HM Treasury announced that a new post-Work Programme regime, known as Help to Work, would be introduced from April 2014. Under Help to Work, a third of returning Work Programme participants will be allocated to each of the following three options:

- Community Work Placements, such as clearing up litter or graffiti;
- Daily signing on at the Jobcentre until they find work; or
- For claimants with more complex barriers to work, such as literacy or numeracy issues, to take part in “intensive support to address their problems”.\textsuperscript{139}

Help to Work will require an investment of £700 million over four years.\textsuperscript{140}

\textit{Pilots of 35 hours per week supervised job-search}

DWP recently announced that it will launch a pilot in which some JSA claimants will be required to undertake full-time supervised job-search activity. Selected claimants, expected to include both very long-term unemployed people and claimants who are identified as being likely to benefit from an intensive regime from early in their claim, will be required to attend “a local centre” for 35 hours per week for up to six months. Pilots are expected to start before the end of 2014 and include around 6,000 claimants.\textsuperscript{141}

\textit{“In-work conditionality” within Universal Credit}

The Welfare Reform Act 2012 gives DWP the power to require low paid UC claimants to take steps to increase their earnings to the equivalent of 35 hours per week at the National Minimum Wage.\textsuperscript{142}

It is unclear how a system of “in-work conditionality” will be delivered. The Secretary of State told us in July 2013 that DWP would be “trialling approaches over the next few months”.\textsuperscript{143} DWP’s written submission stated that, once UC is fully rolled out, around one million claimants are likely to be affected. DWP’s approach would focus on “encouraging claimants to develop their own action plan and to look at existing sources of support”. Jobcentre staff would support claimants either via “a short telephone discussion or ongoing contact with their JCP Adviser”. In the short term, it was likely to implement in-work support via telephone contact. DWP reiterated that it was “committed to testing and

\begin{footnotes}
\item[138] “Government announces details of post-Work Programme support”, DWP press release, 31 May 2013
\item[139] “Help to Work scheme announced by the Government”, HM Treasury press release, 30 September 2013
\item[140] HM Treasury, \textit{Autumn Statement}, para 1.285
\item[141] “Claimants required to undertake supervised job-search at new centres”, DWP press release, 1 October 2013
\item[142] The \textit{Universal Credit Regulations 2013}
\item[143] Oral evidence taken on 10 July 2013, Q 61, HC (2013–14) 569
\end{footnotes}
piloting new approaches to build a firm evidence base before any national roll out.” The Minister told us that DWP was running 11 separate pilots.

**Resource implications of planned changes**

151. Reacting to the welfare announcements made in the Spending Round 2013, Inclusion noted that a return to weekly signing on and regular WFls was “in principle positive”. However, its view was that it was “essential” that the changes result in “more support for jobseekers and not just more compliance activity.” It also stressed that DWP faced a difficult challenge in achieving this at the same time as further reducing its operating costs. Tony Wilson of Inclusion’s view was that asking JCP to do more with “an ever-shrinking resource” was a “fundamental issue”. He argued strongly that, given the proven cost-effectiveness of JCP’s employment services, any reduction in Jobcentre staffing would be a “false economy”.

152. The PCS union shared this concern. It expected the “budget for Jobcentres” to be “reduced by 10% per year for the next two years” and its view was that the savings could “only be achieved by substantial staffing reductions.” It was particularly concerned about the capacity of Jobcentres to implement weekly signing on for half of all jobseekers and plans for in-work conditionality, both of which could substantially increase the number of claimant interviews. It did not believe that there was sufficient capacity in Jobcentres to deliver these changes, “whether it was done over the phone or face to face”.

**Scrutiny of Jobcentre resourcing**

153. Since JCP was brought into the core DWP in 2011, it has become more difficult to scrutinise DWP’s plans for staffing of Jobcentres. Adam Sharples explained that it was now “impossible” to establish from information regularly published by DWP how many staff are employed in Jobcentres. As an executive agency prior to October 2011, JCP published Annual Reports, which included full details of its budgets and staffing, broken down into its separate benefits administration and Jobcentre arms. This information is not published as part of DWP’s Annual Report and Accounts.

154. The Minister implied that Jobcentres would have the capacity to deliver the range of changes because claimant counts were reducing as the economy recovers. Neil Couling stated that, at this stage in the economic cycle, with the claimant count reducing, the Government would usually be “closing Jobcentres and shifting people out”. The extra investment announced in the Spending Round included “a little bit of money” to retain around 4,000 JCP staff who would otherwise have had to leave the organisation.

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144 Ev 143
145 Q 551
147 Q 3
148 Q 193
149 Q 36
150 Q 553
155. On in-work conditionality, Neil Couling believed that it was unlikely that “very many” claimants would be called into Jobcentres although he would not rule this out if the pilots suggested it was required.\footnote{Q 552}

156. Jobcentres are being asked to do significantly more while DWP’s overall running costs will be further reduced following the 2013 Spending Round—in addition to very substantial efficiency savings made following the 2010 Spending Review. DWP’s budget and staffing plans specifically for Jobcentres are unclear, partly as a consequence of the abolition of JCP’s agency status in 2011.

157. There is a risk that the resource implications of recent and planned policy changes will put too great a strain on already stretched Jobcentre staff. DWP must be clearer about the staffing implications of these changes for Jobcentres. We recommend that DWP set out, in its response to this Report, its assessment of the impact on Jobcentre customer volumes and the staffing implications for Jobcentres of each of the following announcements:

- Weekly signing on for “half of all jobseekers” in 2015–16;
- Daily signing on for one third of unsuccessful Work Programme participants returning to JCP from April 2014; and
- The various options for an “in-work conditionality” regime under Universal Credit.

158. We recommend that, to facilitate effective scrutiny, Jobcentre budget and staff allocations are set out in full in DWP’s Annual Report and Accounts. Information should include the number of Jobcentre Advisers and Assistant Advisers; Disability Employment Advisers; Lone Parent Advisers; and Employer Advisers. It should also include the average claimant caseloads for each type of Jobcentre Adviser.\footnote{Q 176}

Making the best use of the JCP estate

159. The PCS union believed that JCP’s physical estate would struggle to cope with significantly increased footfall. Charles Law of PCS told us that there was simply “not enough room” in Jobcentres. He acknowledged that PCS had not conducted a formal assessment of the capacity of the existing Jobcentre estate but he insisted that PCS knew “from talking to our members” that Jobcentres were very busy and, in many cases, “full”.\footnote{Q 176}

160. Neil Couling accepted that more frequent Adviser interviews would increase footfall in some Jobcentres. His view was that some Jobcentres would be able to cope as they were currently configured and others not. DWP had plans to adapt the layout of some Jobcentres to increase their capacity—one option was to open up screened-off areas which had been used to administer the Social Fund. This would “create more front of house capacity to receive the increase in footfall we think we will get.” However, DWP had not conducted any formal audit of the capacity of the JCP estate. Neil Couling was sceptical...
about whether an audit could “tell you anything more than your own eyes going around a Jobcentre would tell you”.

161. During our visit to the UC Pathfinder area in Greater Manchester, Jobcentre staff in Oldham told us about plans for a “digital jobcentre”, in which the now redundant job points would be removed and replaced with banks of IADs on which claimants could conduct their job-searching. Ashton-under-Lyne Jobcentre already had two banks of IADs installed, with one bank used for booked appointments with a Jobcentre Adviser and another used by claimants on a “drop-in” basis. The plans also included a separate room where vulnerable claimants could be seen straightaway and an “employers suite”, complete with workstations and printers.

162. We do not envisage the overall number of Jobcentres falling in the foreseeable future. However, as the nature of Jobcentre services change, particularly through greater use of online job-searching using devices within Jobcentres, and with the potential increase in Jobcentre footfall as a result of in-work conditionality, the layout of Jobcentres is likely to need to change. Jobcentres should be welcoming and business-like places with facilities to allow both in-work and out-of-work claimants to access the internet for job-searching, either supervised or unsupervised. We recommend that DWP conduct a formal audit of the Jobcentre network to identify whether it is currently making the best use of available space within its existing estate and how its accommodation can be adapted to meet changes in demand over the next several years.
List of conclusions and recommendations

In this List, conclusions are set out in plain type and recommendations, to which the Government is required to respond, are set out in italic type.

1. JCP should continue to provide a public employment service for the unemployed, broadly along current lines, particularly through the current period of extensive change in the welfare system. (Paragraph 13)

Assessing claimants’ needs and barriers to work

2. DWP’s intentions with regard to “segmentation” were unclear. On the one hand we were told that DWP considered segmentation tools, including the Jobseeker Classification Instrument, to be ineffective and on the other hand we were told that “further work was being undertaken” to test a similar tool. We made recommendations in relation to classification and segmentation of jobseekers in our 2013 report on the Work Programme. It is important that DWP clarify its intentions in this regard. (Paragraph 23)

3. Current processes for establishing claimants’ needs vary between Jobcentres and are prone to missing crucial information about complex barriers to employment. The initial interview between claimant and Jobcentre Adviser is focused largely on the requirements the claimant must fulfil in order to remain in receipt of benefit. This risks overlooking important issues with the work-readiness of the claimant and failure to address these can lead to a longer than necessary period of unemployment, which is detrimental to the claimant and causes increased cost to the taxpayer. We recommend that Jobcentres adopt a more thorough and systematic initial face-to-face assessment of claimants’ barriers to employment to identify the level of employment support they need from Jobcentres and contracted providers. Assessments should be regularly updated during longer claims, and relevant data passed to Work Programme and other contracted providers if claimants are referred on. (Paragraph 24)

4. We further recommend that DWP continue to work to develop a “segmentation” tool, to be conducted by Jobcentre Advisers face-to-face with claimants, to allocate claimants to separate work streams according to their distance from the labour market and relative need for intensive employment support. This tool should be established prior to drawing up the specifications for the re-letting of Work Programme contracts in 2016. (Paragraph 25)

5. A more effective initial face-to-face assessment should also enable a “no initial face-to-face signing on work stream” to be established, in which determinedly job-seeking claimants who are closest to the labour market and likely to return to work quickly with little or no support are, for a limited period, not required to visit the Jobcentre, freeing up time for Jobcentres to support those with greater barriers. We recommend that DWP pursues this approach. (Paragraph 26)
Evaluating JCP’s employment support interventions

6. The relative effectiveness of each of the Government’s employment support interventions needs to be more transparent. We recommend that, at the very least, the Government publish raw data on benefit off-flows into employment for claimants taking part in each of the Get Britain Working schemes, to supplement the current publication of headline statistics showing the number of claimants taking up Work Experience, Sector-based Work Academy placements and the New Enterprise Allowance. We also recommend that DWP consider commissioning independent evaluations of the effectiveness of each of the schemes in relation to employment outcomes. (Paragraph 31)

The Flexible Support Fund

7. We recommend that the Government separately evaluate the impacts of the Flexible Support Fund on employment outcomes and identify and disseminate good practice across JCP districts. We also recommend that the Government publish details of Flexible Support Fund budgets and spending at national and district levels as part of DWP’s Annual Report and Accounts. (Paragraph 34)

The Claimant Commitment

8. The trial undertaken in Loughton Jobcentre using a different approach to the fortnightly job-search review was not only different insofar as it was about future rather than past activities; it also involved the Jobcentre Adviser spending more time with the claimant. Evaluation of the trial must take this into account. (Paragraph 45)

9. We welcome the introduction of the Claimant Commitment and the greater clarity and support for claimants that it should bring. We consider that to be fully effective it should represent a discussion between the claimant and the Jobcentre Adviser. It would be highly regrettable if the Claimant Commitment resulted in a process-driven, box-ticking exercise in which Jobcentre Advisers measure the length of time claimants spend searching for jobs, regardless of the likely effectiveness of the job-search activities undertaken. We recommend that guidance on this issue is set out clearly for Jobcentre staff. (Paragraph 48)

Universal Jobmatch: current functionality

10. Universal Jobmatch has great potential to facilitate effective job-search. We recommend that DWP guidance to Jobcentre staff makes clear that Universal Jobmatch should be promoted to claimants as a potentially effective tool to find work, and that Jobcentre staff should provide advice and support on getting the best out of the system. Universal Jobmatch also provides a useful tool for monitoring claimants’ compliance with benefits conditionality. However, we recommend that guidance makes clear that this is a secondary function, with the emphasis on the benefits of using Universal Jobmatch to monitor compliance between claimant interviews, freeing up more time for advice and support during interviews. We also recommend that DWP explore the potential for increased functionality of Universal Jobmatch, particularly in
the areas of assessing quality of CVs and the likelihood of success of job applications, to ensure that claimants’ job-search activities are focussed and effective. (Paragraph 58)

Support for vulnerable claimants: The Local Support Services Framework

11. We welcome steps taken by DWP to improve online access and support for claimants—this will be crucial in the roll out of Universal Credit. However, DWP has been slow to produce a detailed framework for the delivery of a comprehensive range of Universal Credit support services, and there remains a lack of clarity about how these services will be funded or what JCP’s role will be in delivering or coordinating them. We believe that a diverse range of services, which go beyond online support and help with budgeting, will be necessary if the Government is to achieve its aim of “better support under Universal Credit than has ever been available before.” (Paragraph 68)

12. The slower than anticipated roll out affords Jobcentres the opportunity to build strong relationships with a range of local services to support claimants in the transition to Universal Credit and beyond. We recommend that DWP identifies good practice in building local services and disseminates this across the Jobcentre network as the Universal Credit Pathfinders are expanded through 2014. (Paragraph 69)

13. The Local Support Services Framework, now due to be published in Autumn 2014, will set out the agreed process for providing support to claimants. We request an assurance from DWP that this will be a comprehensive document, which provides a best practice framework for the provision of a diverse range of support services and sets out a robust plan for how these services will be funded and delivered nationally from financial year 2015/16, so that local authorities are able to make budgeting decisions and commission services. (Paragraph 70)

Support for claimants with health conditions and disabilities

14. The Government has recognised the need to improve employment provision for Employment and Support Allowance Work Related Activity Group (ESA WRAG) claimants. However, the current ratio of one specialist Jobcentre Disability Employment Adviser (DEA) to more than 600 ESA WRAG claimants is unacceptably high. We welcome the three new pilots designed to test the relative effectiveness of support provided by: healthcare professionals; JCP; and Work Programme providers. However, the pilots will include only around 8,300 claimants, from a caseload of over 540,000, and will not be completed until 2016. This means that the very large majority of ESA WRAG claimants will continue to rely on standard Jobcentre support which often amounts to no more than two interviews with an Adviser each year. We recommend that urgent action is taken to improve the level of JCP support for job-seeking claimants with health conditions and disabilities, including by addressing the unacceptably high ESA WRAG caseloads per DEA. (Paragraph 75)

Benefit conditionality and sanctioning

15. We reiterate our view that conditionality is a necessary part of the benefits system and that sanctioning, if used appropriately, can be a useful tool for encouraging
engagement with employment support. Sanctions should be used primarily for this purpose and as a last resort. Strict conditionality regimes should be balanced by meaningful and in-depth advice and support from JCP for those who need it. (Paragraph 80)

**Reported inappropriate sanction referrals**

16. Under the new rules introduced in late 2012, the number of sanctions has increased to the extent that some 5% of all Jobseekers Allowance claimants are sanctioned every month. Some 860,000 Jobseekers Allowance claimants were sanctioned in the year to June 2013, the highest number in any 12-month period since at least April 2000. Our evidence suggests that many claimants have been referred for a sanction inappropriately or in circumstances in which common sense would suggest that discretion should have been applied by Jobcentre staff. (Paragraph 91)

**The impacts of sanctioning on claimants**

17. We recommend that DWP take urgent steps to monitor the extent of financial hardship caused by benefit sanctions, including by collecting, collating and publishing data on the number of claimants “signposted” to food aid by Jobcentres and the reasons for claimants’ need for assistance in these cases. (Paragraph 97)

**Monitoring the conditionality regimes**

18. It is important that JCP makes fair and proportionate sanction referrals and that the process is transparent. We welcome the current independent review which will focus on the clarity of communications between JCP and claimants in relation to the conditionality and sanctioning process; the availability of hardship payments for sanctioned claimants; and the clarity of the review and appeals process. We strongly believe that a further review is necessary and welcome the Minister’s commitment to launch a second and separate review into the broader operation of the sanctioning process. (Paragraph 100)

19. We recommend that the second review of sanctions investigate: whether sanction referrals are being made appropriately, fairly and proportionately, in accordance with the relevant Regulations and guidance, across the Jobcentre network; and the link between sanctioning and benefit off-flow, including whether benefit off-flow targets have an influence on sanctioning rates. We also recommend that this review consider whether, and to what extent, the use of sanctions is having the desired effect of encouraging claimants to engage more actively in job-seeking. We further recommend that this review is launched as a matter of urgency and reports before the end of 2014. (Paragraph 101)

**Measuring JCP performance**

20. We believe that benefit off-flow is a very blunt instrument for measuring JCP’s performance. A particular weakness is that non work-related outcomes, which are often negative, currently count towards the achievement of key performance targets.
These outcomes will include claimants leaving benefit because of a long-term benefit sanction; because their time-limited contribution-based benefit entitlement has come to an end; or because they have withdrawn altogether from the active labour market. Such outcomes should not contribute towards the achievement of JCP’s primary performance targets. We recommend that JCP establish a system by which it records, as a matter of course, the reason claimants leave benefit at the time they end their claims. We further recommend that DWP use this information to re-establish “off-benefit and into work” performance measures with immediate effect. (Paragraph 113)

21. We recommend that DWP prioritise the formulation of JCP performance indicators which promote and measure sustained job outcomes and better reflect the changing role of JCP consequent on the implementation of Universal Credit and the proposals for in-work conditionality, with a view to establishing the performance measures across the Jobcentre network when full national implementation of Universal Credit has been achieved. (Paragraph 114)

Provision of longer term training for claimants

22. We recommend that DWP make clear in guidance that Jobcentre staff can apply flexibility to the rules on the permissible length of full-time pre-employment training if it is clear that the claimant is being held back from finding sustained employment by a lack of skills which could be addressed by training courses longer than the currently permissible two to eight-week period. (Paragraph 119)

Universal Jobmatch: supporting an efficient and flexible labour market

23. We recognise the improvement Universal Jobmatch represents over the previous vacancy system and the scope for further enhanced uses of the system and data. However, Universal Jobmatch appears to contain a significant number of dubious, duplicate, out-of-date and inaccurately categorised job vacancies, which pose a risk to its efficiency and effectiveness as a job-search tool. We recommend that DWP increase its oversight of vacancies posted onto Universal Jobmatch, including by working with Monster Government Solutions to regularly purge the system and ensure that it contains, as far as is possible, only genuine and accurately described job vacancies. This is particularly important as Universal Jobmatch is intended to be used as a tool to monitor claimants’ compliance with job-seeking conditionality. Claimants should only be required to apply for genuine vacancies which meet all the relevant employment standards. We recommend that this is made clear in guidance to JCP staff (Paragraph 127)

24. We recognise the desirability of a self-service online vacancy system. However, some employers require greater support and training on how to use Universal Jobmatch effectively, including how to accurately categorise their vacancies. We recommend that guidance make clear that it is an explicit part of the JCP Employer Adviser role to monitor use of Universal Jobmatch by local employers and to offer help and guidance where necessary. (Paragraph 128)
Engaging with employers

25. Currently the level of service employers receive from JCP varies widely and is largely dependent on local JCP management. We believe that employers are ultimately JCP’s key customers and employer engagement must therefore be seen as a core role in all Jobcentres. We recommend that DWP review the service provided to employers by JCP to identify best practice and then take urgent steps to disseminate understanding of what works best across the Jobcentre network. (Paragraph 131)

The Benefit Cap

26. There is insufficient information to establish the causal links between: the Benefit Cap; affected claimants engaging with employment support; and the likelihood of affected claimants entering work. We recommend that DWP conducts and publishes research into these causal links in 2014, in order to establish whether the Benefit Cap is achieving one of its key policy aims. (Paragraph 138)

27. Initial, limited data indicate that the Benefit Cap is having positive effects in terms of claimants’ attitudes to work but that very few affected claimants have been able to overcome the significant barriers they face in finding employment. We recommend that DWP conduct a review of the employment support needs of claimants affected by the Benefit Cap and the availability of the requisite support in Jobcentres. The review should be conducted with a view to identifying and disseminating best practice across the Jobcentre network. (Paragraph 139)

Localisation of the discretionary Social Fund

28. We recommend that DWP review the clarity of guidance to JCP staff on the circumstances in which it is appropriate to refer claimants to local welfare assistance schemes operated by local authorities, which have replaced elements of the discretionary Social Fund, and that it take steps to ensure that the guidance is followed across the Jobcentre network. (Paragraph 144)

Resourcing of JCP in the medium term

29. Jobcentres are being asked to do significantly more while DWP’s overall running costs will be further reduced following the 2013 Spending Round—in addition to very substantial efficiency savings made following the 2010 Spending Review. DWP’s budget and staffing plans specifically for Jobcentres are unclear, partly as a consequence of the abolition of JCP’s agency status in 2011. (Paragraph 156)

30. There is a risk that the resource implications of recent and planned policy changes will put too great a strain on already stretched Jobcentre staff. DWP must be clearer about the staffing implications of these changes for Jobcentres. We recommend that DWP set out, in its response to this Report, its assessment of the impact on Jobcentre customer volumes and the staffing implications for Jobcentres of each of the following announcements:

- Weekly signing on for “half of all jobseekers” in 2015–16;
• Daily signing on for one third of unsuccessful Work Programme participants returning to JCP from April 2014; and

• The various options for an “in-work conditionality” regime under Universal Credit. (Paragraph 157)

31. We recommend that, to facilitate effective scrutiny, Jobcentre budget and staff allocations are set out in full in DWP’s Annual Report and Accounts. Information should include the number of Jobcentre Advisers and Assistant Advisers; Disability Employment Advisers; Lone Parent Advisers; and Employer Advisers. It should also include the average claimant caseloads for each type of Jobcentre Adviser. (Paragraph 158)

Making the best use of the JCP estate

32. We do not envisage the overall number of Jobcentres falling in the foreseeable future. However, as the nature of Jobcentre services change, particularly through greater use of online job-searching using devices within Jobcentres, and with the potential increase in Jobcentre footfall as a result of in-work conditionality, the layout of Jobcentres is likely to need to change. Jobcentres should be welcoming and business-like places with facilities to allow both in-work and out-of-work claimants to access the internet for job-searching, either supervised or unsupervised. We recommend that DWP conduct a formal audit of the Jobcentre network to identify whether it is currently making the best use of available space within its existing estate and how its accommodation can be adapted to meet changes in demand over the next several years. (Paragraph 162)
Formal Minutes

Monday 20 January 2014

Members present:

Dame Anne Begg, in the Chair
Debbie Abrahams
Sheila Gilmore
Nigel Mills
Dame Angela Watkinson

Draft Report (The role of Jobcentre Plus in the reformed welfare system), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 162 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Second Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report (in addition to that ordered to be reported for publishing on 5 June, 17 July, and 4 and 11 September 2013).

[Adjourned till Wednesday 22 January at 9.15 am.]
Witnesses

Wednesday 26 June 2013

Nilufer Rahim, Senior Researcher, NatCen Social Research, Matthew Oakley, Head of Economics and Social Policy, Policy Exchange, Tony Wilson, Policy Director, Centre for Economic and Social Inclusion, and Adam Sharples CB, Non-Executive Chairman, Ixion Holdings Ltd and former Director General, Employment Group, Department for Work and Pensions.

Wednesday 17 July 2013

Niall Cooper, National Co-ordinator, Church Action on Poverty, Chris Johnes, Director, UK Poverty Programme, Oxfam GB, Seyi Obakin, Chief Executive, Centrepoint, Robert Trotter, Public Policy Adviser (Employment and Skills), Scope, and Fiona Weir, Chief Executive Officer, Gingerbread.

Wednesday 11 September 2013

Helen Flanagan, Wigan Jobcentre Plus, and Charles Law, Industrial Officer, Public and Commercial Services Union.

Colin Booth, Association of Colleges, Kirsty McHugh, Chief Executive, Employment Related Services Association, and Stewart Segal, Chief Executive, Association of Employment and Learning Providers.

Wednesday 16 October 2013

Kathleen Caper, Senior Policy Researcher, Citizens Advice, Councillor Sharon Taylor, Deputy Chair and Chair, Finance Panel, Local Government Association and Councillor Peter John, Executive Member for Skills and Employment, London Councils.

Wednesday 30 October 2013

Lena Tochtermann, Principal Policy Adviser, Labour Markets and Agility Policy, Confederation of British Industry, Kevin Green, Chief Executive Officer, Recruitment and Employment Confederation, and Damian Kenny, Strategic Account Director (DWP), and Alan Townsend, Senior Vice-President, Sales Readiness and Business Operations, Europe, Monster Government Solutions.

Wednesday 20 November 2013

Esther McVey MP, Minister of State for Employment, and Neil Couling, Work Services Director, Department for Work and Pensions.
### List of printed written evidence

1. Association of Employment and Learning Providers  
   - Ev 108
2. The Association of Colleges  
   - Ev 110
3. Centre for Economic and Social Inclusion  
   - Ev 112
4. Centrepoint  
   - Ev 119
5. Church Action of Poverty  
   - Ev 122
6. Citizens Advice  
   - Ev 127
7. Confederation of British Industry  
   - Ev 129
8. Department for Work and Pensions  
   - Ev 133; Ev 146
9. Employment Related Services Association  
   - Ev 146
10. Gingerbread  
    - Ev 150
11. Local Government Association  
    - Ev 155
12. London Councils  
    - Ev 162
13. Monster Government Solutions UK  
    - Ev 165
14. NatCen Social Research  
    - Ev 169
15. Policy Exchange  
    - Ev 170
16. Public and Commercial Services Union  
    - Ev 175
17. Recruitment and Employment Confederation  
    - Ev 177
18. Scope  
    - Ev 181

### List of additional written evidence

(published in Volume II on the Committee’s website www.parliament.uk/workpencom)

1. A4E  
   - Ev w1
2. Brent Council  
   - Ev w3
3. Citizens Advice Scotland  
   - Ev w7
4. Community Links  
   - Ev w14
5. Crisis  
   - Ev w17
6. Ian Cropper  
   - Ev w19
7. Ljiljana Devic  
   - Ev w21
8. DrugScope and Homeless Link  
   - Ev w25
9. Gipton Supported Independent Living  
   - Ev w29
10. Hackney Economic Development Network  
    - Ev w32
11. Delia Hodgkiss  
    - Ev w35
12. Information Commissioner’s Office  
    - Ev w38
13. The Institute of Revenues, Rating and Valuation  
    - Ev w39
14. Richard Layard  
    - Ev w40
15. Learndirect  
    - Ev w40
16. London Borough of Newham  
    - Ev w42
17. Stephen Morris  
    - Ev w43
18. National Housing Federation  
    - Ev w50
List of Reports from the Committee during the current Parliament

The reference number of the Government’s response (if applicable) to each Report is printed in brackets after the HC printing number.

Session 2013–14

First Report Can the Work Programme work for all user groups? HC 162 (HC 627)

Session 2012–13

First Report Appointment of the Chair of the Social Security Advisory Committee HC 297
Second Report Youth Unemployment and the Youth Contract HC 151 (HC 844)
Third Report Universal Credit implementation: meeting the needs of vulnerable claimants HC 576 (Cm 8537)
Fourth Report Lifting the restrictions on NEST HC 950
Fifth Report The Single-tier State Pension: Part 1 of the draft Pensions Bill HC 1000 (Cm 8620)
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Oral evidence

Taken before the Work and Pensions Committee
on Wednesday 26 June 2013

Members present:
Dame Anne Begg (Chair)
Jane Ellison
Graham Evans
Mike Freer
Sheila Gilmore
Glenda Jackson
Stephen Lloyd
Nigel Mills
Anne Marie Morris
Teresa Pearce

Examination of Witnesses

Witnesses: Nilufer Rahim, Senior Researcher, NatCen Social Research, Matthew Oakley, Head of Economics and Social Policy, Policy Exchange, Tony Wilson, Policy Director, Centre for Economic and Social Inclusion, and Adam Sharples CB, Non-Executive Chairman, Ixion Holdings Ltd and former Director General, Employment Group, Department for Work and Pensions, gave evidence.

Q1 Chair: Thanks very much for coming along this morning. I am sorry you have had to wait for some time. We are also struggling a wee bit with the new technology. The Committee has just gone paperless, and it is not quite as easy as we thought, which may be a portent of the way that Jobcentre Plus is going as well, in terms of digital by default. We are finding it quite hard to be digital by default. Anyway, thank you very much for coming along. This is our first evidence session in our inquiry into the effectiveness of Jobcentre Plus and its role in the future. I know that, between you all, you have a huge breadth of experience. Can I start by asking you—starting with you, Matthew—to introduce yourselves for the record, please?

Matthew Oakley: Good morning. I am Matthew Oakley, Head of Economics and Social Policy at the think-tank Policy Exchange.

Tony Wilson: My name is Tony Wilson. I am the Policy Director at the Centre for Economic and Social Inclusion.

Nilufer Rahim: I am Nilufer Rahim. I am a Senior Researcher at NatCen Social Research.

Adam Sharples: Hello, good morning. I am Adam Sharples. I used to be a Director General in the Department for Work and Pensions (DWP). I now have a number of non-executive roles, including Chairman of Ixion, which is a not-for-profit provider.

Chair: It is nice to see you here in a slightly different guise.

Adam Sharples: Thank you for inviting me.

Q2 Chair: Thanks very much for coming. Can I start with a very general question about how effective Jobcentre Plus is in its approach to face-to-face interviews with claimants as part of their employment support? Is five to 10 minutes the correct way forward? Is that the most efficient way of engaging with claimants, to get them into work? Who wants to start?

Tony Wilson: I am happy to start. As we have said in our evidence, we think that Jobcentre Plus, as a public employment service, has to play a number of different roles. It has to support the effective functioning of the labour market for people who have become unemployed, getting them back into work as quickly as possible. It has to maintain a rights and responsibilities regime, a conditionality regime, to make sure people comply with the requirements of being on benefit. It also needs to provide personalised and tailored support for people who have more significant barriers to work. The intervention regime, the five to 10 minutes a fortnight, attempts to tick different parts of that box. The evidence suggests that it is less than five to 10 minutes now, for the core fortnightly interventions; that was the original operating model for Jobcentre Plus. The DWP’s own research on the new flexibilities in Jobcentre Plus suggests that contact time is much less than that. In many cases, it is a box-ticking, tick-and-turn-type exercise. It is largely about enforcing that rights and responsibilities regime, ensuring that people are complying with the conditions of being on benefit, and that they are maintaining their job search and actively seeking work.

To that extent, it appears to be fulfilling its objectives. That first objective, around ensuring a flexible labour market and maintaining support, is harder to judge. However, it is hard to believe that a very short intervention every two weeks is sufficient to give people the support they need. Increased outsourcing of that to online job search and new channels presents particular challenges for many unemployed people.

Q3 Chair: Do you think it would be better if Jobcentre Plus had, or passed on to their advisers, a bit more flexibility about how they approach individual claimants?

Tony Wilson: A lot of that flexibility does now exist, since the reforms that were introduced in April 2011, which gave frontline advisers much more flexibility. However, while it led to more flexible use of personal adviser resource—that is the part around engaging people with particular disadvantages, which has been used much more flexibly—it appears that, on the whole, it has led to advisers spending less time with
people on that regular, fortnightly face-to-face intervention. It has become more of a compliance-based intervention. Fundamentally, there is an issue of resource here. There is a heck of a lot of evidence that Jobcentre Plus has been incredibly effective, and has more than paid for itself. The DWP evidence suggests that as well, with the introduction of Jobcentre Plus and the JSA regime. There is a return to the Exchequer, and a return to the economy as well, of engaging effectively with unemployed people and getting them back to work as quickly as possible. That resource has been reduced; there are no two ways about it. The NAO study published a few months ago shows that. The DWP’s own accounts show that. The research shows that. We think that reducing that resource is a false economy. There is fundamentally an issue of resource, and Jobcentre Plus, at the frontline, are having to make very difficult decisions about how they allocate an ever-shrinking resource, in terms of personal adviser time.

Q4 Chair: Do you not have some concerns, shared by the NAO, that it is very difficult to measure the success of increased adviser flexibility? Tony Wilson: Yes, absolutely. There have been no attempts by DWP to measure the impact and the cost benefit of the reforms that were introduced in 2011. However, there is a wealth of evidence about what works in terms of personalised, face-to-face, quality adviser inventions. There has been a whole load of studies over the last decade or so, looking at Australia, the Netherlands, the UK and the US. It comes to conclusions around the size of caseloads, for example, and around the importance of personalised support. There is good research, including some by other people here, about how we can deal with it effectively. That is the piece that I am worried about. Yes, there is a particular issue about how Jobcentre Plus is measuring its own impact.

Q5 Chair: Could it be measured? Tony Wilson: The impact of the flexibility?
Chair: Yes. Tony Wilson: Absolutely. It could potentially be measured, if it was done in a controlled way. I would love to do this: if we went back to the regime that existed before 2011 in some parts of the country, which was a very structured regime, with personal adviser interventions of set durations, for different claimants at different points, and compared that with a more flexible regime, and tested different types of flexibility, you could absolutely trial the effectiveness and the added value of that. It is very hard now; it is much like trying to measure the impact of the Work Programme, with a black box operating model. It is very hard now, when we do not really know what advisers are doing, and DWP does not really seem to know what Jobcentre Plus is actually doing, and how it is using its flexibility, to measure impact in that way.
Chair: I have two colleagues who want to come in, and I will come back to the other witnesses.

Q6 Glenda Jackson: This is on the issue of the face-to-face interview. If I look at my own Jobcentre, for example, they are being very flexible with young people. They are meeting in groups and they are finding that beneficial. However, on the successful face-to-face, there are huge variations in claimants. Can you break that down, as to who are the most successful; who were, in one sense, the easiest or the most difficult? Do you know what I mean here? Some people are very, very difficult to get back into work. Tony Wilson: Absolutely. Glenda Jackson: Can you give us any divisions on who were the most successful under the old regime? Tony Wilson: I should probably invite other members of the panel to speak. There is evidence about the relative importance of face-to-face advice for different groups. For example, there is work that NatCen has done, which has looked at well-being and mental health. From the research we have done with lone parents, we know about the importance of professional lone-parent advisers and good-quality support. I have flicked through some of the evidence, and there is a lot of it, submitted to this inquiry, and there were a lot of submissions from representative groups, from local authorities and others, about groups that have been particularly affected by changes in face-to-face support. Clearly, it comes up again and again from research with young people, about the importance for them of quality time, particularly in the context of careers advice, and good-quality face-to-face careers advice. It is quite a mixed picture. It is something that we have not really tested systematically for a little while. A very good report was published in 2007 by DWP; it is an analysis of different research about what works for whom, which tries to get underneath some of that. Matthew Oakley: There is a difference here between providing support and providing a monitoring and conditionality regime. For instance, there is no reason that we need to do the monitoring face-to-face necessarily. There is some evidence that shows that actually, it is just the act of going to a Jobcentre rather than seeing an adviser that acts as a spur to look for work, and to push people off benefit as the current measure does. It is that second element—the support—where you are completely right: some people need much more support and have far greater needs, and that is provided for much more effectively face-to-face.
Going back to your question, then you could have the flexibility to say, “Actually, perhaps we need to see fewer people face-to-face if they are very close to work. If they are just looking for jobs and they do not need much support in doing that, we can stop seeing them face-to-face, just bringing them in.” We can then say, “That will free up a lot more time to give people the support they need face-to-face, in a much more personalised way, and with a longer timescale.”

Q7 Glenda Jackson: Is it not the other way round at the moment, because of reduced circumstances in Jobcentres Plus? The more difficult ones are left to one side. Matthew Oakley: Completely. Absolutely. Glenda Jackson: Yes. Thank you. Nilufer Rahim: Our evidence does support what Tony and Matthew have said. We evaluated the trailblazer
for support for the very-long-term unemployed. This was two newly designed programmes by the Department for Work and Pensions, which tested the relative performance of the ongoing case management programme, which was more intense help and support from a Jobcentre Plus adviser to customers. It was delivered by Jobcentre Plus against a work experience scheme delivered by private contacts. On the ongoing case management programme (OCM), which we compared against the standard offer of Jobcentre Plus support, the OCM advisers did see customers much more often. Jobcentre Plus advisers can bring in customers as and when they wish, and the key to this was that they had much smaller caseloads. Their caseloads were typically around half the size of a standard-offer adviser. They also saw their customers for much longer durations. Just to give you an idea, 43% of jobseekers who were on OCM said that they saw their personal adviser weekly, and that compares to 6% who were on the standard-offer support.

There are a number of key advantages to that approach. It is mainly that seeing customers much more often helps to build up the rapport and the trust that enables customers to open up about their barriers, and any underlying issues, which perhaps earlier on they were slightly reluctant to bring up, such as alcohol or dependency issues. That greater insight into customers’ barriers then helps advisers to personalise support around customers’ needs more effectively. As Matthew said, advisers were able to go beyond the monitoring of job-seeking activities to providing a more active support, so helping people not only by sign-posting to employment or training opportunities, but helping with CVs and applications, and providing that one-to-one support that was really useful for customers.

Q8 Jane Ellison: My question is a fundamental one to Tony. You seem to imply in what you just said that the only way an organisation can be more effective is to increase the resource that goes into it. I just wondered if that is what you feel about Jobcentre Plus. I think you would agree that it is not universally true of every organisation.

Tony Wilson: Yes, I certainly would not want to give that impression. It would not be my view that we should measure Jobcentre Plus’s performance based on the amount that we spend on it. My concern is that, fundamentally, for a business that relies so much on engaging people face to face and supporting them to overcome their barriers and move back to work, that does mean that you need to invest in the professionalism of the training and the number of people who are delivering those sorts of roles. Caseloads for personal advisers have increased significantly. A survey that was done in 2009 by the University of Melbourne, which was looking across different countries but did look at the UK as well, found on average, there were personal adviser caseloads of about 80 per adviser. That figure is now 138 in the NAO report.

In a tougher labour market, there are much, much larger caseloads, and I think that does present real challenges for how effectively we are engaging people. We have seen big changes in how those resources are used. We have 15,000 advisers who are providing general advice to jobseekers, with specialist support as well. There are 1,500 providing support to lone parents, of whom there are 600,000 on Income Support, and only 500 specialist advisers supporting people on Employment and Support Allowance, of which there are 2.6 million. There are substantially more than the other two benefits put together.

I think there are issues about the level of adviser resource, and, of course, how effectively we use that. Regarding the efficiency challenges, Jobcentre Plus had done an incredible job in becoming a more efficient organisation, through better use of technology, better integration of back office services, much less duplication now between DWP and Jobcentre Plus services and much better use of resource locally. It has delivered incredibly well on the efficiency agenda over the last five years, which is demonstrated by the fact that it has not fallen over in the recession, frankly. However, I do think that there is a need for more investment in adviser resource.

Q9 Chair: Adam, you were in charge for some of that time. Was that down to the hard work you did?

Adam Sharples: I absolutely endorse what Tony says about the quality of what Jobcentre Plus does and what it has achieved, and a number of reports have been done that have looked back at its performance through the recession and through those challenges. Those reports have confirmed the quality of the response and the effectiveness of that approach. The point I was going to make was that if you went out to talk to people in Jobcentre Plus, as I am sure you do—

Jane Ellison: We just have.

Adam Sharples: I do not think you would find anyone who would not want to spend more time face to face supporting their clients. I think everybody in Jobcentre Plus would say, “If we could spend more time face-to-face, we could give valuable support and we could help people to move more quickly into work.” However, the fundamental problem is that Jobcentre Plus, like any organisation, is resource-constrained, and it is really important to remember the volumes of people that Jobcentre Plus is having to deal with. Obviously, caseloads have gone up, but it is also very important to remember the flow through the system. There are 3 million to 3.5 million claims for Jobseeker’s Allowance every year, and perhaps half a million for Employment and Support Allowance. There are round about 4 million new claims coming through the system each year. The big challenge for Jobcentre Plus is to keep on top of all of that to fulfil the fundamental requirements of the system, that there should be some check that people meet the conditions for receiving benefit, and then also provide some support for people.

I have to say that one thing that really impressed me when I saw Jobcentre Plus working was the quality of the staff who were working with customers and the quality of the organisation in Jobcentres. I always found it was a very calm and well-ordered atmosphere, even though there were sometimes difficult people coming in and quite challenging
conversations to be had. It was all handled very, very smoothly. So it is that dilemma: how do you get face-to-face time, which everybody wants, within constrained resources?

Q10 Chair: One of the recommendations we made in our inquiry report on the Work Programme was that perhaps Jobcentre Plus needed to introduce the Australian classification system. They have that instrument so they can identify those who have the highest barriers or the most barriers to work. Do you think that is something that we should be considering in this country?
Matthew Oakley: Certainly, moving more towards that approach, where we are introducing a classification system that says, “How far away from the labour market is this individual person?” and then tailoring the support and conditionality requirements based on that assessment is a key thing we should be doing in this country. I would say that, actually, we need to go further than what the Australians have done. Tony probably knows the evidence better. There are arguments over whether their classification tool is as accurate as you might hope a tool might be. With modern-day data technology and what we can do now, across the private sector as well as the public sector, in terms of splitting caseloads of customers of different companies, we should employ the same kind of techniques in Jobcentre Plus. We should bring together data from other Government Departments, along with a questionnaire of the individual, bring that together with private sector data, which is used in other public services, to say, “What’s the likelihood of this person reaching long-term unemployment?” If that is very high, then on day one of the claim they should be getting the support that they need from providers like the Work Programme, rather than having to wait for 12 months in Jobcentre Plus, where we have already seen that, frankly, they can be parked without the support they need, because it is just a big sausage factory. The conditionality is fine, but you are not getting the kind of personalised support that you need, so we should be putting in place a tool that does that on day one and says, “Which of these people need support right now?” and then send them across.

Q11 Chair: Are there any cons to that process?
Matthew Oakley: Of course there are. The criticism would always be—and you would hear this from people at the Treasury—that there is dead weight associated with it. You get false positives; you think someone needs help, but actually they do not, so you give them support on day one that they do not need.
We are currently doing that in the existing system. We have segmentation in the existing system that is based on benefit-type, essentially, so people who are moving out of prison go on day one, and other people are fast tracked at various points throughout the system. We never measure what the false positives of that system are, so we do not have an effective baseline against which we can really measure the success of a new potential tool. So I push the Department to work out what they are currently doing and how effective that is at identifying those people with the greatest needs, and then you can compare that to a new system and see whether it is more effective or not.

Q12 Nigel Mills: That all sounds quite attractive. Has anywhere else in the world got that system up and working, or is this completely blue sky?
Matthew Oakley: A number of other countries have systems similar to Australia. In the USA, some states do it, and the Netherlands do it as well. Germany do some of the stuff, too. If we move to this new level, that would be pushing the boundaries of where countries have gone before. However, I do not think there is any reason not to try that. Again, you could do this on a pilot basis in one Jobcentre district. If it works, fantastic. If it does not, then you have not lost anything.

Q13 Nigel Mills: When do you think that initial contact needs to be? I think you said when the claim is first made, but that is not necessarily when somebody first loses employment, is it? If I have a redundancy pay-off, I may not go to the Jobcentre for a couple of months, thinking I will find work under my own steam. You can lose two months of the most enthusiastic job-searching before we even know them.
How do you get that intervention starting when it needs to?
Matthew Oakley: I guess that is difficult, because obviously you have little control unless someone comes forward and says, “I’d like benefits,” and then, “Okay, you can have benefits, but we need to ask you some questions and think about what kind of support you’d need.” Perhaps part of that is trying to remove some of the stigma around claiming benefits, so people do come forward more quickly to claim benefit when they become unemployed.
Stephen Lloyd: I am sure that will delight the Treasury.

Q14 Glenda Jackson: I quite agree with Mr Sharples on the way Jobcentre Plus has stepped up to the plate, but what is the basic motivation here? Is it to actually get people work, or get them off benefits? They are not the same thing. Ministers have said to us that the majority of claimants are back in work within six months; it is a very cheap churn. They told us that the whole process is to concentrate on those who are hardest to reach, and yet we all know that that is not coming. Is the underlying motivation not necessarily to get people into work, but simply to get them off benefits?
Adam Sharples: Could I say a word on this? I think there is quite an interesting history here. It seems to me the motivation is absolutely to help people into work. The measurement that is used is a flow off benefits, but the reason for that is purely pragmatic. That is the thing that the Government can measure, when somebody leaves benefit.
If you wind the clock back six or seven years, Jobcentre Plus used to measure entries into work. It had a team of several hundred people who would phone up employers, and find out whether somebody was in a job. Jobcentre Plus had a “job-entry target.” The general view was that that was pretty inefficient, having all these people making these phone calls just
to check up. So Jobcentre Plus moved to what was called a “job outcome target”, which tried to use the links with HMRC to pick up on PAYE data and cross-check against benefits data, using national insurance numbers, and use that information to find out when somebody was in a job. The problem with that was that, because of the nature of the PAYE system, there was a long time delay, so the data was always out of date, and you could never track it back to an individual office. Jobcentre Plus felt that it was a very, very poor tool for actually managing and motivating staff, because they did not know in that office how many people had got into a job. It was at that point, just for pragmatic reasons, that Jobcentre Plus switched over to measuring what they could count, which was people leaving benefits. It is a second best—everybody recognises it is a second best—but it is a good enough measurement of what that Jobcentre is achieving. The challenge is to try to constantly remind people that what Jobcentre Plus is there for is to help people get a job, not to get people off benefit, but the measurement is a pragmatic proxy for numbers of people getting into a job.

Q15 Glenda Jackson: But removing people from benefit is no longer a choice for Jobcentre Plus, is it? That is something that the present policies have intrinsically within them.

Adam Sharples: It is certainly true that Jobcentre Plus is targeted for the off-flow from benefit after six months: what proportion have left benefit at the six month point. As I say, though, that is the nearest existing measurement that any Government agency can get to what it would really like to get to, which is: “How many people have got a job?” Other countries have different systems. The US, for example, has a job hire database, and they can immediately measure when someone is in a job. We have not, but perhaps with the real-time information (RTI) system that is providing the foundation for the Universal Credit, there will be new opportunities to measure job entries more accurately. I would hope that the Department is looking closely at how it can move to a job-entry target or performance measurement as quickly as possible, rather than an off-flow from benefit.

Q16 Chair: I understand, Matthew and Tony, that you have quite strong views about the measurement that should be used. Do you agree with that, or do you think there should be a different measure?

Matthew Oakley: I completely understand where Adam is coming from in terms of the pragmatic approach and measuring things that are easy to measure and which, in terms of resources, can be done quite cheaply. That is in the past. Now, with RTI coming in and the link between HMRC data and DWP data coming into place, there is no reason why we cannot change that, particularly as we are already asking Work Programme providers to do exactly what Adam is talking about in terms of matching people going into jobs and then keeping track of them when they are in jobs. That is the point: we are already trying to make Work Programme providers do that, so why not Jobcentre Plus as well? As I say, the link between HMRC and DWP data is going to be hugely beneficial to that. When the Department has done this in recent studies, it has shown how ineffective Jobcentre can be in helping people stay in work. So, if you look at a recent DWP publication and use that with the off-flow data, it basically shows that only 36% of people move into Jobcentre Plus and then find a job within six months that lasts for eight months, so a sustainable job within six months; only 36%. Compare that to the 50, 75% off-flow and it is a very different picture indeed. That is the kind of performance measure we are expecting from the Work Programme and then say that is failing compared to Jobcentre Plus. So it does not really seem to be a particularly fair assessment at the moment, which is why we need to move to a system where we are checking whether people are moving into work, how long they are staying in work for and how much they are earning.

Tony Wilson: My views probably are not quite as strong as Matt’s on this, because the job outcome target, essentially, as the Department said at the time and also when they see you, I expect, was like driving a car by looking in the rear-view mirror, because they could only judge performance with a one-year delay. It simply did not work and now the focus must be about how we can use technology, real-time information to have a job-entry target. Work Programme providers have a job-outcome target. They also have to invest a heck of a lot of resource, phoning up employers and asking if somebody is in work and making all those checks. It is completely disproportionate to what they should be doing. The Department had originally intended there would be an IT solution, which would mean they would not have to do this, but that has not worked, so it is very labour intensive. The DWP research on this, as Matt knows and has said, shows that about two-thirds of people who leave JSA do leave for work. I would not necessarily agree that that is effective or ineffective. What we do not know, because there are no comparable studies, is whether that is good or not. What we do know is that in 2004, when there was the same kind of survey, it was only 63% or 64% of those leaving benefit who were finding work. The likelihood of finding work has got slightly better over the last decade if you compare the 2004 and the 2011 survey, so it is hard to know whether that represents good or bad performance. The other thing it shows is that fully 80% of people who leave JSA and find work are still in work seven or eight months later. Now, you could present that, as Matt has done, as a bad figure, but equally, if you present it to a Work Programme provider, 80% of people who enter jobs will still be there in six months, they would bite your arm off. They are nowhere close to that sort of conversion rate and nor would they be, because they deal with a harder-to-help group, frankly. But it is quite hard to make these comparisons, because we just do not know enough about what good should look like. I think Matt is absolutely right; we do need to test different approaches. We need to look at different ways of measuring it, but we also need to think about how we benchmark what good looks like for getting people into work off JSA.
**Nilufer Rahim:** I would add to that by saying that our challenges are that being experienced in recording destinations of off-flow can hide potentially unwanted or negative results. For example, when we did an analysis of off-flow in our Long-Term Unemployed Trailblazer evaluation, a small minority of people left benefits completely and did not enter work. When we looked at that proportion of people, we found that after those who went on to Employment and Support Allowance, they had the highest incidence of mental health issues. They were also single, so not living with a partner. They were also most likely to have had their benefits stopped in the past six months. When we had qualitative interviews with people who had come off benefits but did not have the financial contingencies of a social support network, and paid work, we found that there were severe financial repercussions for these people, which is unsurprising. But this non-recording of off-flow destinations does muddy the picture. We do not know whether off-flows are a good thing or a bad thing.

**Q17 Mike Freer:** We have covered some of the issues, but we have to go back on to the monitoring or recording of activity. We visited some Jobcentres yesterday and the day before. We saw the monitoring of the Claimant Commitment and had they done their 30, 32, 34 hours of activities. If you argue that what gets measured gets done, that is a good process. On the other hand, you could argue, if it is not effective, what are we learning from it? So should we be continuing with the “how much have you done?” or should we be moving to a “how effective is what you have done and what can we do differently moving forward?” approach? Which do you think would be most effective?

**Adam Sharples:** My view very strongly is that the organisation has to be focused on what results it is achieving, and has to have a performance system that gets each member of staff focused on not “have I completed this bit of process?”, but “has that process been successful?” If you look back over the last five years or so, there has been a real shift in Jobcentre Plus. Five years ago, it was very focused on making sure everybody did the right bits of process. I can remember having a lot of conversations in Jobcentre Plus where people would tell me a lot about the steps they had to go through in a discussion with a customer, but when I asked, “What difference is it making for that customer?” there was a slightly blank look. What we did when we changed the performance regime was to really concentrate it on—I know it is not a perfect measure, because it is off-flow from benefits rather than entries into jobs—the result. We tried to give much more flexibility to Jobcentre Plus staff to think, in any particular interaction or conversation, “How is it going to help this person to get into a job and therefore get off benefits?” My sense is that that has been a tangible shift in Jobcentre Plus thinking and a very welcome one, but it can still be pushed further.

**Tony Wilson:** I absolutely agree with Adam. There is an issue in that fortnightly compliance-type intervention, that fortnightly face-to-face job review, about how far advisers are able to do that in what is a couple of minutes intervention now. This is the challenge. So with the Claimant Commitment under Universal Credit the expectation will be that job seekers are undertaking activity that is equivalent to full-time work, essentially, 40 hours or 35 hours of activity a week. Immediately, the discussions within the Department and with outsiders like us were around, “How do we operationalise that? How can we make that bit of process, 35 hours a week, obscure something that we can give to advisers that they can monitor on a fortnightly basis?”

If they are spending two or three minutes with somebody, it is so hard to get that focus on what is the impact and the outcomes that you are achieving. But there are pointers on this: Jobcentre Plus piloted in Loughton in Essex, with the Behavioural Insights Team from the Cabinet Office, a different form of intervention with more time, a different form of Claimant Commitment: a claimant agreement that was more “set out what you are going to do, verbalise what you are going to do, come back two weeks later and discuss whether you have done it or, change your objectives, go out and do it.” That sort of engagement, which is much more focused on one-to-one engagement and then reviewing what people have done, how effective it has been and then changing the agreement and going out and looking for work again, did get better results. That goes back to the heart of where the JSA regime started in the late 1990s. Where Jobcentre Plus started in 2001. I sound like a broken record, but that is the point we do risk losing and we have risked losing in the last couple of years with the very high volumes and really a focus on that fortnightly intervention of it just being compliance-based, because then it cannot get away from box ticking. It cannot get away from just saying, “Have you done 10 activities? No, you have not, so I will sanction you for not actively seeking work.”

**Q18 Mike Freer:** There are two follow ups on that. Firstly, “nudge” of course is the other term for behavioural insights. Does that allow the adviser to either focus on the barriers—so lone parents or disability—but also then to flex whether it should be a regular engagement, which is much more focused on one-to-one engagement and then reviewing what people have done, how effective it has been and then changing the agreement and going out and looking for work again, did get better results. That goes back to the heart of where the JSA regime started in the late 1990s. Where Jobcentre Plus started in 2001. I sound like a broken record, but that is the point we do risk losing and we have risked losing in the last couple of years with the very high volumes and really a focus on that fortnightly intervention of it just being compliance-based, because then it cannot get away from box ticking. It cannot get away from just saying, “Have you done 10 activities? No, you have not, so I will sanction you for not actively seeking work.”

**Tony Wilson:** Absolutely. There is potential to do that and that is exactly what we should be testing. Indeed, the DWP is doing some tests on that, which I think concluded in March and, hopefully, we will start to see some results from. But there will always need to be a regular engagement that is a check to make sure that those individuals are still meeting the conditions of being on benefit and that their circumstances have not changed. That is an important statutory responsibility of the Department. But yes, that greater flexibility is important. One caution on that, though, is that there are about 4.5 million claimants of out-of-work benefits and the very large majority—
two-thirds—are seen six-monthly if at all by Jobcentre Plus.

People on ESA, which make up the large majority of people on benefit, and people on Income Support, do not really have any engagement with a personal adviser. We have not discussed it and it has not really come up a huge amount in the evidence to the inquiry, including the written evidence. That is the group that is at the biggest risk of being parked: 95% of people on ESA are not in the Work Programme, are not in Work Choice and if they are seen by Jobcentre Plus they are seen every six months. That is a group, among others, where we should be increasing resources, looking at how we can use resource more flexibly. If that means, therefore, spending less time with more employable job seekers, those are the trade-offs we need to consider.

Q19 Sheila Gilmore: We have just been on a visit to Ashton-under-Lyne to see what they were doing with the Universal Credit first applicants. They did make a lot of a system of going through what people would do in the next fortnight, but it did seem to me that that was quite time-intensive. Is that feasible when what a does quite a time-intensive discussion when somebody first signs on, typically 45 minutes to an hour, and that has two purposes. One is to try to establish a Jobseeker’s Agreement: what that person is going to do to look for work. The second is to check that all the details of the claim are right, so that the money can be put into payment. That is quite an intensive process up-front. It then goes into a phase where the customer is seeing Jobcentre Plus every fortnight and for a very short period. Jobcentre Plus is trying out lots of different approaches to that fortnightly signing, including electronic signing, speed signing and all sorts of other techniques. Interestingly, it has been trying to do that using a random assignment, so it can genuinely see what makes a difference in a particular office in a particular labour market. It will be fascinating to see the results of those trials when they come through; I think they are due later this summer. That is one thing that they are trying out.

Linking back to something I was saying earlier, one thing where there has been a shift in Jobcentre Plus is, previously, the person you saw when you came in for your fortnightly signing was just random. You could see anyone, so there was no relationship built up. Increasingly, Jobcentre Plus has tried to get a personal adviser working with an individual. If you are seeing the same person each time you come in, you are much more likely to feel a sense of obligation, to feel that you need to tell the truth; there is a relationship there. That is hugely welcome. I hope that what Jobcentre Plus can do looking forward is to think about how that slightly more personalised approach can be pushed further. I know it is going to be horrendously difficult within the resources available, especially given today’s expected announcements about spending constraints, but the more personalised it can be the better.

Q20 Stephen Lloyd: JCP offers a wide range of employment support under the brand name “Get Britain Working”. It is across a range of particular areas, and there are three I would like to focus on. One is the work experience. Another is the New Enterprise Allowance, which is a cunning re-use of the name “Enterprise Allowance” from the 1980s, but I think that is very effective. The third is the sector-based work academies. Looking at Nilufer, if that is all right, because I know you have done some research in this area, what is the data showing in each of those three areas initially? Is it looking to be effective, not effective, middling effective, very effective, in work experience, New Enterprise Allowance and sector-based work academies?

Nilufer Rahim: Our analysis did not look at those three specifically and then look at job outcomes or impacts associated with those programmes. Those measures were there for Jobcentre Plus advisers who were delivering the ongoing case management programme—the more intense form of support and draw on. What they discussed was their ability to use those measures more effectively, and the key to this was seeing people more, understanding their barriers more and so timing those forms of support around people’s needs more effectively. What we did find was that, on OCM, those who received that more personalised support, so seeing their adviser more often and doing the types of activity or those sorts of measures that were most relevant and tailored to them, were more likely to get a job outcome.

Q21 Stephen Lloyd: What about the outcomes when people did the work experience, because it is almost 100,000 people now? Did you do any research on that, or Tony’s side? Tony Wilson: DWP has published an impact assessment on work experience, which found that it had a positive impact on off-flows from benefit and, as I recall, on entries into employment as well. That was using essentially quasi-experimental methods to control for other things that could influence the likelihood of somebody leaving benefit. That was quite surprising and welcome, because the work experience programme that DWP delivers is incredibly cost-effective. It is very, very low cost. Essentially, there is a work experience co-ordinator and people are referred into a placement where there is no payment to the individual or the employer. It is essentially done as a public good by employers and it has had a positive impact. If you ran a cost-benefit analysis, although we have not, I think you would find really quite positive impacts from it. That goes to the heart of one of the critical barriers that young people face, which is around the signal that being young and unemployed sends to employers: that you are not employable, that you are not worth giving a chance to and the fact that young people often end up near the bottom of the very large pile of job applications. Work experience helps to overcome those signalling barriers. It builds people’s confidence, gives them access to the networks we all use to find
new jobs and new opportunities, and it improves their workplace skills. It compensates a lot for the fact that work experience in schools is often low quality and is no longer a statutory requirement and that, increasingly, young people in education do not work. The employment rate of young people in education has halved. I think I have said this before in a previous inquiry on young people, but the employment rate of young people in education has halved over the last few years and the employment rate of young people full stop, 16 to 17-year-olds, has halved as well.

Q22 Sheila Gilmore: The pilot that is always referred to in terms of figures is it still that 1,300 that was done nearly two years ago? Has there been any further proper research on work experience as opposed to anecdotal?

Tony Wilson: The DWP impact assessment was published about a year ago. I am not sure how many people were in the sample, but I think you would find similar results. I have certainly not picked up any indications that the offer or its application has changed. But there is an important point there more generally about Get Britain Working, which is that there is no evaluation plan for the Get Britain Working measures. DWP is not evaluating them in and of themselves. The work experience measures should come up in the Youth Contract evaluation that DWP will publish this year. The New Enterprise Allowance is being evaluated, and I think that will also be published this year.

Q23 Stephen Lloyd: What about sector-based academies?

Tony Wilson: There are no plans to evaluate sector-based work academies. If you look at the evidence that the Association of Colleges submitted, they talked about how well this was going and how their partnership working with Jobcentre Plus had improved and how sector-based work academies were a success. I have a soft spot for them, because I was in DWP and had some responsibility for them when they were set up along with the work experience programme. I just wish we would evaluate them. There is potentially a really interesting and important model here about how we can get localised college funding and local flexibility for Jobcentres working together to join up pre-employment training, work experience, guaranteed interviews and, potentially, jobs. That needs to be a critical part.

Q24 Graham Evans: I just want to mention a success story, which I have mentioned before. I did a jobs fair at Mid Cheshire College with Jobcentre Plus. You had 17 and 18-year-olds, a big cohort speaking directly to 40 private sector employers with good-quality jobs and apprenticeships, plus all the rest of Jobcentre Plus clients. It was a fantastic occasion and Jobcentre Plus and the College said, “Can we not do this more often?” The mix was just right: private sector good-quality jobs, which is the key ingredient, but the quality of Jobcentre Plus management and leadership along with the college leadership was a magical formula. We could and should perhaps put that into every community.

Q25 Stephen Lloyd: There are and I can add to that. I am Chair of the APPG on FE and Lifelong Learning and we are doing an evidence session at the minute with colleges, employers and Jobcentre Plus, so I pick up on that.

I will come to Adam for a minute, simply with your hat on from a few years ago. You remember there was an enormous kerfuffle around work experience in the media two years or so ago. For a lot of employers and people like me who, before I came into politics, employed a lot of people, work experience always made sense for the reasons that Tony has mentioned. But I do take my colleague Sheila’s point around what counts as evidence. Would you agree with Tony’s illustration that the DWP really does need to put in a proper process of robust measurement around, say, those three that I am particularly focusing on—work experience, New Enterprise Allowance and sector-based academies—and that without having relatively up-to-date data every six months, so to speak, it would undermine any potential success they would have? In other words, how important do you think the evaluation is on a regular basis?

Adam Sharples: I would strongly agree with everything that Tony has said. I would strongly agree with you that evaluation is important. Some simple data would help and it is a little bit of a puzzle to me, for example, on the New Enterprise Allowance. It seems to me this is a great success story. It is a fantastic programme that takes people who are unemployed, helps them set up in business, gives them a mentor, usually some training and also access to a loan to get started.

My business, Ixion, is delivering the New Enterprise Allowance in three areas of the country and we are so excited about the results we are getting for people. For every 100 people who come on the programme, 60 are getting a decent business plan produced and 55 are starting up in business. That means that just in our three areas of the country there are over 3,000 new businesses operating that are being run by people who were previously dependent on welfare. That seems to me a fantastic achievement.
if you get someone to the business plan stage you get a certain payment; for a start up in business you get a certain payment—someone somewhere in the system must have some data, because they are making some payments.

**Tony Wilson:** There is a statistical summary for Get Britain Working. It certainly publishes the work experience figures and, I believe, the sector-based work academy figures. It may well publish the New Enterprise Allowance ones as well. But it is literally the headline, how many people have started in that reference month. What we are missing is the richness of data about what is being delivered where, how many people are benefitting and in what ways.

**Q29 Stephen Lloyd:** That is something that we as a Committee, if we agree, should be recommending very strongly, that the DWP comes up with that data and the detailed data.

**Matthew Oakley:** This is a strange position for me to be in, given that I am an economist and I love data analysis, but I do not think it should be DWP’s sole responsibility to be doing this. DWP is currently the largest employer of economists in the country, or something, and to make them evaluate every programme they have on their books every six months would increase that massively.

**Q30 Stephen Lloyd:** How do we square that circle then?

**Matthew Oakley:** My point of view is that there should be processes put in place to publish the data and the off-flow data publicly, so I and Tony can evaluate it and get a bunch of academics to evaluate it without paying them. That has to be the way to do this.

**Q31 Graham Evans:** Good idea.

**Matthew Oakley:** This has to be the way of doing it. You publish the raw data with confidentiality stuff sorted out.

**Tony Wilson:** Someone has to pay us, Matt.

**Chair:** But you agree that there is a hole; that data is not being collected and it is not being analysed at the moment and it needs to be.

**Stephen Lloyd:** Or possibly it is being collected, but it is not being put out there. I think that is a really good point, so maybe it is us pushing them to be more open about the raw data and then leave it to you lot. Okay, moving on, Nilufer, one of the issues with Get Britain Working, which again I know you have done some research on, is the very long-term unemployed, the JCP
districts have access to FSF. How well do you think the JCP is doing in managing an effective use of the Flexible Support Fund and evaluating its impact? Who wants to go?

**Tony Wilson:** The answer is not at all well. The NAO report and the PAC went into this as well, and DWP acknowledged in that process that the only information that is collected is expenditure on the Flexible Support Fund. We do not collect data on how many people then benefit from particular support within the fund—and what outcomes they achieve—and that would be just the very, very basic data, let alone getting in to trying to understand the impact of it.

**Q32 Stephen Lloyd:** Okay, that is fine. The Flexible Support Fund again, like most of the MPs around the table, I have had constituents in. A classic example is an HGV licence; “I want to be an HGV driver. I do not have the money to do the training. I have heard of the Flexible Support Fund, yet I go to my Jobcentre Plus and they are not interested in giving me the money.” Clearly, there need to be parameters around the Flexible Support Fund. You cannot just hand it out willy-nilly, but if I can go to whoever thinks they are the right one to answer this, the JCP districts have access to FSF. How well do you think the JCP is doing in managing an effective use of the Flexible Support Fund and evaluating its impact? Who wants to go?

**Tony Wilson:** The answer is not at all well. The NAO report and the PAC went into this as well, and DWP acknowledged in that process that the only information that is collected is expenditure on the Flexible Support Fund. We do not collect data on how many people then benefit from particular support within the fund—and what outcomes they achieve—and that would be just the very, very basic data, let alone getting in to trying to understand the impact of it.

**Q33 Stephen Lloyd:** And yet the JCP would have that data.

**Tony Wilson:** They may have that data, but they are not required to report it to the Department. So they may not have that data. This concerns me hugely. We do not even know how big the Flexible Support Fund is. There is no public record of the size of the fund. There was a note by the House of Commons Library which estimated it might be around £200 million a couple of years ago, but DWP has not even said how big the fund is. We do not know what the allocation is in different districts. We do not know what the criteria are for applying for Flexible Support Fund grants. We know that it cannot duplicate provision and from the evidence you have received there are really mixed views about that. I think it was Hackney said that they put in a bid that did not duplicate provision and were told it could not be approved because it was going to duplicate potential future provision that Jobcentre Plus might provide.

There is no transparency about how much money is being spent. There is no transparency really about how to apply for it. There is good practice and bad practice in that. There is no transparency about how it is used, let alone about the impact. In terms of oversight of public expenditure, there is a real worry and concern here. There is a substantial chunk of Jobcentre Plus money, and we do not really know what it is being spent on. The DWP evidence talks about it being spent on travel, childcare, which is important, and other support for disadvantaged groups. Let us open it up.

**Q34 Stephen Lloyd:** On the note that Tony is making, do any of you have anything to add to that or do you broadly agree with Tony that there is a lack of transparency on it, a lack of clarity around boundaries? Is there anything you want to add?

**Adam Sharples:** I strongly agree with Tony. The one point I have a little bit of sympathy with the Department on is that we are always asking for more data to be collected and the Department may feel their job is to help their customers, not just have legions of people collecting data. I have a bit of sympathy with them on that, but I do think that the whole system, not just this particular element of the system, is remarkably opaque. Perhaps I feel this rather acutely having been inside the system for some time, now being outside and trying to read what is going on. It is
very, very difficult to get systematic, clear information about how money is spent in the Department. A plea from me to you, the Committee, would be to be much more demanding, to ask for clear information. I do not know whether others have tried to pore over the Department’s accounts and work out where the money goes.

Q35 Stephen Lloyd: Is this a historical thing along the lines of Departments generally do not really want to have the light of raw data shined on them too much, is it something that is just too much hassle, or is it “No, let us keep it a secret”—in simple terms, cock up and conspiracy? What is your instinct? The word “conspiracy” is absurd in this situation, but you know where I am coming from.

Adam Sharples: I do not want to speculate on what the reasons for it are, but—

Q36 Stephen Lloyd: It is historical. This is not new. Adam Sharples: I would argue that, paradoxically given the stated Government commitment to greater transparency, the trend has been for less useful information to be put in the public domain. For example, up until three years ago, every Department would publish a departmental report each year. That had a series of tables that had to follow a set format. I know a little bit about this, because when I was in the Treasury we defined that format quite carefully, to try to make sure that each Department published tables showing where the money went in a way that corresponded to recognisable administrative boundaries. So you could say what Jobcentre Plus was spending, for example, or how much was being spent on the Flexible Support Fund. Now no such reports are published. Jobcentre Plus itself used to publish an annual report. Now Jobcentre Plus does not exist as an agency and therefore there is no report. So, in a number of respects we have moved backwards. There have been some positive steps in other areas. My plea is just go on pressing, because in there, there is lots of data. Everybody has budgets in Government. That is the way Government works. I see no reason at all why those budgets should not be available publicly.

Q37 Nigel Mills: I think one programme Mr Lloyd did not mention was Work Choice, which obviously helps a relatively small number of people who need some intensive support. Do any of you have any views on how effective Work Choice is, whether it should be scaled up? Mr Wilson, I think you are doing some work on this, aren’t you?

Tony Wilson: Yes. My organisation is evaluating Work Choice and that evaluation will be published imminently. I am not personally involved in it and have not seen any of the findings, so it would probably be inappropriate for me to comment on it. Looking more broadly at the evidence surrounding disability employment support and services, there are very strong arguments in favour of specialist support for disabled people. There is some good OECD work about this. There are very clearly defined barriers and issues that many disabled people have and that would support the case for a specialist programme. My one concern is, if you look purely at the numbers of people who are referred on to Work Choice, it is a relatively small programme of tens of thousands rather than the million-plus who are on the Work Programme. Many of them are not on Employment and Support Allowance; most of them are on JSA and many of them are on no benefit at all. There are 20,000 people who have been referred on to Work Choice who are on Employment and Support Allowance. So Work Choice still does not address that issue about there being 2.6 million people on Employment and Support Allowance; 400,000 of those are in the support group. There are 2.2 million people on ESA or IB who should be capable of some workplace activity and fewer than 150,000 of those are in any kind of structured employment support. But I cannot really comment on Work Choice specifically.

Q38 Chair: Do any of you know how JCP advisers decide whether to refer someone to Work Choice or into the mainstream Work Programme?

Tony Wilson: The evaluation of the Work Programme published by a consortium, led by the Institute of Employment Studies—and we are part of that consortium as well—looked at this and found some real issues around that referral process and those handovers.

Q39 Chair: It is a bit ad hoc. Tony Wilson: Exactly. It also found a real lack of clarity about in what circumstances people should be referred to the Work Programme, versus Work Choice. The design of both programmes in some ways has contributed to that. For example, the random allocation nature of the Work Programme means it is quite hard to actively refer a volunteer into the Work Programme because you do not know which provider they will go to when you are trying to build relationships with them. The fact that it is a two-year programme means that it is a heck of a commitment to make. All that may have tended towards people being more likely to be referred into Work Choice, but it is quite opaque. As I say, the fact that the large majority of people who are referred into Work Choice by Jobcentre Plus are on JSA I think reflects that those are the people they see. There are 2 million people who may be capable of work-related activity on ESA who, frankly, are not seen by advisers and do not get the opportunity, unless they volunteer themselves, to go into Work Choice.

Chair: That is something we are going to have to explore a bit more.

Q40 Sheila Gilmore: Is that because the work-related activity group (WRAG) section of ESA claimants are not getting much time from JCP? Constituents of mine report that they go into the WRAG, they are called in for one work-focused interview and told to come back next year.

Tony Wilson: Come back in six months, exactly.

Sheila Gilmore: Six months or sometimes a year.

Tony Wilson: It is twice a year. I just feel like we have really gone backwards here. Since 2005, successive Governments have tested and tried to test and develop new ways of engaging with this group—through
condition management programmes, through supported employment, through wage subsidies, through more effective engagement with employers, through different forms of adviser support, different professional forms of advisers—through some really innovative stuff that has been tested and proven to work in randomised controlled trials in the US for individual placement support services and supported employment-type provision as well. We had that whole process of testing through pathways to work and everything else, and we have largely stopped it. We have chucked it out, largely. That is partly because of the recession and partly because of the need to reduce expenditure on programmes. But when we come out the other side of the downturn, we are going to find that we have a large number of people, the very large majority of people who are on benefit, who are a long way from work, are on ESA and have not received any meaningful support for a substantial period of time.

Matthew Oakley: It is also a wider reflection of what you were saying around referrals to the Work Programme and other schemes more generally. If you look at Payment Group 3 on the Work Programme which is early referral rates from JCP by Jobcentre Plus district in our recent report, as a proportion of the claimant count that varies from less than 5% to above 20% in different Jobcentre districts. There is no clear reason why that would vary quite so much. So, as Adam was saying, the whole system is quite opaque at the moment about how it works; it is not particularly clear.

Chair: We will now move on to Universal Jobmatch.

Q41 Anne Marie Morris: If I may, Adam, I am going to focus on what it is rather than how it is used. I have a quick question for you. There is some concern that there is no checking of the vacancies on it. Some of them are a bit iffy, a bit dubious. Is there a process in place to ensure that the jobs there are genuine jobs and are what they say on the can?

Adam Sharples: I cannot really comment on how exactly the vacancies are fed into the system. This was put in place by Jobcentre Plus after I left the Department. But having tried it myself, and I am now registered on Universal Jobmatch, it seems to me to have the basis of a very useful and quite sophisticated system. It allows you to register, put in what sort of jobs you are looking for, what sort of area and it will come up with useful vacancies that match your criteria. It has the capacity to link in to Jobcentre Plus advisers, so that if you want it to tell Jobcentre Plus when you have applied for a vacancy, it can do that.

You can store your CV and make job applications very easily. It is a great system. I would argue it could be made more sophisticated, because the information it holds about you, your search criteria, is pretty crude and if the sort of work you are looking for does not fit the categories, then it does not quite work for you. I can think of all sorts of ways it could be made more useful, but it is a great start.

Q42 Anne Marie Morris: Okay, that is helpful. Tony, can I ask you about the issue of the lower-skilled vacancies? There seems to be a concern that those are not there, whether that is because that simply is not the way those sorts of jobs are advertised. What can we do to ensure those low-skilled vacancies are available?

Tony Wilson: We talked about this in our evidence. Firstly, I would echo Adam’s point. We think Universal Jobmatch has the potential to be a huge improvement on what has gone before and to really transform the way that unemployed people are supported to find work. Essentially, we have had a system in the past where Jobcentre Plus collected a fraction of the vacancies in the economy and that fraction tended to be congregated around lower skilled, entry-level jobs, and even then it was not picking up all of them. Universal Jobmatch is intended to keep that, to bottle that and then also to get potentially middle and higher-end vacancies as well. It could be that something has been lost in that transition from the Jobcentre Plus-based system to Universal Jobmatch. You would have to ask the Department, but it does look problematic.

Like Adam, I am registered on Universal Jobmatch. I went on and put in my profile as if I were someone looking for sales and retail jobs in London. I was offered a job in Bracknell as a retail solutions consultant; that was in the top 10. The other top 10 jobs included a sous chef and a series of managerial roles in retail and something called a “copy and print centre specialist”. There are so many retail and sales jobs and it is partly because you cannot segment by your own level of qualifications or skills; you cannot segment by your previous experience or particular employers. For example, there are so many jobs, but it is generating this managerial stuff.

The fundamental issue for us is that it is being used more and more as a means of enforcing conditionality. People are required to register on it. If they do not register on it they can face sanction. Jobcentre Plus can monitor activity on it. They can require you to apply for jobs through it. They can follow up what you have and have not done through it. We would argue that that is not how jobseekers are going to find vacancies right now. You really have to consider, if
Universal Jobmatch becomes the main or an important way in how conditionality is being applied right now, that is a really serious concern. It needs to be a tool to help people find work. It cannot be a means of checking compliance and ultimately sanctioning people, because if they are finding jobs through their mates, their neighbours and friends, then whether or not they are registered on Universal Jobmatch is neither here nor there.

Q44 Anne Marie Morris: That is helpful. Matthew, taking that point to the next stage, do you think there is a risk that there could be too much dependence on using technology to find jobs and that people are going to take their eye off the ball when it comes to the face-to-face piece, which it is very clear you need to supplement?

Matthew Oakley: Tony raises a relevant and good point about the risks. We are doing some work at the moment showing how networks and links with friends and family are really essential in finding work and getting people back to the labour market. But there is no reason why Universal Jobmatch cannot form the foundation of that kind of approach where you have an online account; you have a personal account where you might get sent vacancies or ideas. What is missing is the capability of joining that up with the other things that you are doing. Why have we still got the Jobseeker’s Agreement or the Universal Credit one, Claimant Commitment? Why isn’t that there as well, so it says “I have been to talk to five pubs or three shops in person and given them my CV.”? Why is that capability not there as well, as a monitoring tool? It is that way of monitoring everything. We would certainly be aware of policy changes, so you see the future of enforcement and monitoring of jobseekers.

Chair: I think we might all be registered with Universal Jobmatch when we get a taster next Monday.

Sheila Gilmore: We will all get catalogue selling.

Q45 Graham Evans: I was in a shop the other day where it said that 50% of colleagues are recruited by recommendation of colleagues, so I think that is true from family and friends, and so forth. Local Enterprise Partnerships (LEPs) have said that the quality and accessibility of the Universal Jobmatch details for the local market data is not as good in comparison to the previous Jobcentre Plus databases. Do you share their concern on that?

Adam Sharples: I have heard that comment but it puzzles me, because I am not quite sure what data they had access to before and what data they have access to now. All I can say is that it always felt to me that Jobcentre Plus was sitting on a mine of useful data on the local economy. Meanwhile, various organisations and people outside Jobcentre Plus were trying to do their own analysis or develop their own understanding of employer thinking, but the two things were not being linked up. For example, I would talk to a Jobcentre Plus and they would know everything about the new vacancies coming into the system, new shopping centres, new employers coming into the area. Half a mile down the road, the local college was struggling to work out what courses it should be laying on and they were trying to guess what employers were looking for, and somehow the two things were not being joined up. All I can say is I would strongly support efforts to make analysis of local labour markets available to other participants who need to understand that.

Q46 Graham Evans: Is DWP aware of this and, if it is aware of it, what is it doing about it?

Tony Wilson: It is a really key question for DWP. Previously, on the website nomisweb.co.uk, you could access Jobcentre Plus vacancy data at a local authority level for a whole range of geographies and look at notified vacancies, unfilled vacancies, closed vacancies: the stock of vacancies for all different occupations and sectors. It gave you a partial snapshot of the labour market. That ended in October last year. Since then, you have to go through the Universal Jobmatch system and the data there is not classified by SIC and SOC codes—standard industrial classifications and occupational classifications. LEPs and other partners locally just cannot use it in the same way. It just does not give you the same information. I think DWP is aware of that and alive to that.

Q47 Graham Evans: That is a key mismatch—is it not—into good-quality information about new jobs going in?

Tony Wilson: Absolutely, and there were always issues that colleges, local planners and commissioners had that it was only picking up one part of the labour market, so it was never 100% useful. Nonetheless, it was really important in understanding what, particularly, further education colleges should be providing for people who were unemployed to help them access employment. So we have been developing data tools around this, and we are hoping to do some more work on this. We have some stuff we can show, which tries to use data in different ways. It is Labour Force Survey data about what jobs people move into and what their previous jobs were, but it is nowhere near as rich and useful. There is a really big problem here. I downloaded the Universal Jobmatch top 20 jobs notified not long ago. Number seven on the list of the top 20 vacancies on Universal Jobmatch was oven attendant. Number 19 was diplomat. This is clearly misclassification of jobs, but it is not useful as a planning tool. It was a few months ago when I did that in a quiet moment on a Friday afternoon, but it is symptomatic of a bigger issue.

Q48 Graham Evans: There is lot more work to be done on that, but if you look at the Work Programme support, the Enterprise Clubs looks like quite an interesting one, because you have the Chambers of Commerce in there and various other organisations, which presumably are a good source of what is happening in terms of new jobs.

Tony Wilson: Yes, and I think it is a really good example of where employers and wider civil society organisations and others are doing work off their own backs, as well as through Jobcentre Plus. There is a whole load of really good examples of work clubs that
are being run independently of Jobcentre Plus, as well as through them.

**Q49 Graham Evans:** Detail does need to come into the Universal Jobmatch system, though.

**Tony Wilson:** Or, as Matt says, it is how you build that bigger picture of what people are doing.

**Q50 Teresa Pearce:** Tony, you said that Jobcentre Plus can monitor, but they can only monitor if you allow them. You have to give them your personal details to log in. It is my understanding that they do not have a way of just seeing who their clients are and what they are doing. It is personal to each individual. Is that right?

**Tony Wilson:** It might be worth getting clarification on that from the Department. My understanding is that if you are on JSA that could be a condition.

**Q51 Teresa Pearce:** They told us yesterday it was voluntary.

**Tony Wilson:** Okay. That is fine. I missed that.

**Q52 Teresa Pearce:** To any of you who know the answer, in my local area I am told from time to time there are eight jobseekers for every vacancy. When they say that, are the vacancies the Universal Jobsearch vacancies, do you know? Is that what they are measuring; how many vacancies there are as being how many are on that system? Does anybody know?

**Matthew Oakley:** That data will probably refer to ONS release of vacancies, which comes out in the labour market stats every month, I would imagine.

**Tony Wilson:** Historically, often it was the Jobcentre Plus vacancy data, but that was discontinued in October. I do not know what people are using now. It could be the vacancy survey.

**Q53 Teresa Pearce:** At one time, there were 15 people for every job and then it went down to eight, and I do not know where these jobs all came from that made the difference or if the claimants all disappeared. I just wondered what figure they used.

**Matthew Oakley:** The half a million vacancies in the economy comes from ONS.

**Q54 Chair:** Did somebody get those figures by asking employers how much they are looking for? Maybe there are three employers who are bidding for the same contract, so they have quoted the same number of people. They have all said, “We are looking for 100 people,” because they will need 100 people if they get the contract, but only one of them will get the contract, so instead of 300 it is only 100 jobs in reality. I know that happens in the oil and gas industry, when we end up sometimes with inflated figures for the number of jobs that will be required in the future.

**Tony Wilson:** I am sure that must be an issue. For the ONS collecting data for their vacancy survey, which is the most authoritative record of vacancies, I am sure that must be an issue. There are also issues about under-reporting of vacancies.

**Q55 Chair:** Okay, there is under-reporting as well, so they might balance each other out.

**Tony Wilson:** Yes, they may balance out.

**Q56 Jane Ellison:** Have any of you made an analysis of the extent to which Jobcentre Plus is providing adequate online access, and if you have, can you quantify whether you estimate it to be sufficient for when you see it rolled out? If you have not made that analysis, we can move on to the next question.

**Adam Sharples:** There is a rather interesting figure that now over half of Jobseeker’s Allowance claims are made online and that number has been rising rapidly: only a couple of years ago it was about 20%. That suggests that, even before the shift over to Universal Credit, there has been a real push on online access. The only other comment I would make is that we talked earlier about IT tools, digital tools for supporting job search. I just feel that there is so much potential here for doing things more efficiently; doing the benefit claim more efficiently, by collecting the information online and just pushing it through the system and also, secondly, by integrating the different sources of help that can be given to people. For example, if when you signed on, you were given your own account with access to a library of training material, videos, online tools for job search, CV templates, you could imagine a world in which the whole process of job search was so much more helpful, friendly and sophisticated than it is now with your chance to go in and see a Jobcentre Plus adviser for three minutes once a fortnight. Personally, I feel there is huge potential, both on efficiency grounds and because we could be more effective.

**Q57 Jane Ellison:** I realise that it is obviously quite a big issue, but assuming the right level of support was in place for online access, is there any reason any of you can see that doing more of this stuff online and, in particular, doing more job search online would put off Universal Credit claimants from seeking employment?

**Matthew Oakley:** We need to go back to the idea that Tony and quite a few people mentioned earlier. I do not see that replacing the need to go in and see an adviser ever, because there has been quite a lot of research in the past from DWP showing that, for instance, signing on by telephone is a bad idea, and increasing the length of periods between signing on times led to slower off-flows from benefits. So I do not see it replacing that requirement to go and say what you have been doing to an adviser.

**Q58 Jane Ellison:** But supplementing it.

**Matthew Oakley:** But supplementing it, indeed. The adviser can then check the online account with you and say, “Look, you have done these things,” and signpost you to a different part of the online account or whatever else that might be. Similarly, if it comes to day 10 and they go to one of the people they have and say, “They do not seem to have done anything,” that could just be a quick phone call to say, “You have three days,” and that kind of thing, so it is that personalisation as well. Similarly, it could be used as a way of personalising and saying, “We could be ping you ideas throughout the two weeks.” It is
that kind of interactive, personalised way. We all know that it is easier to ping people emails than to necessarily give them a phone call all the time, because it is quicker and easier. Again, it is the efficiency idea, so not replacing but certainly complementing.

Q59 Sheila Gilmore: My question was going to be about in-work conditionality. This is initially for Matthew. You suggested a system where working claimants would attend a jobcentre every three months, as one method of doing the in-work conditionality and career progression. Why do you think that would be effective?

Matthew Oakley: Sorry to put this on Tony, but similar to what Tony was saying around the ESA group, this is not about trying to beat people with a stick until they go back to work. This is about saying, “There is support out there for you and as a benefit claimant it should be your responsibility to take on that support where possible.” So I am not at all in favour of saying, if someone is working 16 or 20 hours, “We are going to sanction them if they do not necessarily give them another six months.” Clearly, that is not feasible. But what is feasible is, if you are a single male or a couple and you are working 20 hours between you, I do not think it is unreasonable at all to say, “Come into a jobcentre every three months, every six months, speak to an adviser about the opportunities that are available, talk about what actions you might take to try to increase the likelihood of you increasing your hours, that way increasing your earnings and moving more towards supporting your family on your own.” The key point to this is the welfare economics and the literature say that people would prefer to earn their own money than take it in benefits, so it is a way of trying to help people to do that, not beat them up for not doing it.

Q60 Sheila Gilmore: How do you get employers engaged in that? Somebody may want to do more hours and many people tell us they do want more hours, but they have to be on offer.

Matthew Oakley: That is the big area where DWP needs to backfill. My view is that the conditionality side of things and perhaps some of the support side of things are much more clear at the individual level, but for the firms it is a lot more difficult. Perhaps it is what we were talking about earlier, around the sector-based skills academies and that kind of approach, where you are working much more with business in the local area to try to help. This is potentially an area where Jobcentre Plus does less than it might otherwise do. Most offices have one liaison officer for businesses, so perhaps if they are looking to work with people when they are in work, they might employ two or three to build those links. Individuals might move between firms to increase their hours, and that role they were in could be backfilled by a new claimant, so having that flow through to different jobs is important.

Q61 Sheila Gilmore: I have recent experience of quite a large retail employer in the city approaching its workers to go in the opposite direction, to introduce basically zero-hours contracts or a minimum of eight hours if they would not take the zero hours. Some of the labour market forces appear to be moving in a different direction.

Tony Wilson: You can sit that alongside auto-enrolment in pensions, for example, where, if employers employ people on low hours, low earnings, they exempt themselves from auto-enrolment. There is a nightmare scenario where we are making the benefits system more generous for people working short hours, so we are subsidising work at that end. We are creating a disincentive for employers to employ people above that auto-enrolment threshold, because they have to go through the rigmarole of pension enrolment. There is a nightmare scenario where we see a large expansion in the use of zero-hours contracts, short-hours working and so on and that many claimants go along with that, because it suits their personal and familial circumstances and the benefits system is topping up their incomes. There are real challenges about how we address that.

I do not think there are any easy answers at all, but the one thing I would say is that the public sector has a big role to play in this particularly around social care and the use of zero-hours contracts. But also, we can learn from what good employers do. There are a lot of good examples of good employment practice. Even in traditionally low-paying sectors with poor progression, there are many that do some really good practice. Typically, that is around effective management structures, personal leadership, effective peer networks and mentoring for people when they are in work, and generally being of a large enough size that you can benefit from economies and turnover and so on.

Businesses often value that kind of engagement as well. The Government probably needs to learn a bit from the consultancy sector about how you do business to business engagement to support businesses to improve their profitability, improve their turnover, improve their progression, and everything else. The CIPD has done work on that. Quite a few different organisations have done work on that and there are even some good examples with Jobcentre Plus through different programmes. We hope to have a report out soon on an ESF programme in Wales, for example, where there are good examples of employer engagement that strays into helping employers grow their workforce, as much as helping them to retain individual members of staff.

Q62 Teresa Pearce: This is probably to Mr Sharples. Jobcentre Plus was an executive agency and now it falls within the DWP. Do you think there has been a consequence to that and, if so, what is it?

Adam Sharples: There are consequences to that. One is, as I was saying earlier, that it is perhaps a little bit more difficult from outside to work out what the structure is, where money is going and who is responsible for what. I am not absolutely sure that Jobcentre Plus exists as more than a brand.

Teresa Pearce: We were there yesterday.

Chair: There were three of them.

Adam Sharples: It is impossible to tell from any information published by the Department, if it exists,
how many staff it employs or what its budget is. I see from the NAO’s work that they think it employs 37,000 people. Two years ago, Jobcentre Plus employed round about 75,000 people, so presumably those people who are working in Jobcentre Plus offices but on benefit processing are now being classified as outside Jobcentre Plus. For people outside trying to understand what is going on, all of this does make life a bit more difficult. Inside the organisation, as Tony was saying earlier, there are advantages. There was probably too much duplication between the Department’s functions and the agency’s functions. But one strength of the agency structure was that there was clearly a business that was focused on its customers. It was clear who was in charge of that business and what its outputs were. There was a good performance framework around that and some pretty strong budgetary controls. I do worry a little bit that some of that could be lost in the new structure, but it is therefore incumbent on the Department to hang on to all of those things and make sure there are clear lines of accountability within the new structure they have put in place.

Q63 Teresa Pearce: Given that everything now is about localism, would there be any benefit to devolving some management to regions, given the variety of job vacancies, different types of workforce? Do you think there would be any benefits in developing management into regions of Jobcentre Plus?

Adam Sharples: The argument for devolving the management of employment support to regions or localities or local authorities is much stronger than the argument for devolving the processing of benefits. It is just in the nature of a benefits system that you need some big clever computers—you need a really efficient process, ideally online—and there is no point having lots of regions or local authorities building those systems.

Q64 Teresa Pearce: Are you saying what would have been the old unemployment benefits office section should be national, but the adviser part and the job search should be more local; that would be better?

Adam Sharples: There is a stronger argument for that. It is quite finely balanced, because the advantage of having a national network is that you can get some consistency, some immediate sharing of good practice, some oversight of the system as a whole. Also, if you are faced, for example, with a downturn in the economy, the national system can respond very quickly and effectively, as we saw in the last recession. It might be more difficult to get an equivalent response at local level. Having a national system also means that, although I know resources are constrained everywhere, at least there is a budget for that system. Once you go locally, you are always faced with trade-offs at local authority level, everything is a single pool and you are competing for resources against other pressures. It is quite finely balanced, but I do agree that, now Jobcentre Plus is essentially the employment side of the activity rather than the benefits side, there is a stronger argument for a bit more localisation.

Q65 Teresa Pearce: Does anybody else have a view on that?

Tony Wilson: Very briefly, Jobcentre Plus is much better integrated now top to bottom within the Department, but there is no clear accountability locally for Jobcentre Plus. There are things they can do without the full localisation of service delivery: for example, co-commissioning of the Flexible Support Funds, saying that they have to engage with local authorities and agree local priorities, potentially co-commissioning of the Work Programme and other support. There are things we can do without the wholesale devolution of Jobcentre Plus about making Jobcentre Plus more accountable within City Deals, within LEPs, with other local partners, which we really should be exploring and testing in the next couple of years.

Matthew Oakley: I completely agree. The City Deals provide a key opportunity to do this kind of idea. What Adam sees as a disadvantage around the local authority budgets and having trade-offs I would say is an advantage. Maybe it is not JCP support that people need; maybe it is housing or other things that the local authority might have responsibility for that would be more effective if they put more money into it. Having that local flexibility means they can put the money where they think it is going to be most effective. Using the City Deals, we can test whether that works at a local scale and then have the evaluation.

Chair: Thank you very much. The bells are ringing, so colleagues are rushing off for PMQs and—I was going to say the Autumn Statement, but this is the Spring Statement or whatever it is—the financial statement. Anyway, thank you very much for coming this morning. We probably could have asked you a lot more questions, but we have covered most of the main areas. Thank you very much for your full replies. What you have given us this morning will help us in our questioning of the other witnesses as well, so that was part of your useful role this morning. Thank you again on behalf of the Committee.
Wednesday 17 July 2013

Members present:
Dame Anne Begg (Chair)
Debbie Abrahams
Jane Ellison
Graham Evans
Mike Freer
Sheila Gilmore
Glenda Jackson
Stephen Lloyd
Nigel Mills
Ane Mair Morris

Witnesses: Niall Cooper, National Co-ordinator, Church Action on Poverty, Chris Johnes, Director, UK Poverty Programme, Oxfam GB, Seyi Obakin, Chief Executive, Centrepoint, Robert Trotter, Public Policy Adviser (Employment and Skills), Scope, and Fiona Weir, Chief Executive Officer, Gingerbread, gave evidence.

Q66 Chair: Can I welcome you to our second evidence session of our Inquiry into the role of Jobcentre Plus with the changes to the welfare system, and can I thank you very much for coming along this morning to begin this dialogue? Whether you are at Jobcentre Plus—probably everybody can get you to introduce yourselves for the record?

Robert Trotter: Good morning, my name is Robert Trotter. I am from the disability charity Scope.

Fiona Weir: I am Fiona Weir. I am from Gingerbread, the single parent families charity.

Chris Johnes: Good morning, I am Chris Johnes from Oxfam UK’s programme.

Niall Cooper: I am Niall Cooper, director of Church Action on Poverty.

Seyi Obakin: Seyi Obakin from Centrepoint.

Q67 Chair: Thank you very much, and you are most welcome. Now, with so many of you, we do not expect you all to answer every question. If you have got something different to say, we would be grateful if you would jump in, but obviously we are going to be a bit tight for time. We had quite a lot to discuss this morning, but it is good to see you all. If I can start with you, Chris, from Oxfam’s point of view, you have recommended that Jobcentre Plus pilots your sustainable livelihoods approach to assessing a claimant’s barriers to work, which you describe as being “holistic and person-centred”, and “involving a thorough understanding of the day-to-day lives of claimants living in poverty”. How would you identify the individuals with particular groups are too few and far between to be able to cope with all the people with those needs.

Q68 Chair: But is that not what the Jobcentre Plus personal adviser should be doing anyway?

Chris Johnes: Potentially yes, but in reality most of them do not have the time or arguably the skills to do it at the moment, and the specialist advisers who work with particular groups are too few and far between to be able to cope with all the people with those needs.

Q69 Chair: How would you identify the individuals who need that extra help?

Chris Johnes: What we suggested in our recommendation is enhanced initial assessment. We think that the current initial assessment does not hit on all the needs that people have and currently underestimates them. If we had a much more sophisticated initial assessment, we are far more likely to get the kind of support right in the early stages, which means that people get support on an ongoing basis. It would be a case of an upfront investment for later savings, and it would work much better for both Jobcentre Plus and, critically, for the clients as well.

Q70 Chair: But many of the people who have been out of work for a long time will have already been through Jobcentre Plus and are now at the Work Programme. Are you saying that this should happen at Jobcentre Plus, or it would be more appropriate at the Work Programme stage?

Chris Johnes: Oh, indeed, and potentially whatever programme hits people coming out of the Work Programme having not got work from it, which is
starting now. In a sense, it is applicable all the way through. We suggested bringing it in at the front end, because in a sense then you are less likely to have inappropriate services as you go through the system, but I would agree with you: certainly, it is worth using it at the Work Programme stage, and even after the Work Programme stage as well. I would agree with you: those are the people who need that kind of support even more intensely.

Q71 Chair: Jobcentre Plus’s approach to the payments that are affected by the benefit cap is primarily work-focused. It is: “Get them into a job, and that will help with all the other problems they have.” Have you got any evidence that your holistic approach would be more effective?

Chris Johnes: We have certainly got evidence from the work we have done that the holistic approach, which we have done—and other partners have used something similar—has been successful in getting people to make sustained improvement in either their employment record or their employability. Obviously, for people living in areas where labour demand is weak, employability is a big step forward as well. It is quite difficult to compare like with like, because many of the areas where Jobcentre Plus has been more successful have had more work-ready people anyway. Certainly, from our programmes in South Wales, when you look at the support we have given compared with the Work Programme providers, the type of work we have done has got a slightly better record, without necessarily having the same level of formal resources.

Q72 Chair: Do you have hard data that says people are more likely to get into work by your approach?

Chris Johnes: It is not hard data, it is drawn from a couple of communities where you have got people going through one set of less formal support programmes.

Q73 Chair: You can see from the Government’s point of view that this is all a bit arty-farty, and it might make people appear more employable, but you never get them into a job. That has been one of the criticisms of a lot of the Work Programme.

Chris Johnes: That is an entirely fair comment, but that is one of the reasons I have asked for it to be piloted, so it can be looked at properly by the Government in terms of its own processes, rather than being a third-sector project that is quite interesting to look at but with which you cannot make clear comparisons.

Q74 Nigel Mills: Chris, I guess the challenge you have to face with this is that there will not be the resources to put everybody through some kind of intensive holistic assessment but, quite rightly, you say you want to get this front-ended for the people who need it. How do you spot which ones are going to need that extra support rather than the people who will probably get themselves a job within three months anyway?

Chris Johnes: That is where the assessment tool come in, and the current Jobcentre assessment tool, which has been in use for a couple of years in its current draft, I think, does not give people the chance to effectively express their needs or the Jobcentre adviser to understand them as thoroughly as they might do. It does a rather superficial job, and if we can design something that is more sophisticated at the front end, which would take a little bit more time but identify the right people, you can channel people into the right kind of support at an earlier stage. Also, you can make sure that when someone enters into the Work Programme, they are as a group identified within the Work Programme, rather than running the risk of being parked in the difficult-to-employ group, which is what happens all too often now.

Q75 Nigel Mills: To ask the difficult question, I think in the UK one currently gets a 40-minute appointment, give or take. How long do you think the appointment would need under your structure?

Chris Johnes: To be honest, without trialling it, I do not know, which is why we are asking to trial it. I understand the point you are making about the difficulty of the process, but if there were smaller-scale pilots—and again the Australian system obviously is one that is reasonably successful, if you look at their employment rates—it is worth looking at, and then you could answer those entirely reasonable questions more sensibly, with clear evidence.

Nigel Mills: Perhaps we can get this in a different way.

Chair: Fiona, you were looking as though you were trying to get in.

Fiona Weir: I was. There are two things that help move us towards a better sustainability approach. One is very simple and does not cost anything, which is to start moving Jobcentre Plus onto performance management targets that are not based on off-flow through benefits but measure performance based on sustainable job outcomes. Those go in a similar way to the Work Programme. They have to review their performance management framework this autumn anyway due to the introduction of Universal Credit, and this is the perfect opportunity to really shift the thinking into keeping people in jobs, not just getting them into jobs. When you are thinking through issues like value for money for the taxpayer, it is an appealing use of taxpayers’ money to be dealing with churn: the 40% that are back again within six months, who are going round the system again and again.

We also need to tackle head on some of the resource issues that inevitably come up in this debate again and again, because some of the more successful and effective interventions are expensive. Mike Brewer, from Essex University, recently did some modelling for Gingerbread showing that just a 5% uplift in the lone parent employment rate would save government £436 million from savings in benefits and additional tax and National Insurance, so we know what some of the long-term economic case shows. When you read that trailblazer pilot that DWP did recently for the people who had been through a year on Jobcentre Plus and then two years for the Work Programme—and they have tried a lot more intensive interventions; the ongoing case management—the first thing that strikes you is: ‘Why on earth did the people who
clearly need this not get it in year one? Why did we spend taxpayers’ money for a year in Jobcentre Plus and two years in the Work Programme, and then in year four start giving them some of the interventions that stacks of DWP reports this high show are the ones that work?"

Obviously, there is a question of resources, but the clear issue that you have to look at if you are looking at the value for money of Jobcentre Plus is where does it make economic sense to spend to save down the line? Where is the economic analysis accompanying that trailblazer report that says how many you would need to get into a job to make it more economically sensible to invest in year one, rather than pay for them for three years and then invest in year four? Some of it is trying to just shift the way we look at the economics. I know it is very hard in the current economic context, but that is a really robust reason for saying we have got to take the five, six-year approach, because these problems are too big and too intractable to keep going on wasting precious funding on short-term solutions. At the moment, Jobcentre Plus is being pushed into many short-term solutions. We are seeing excellent advisers struggling with ridiculous caseloads—138 on average—and there are limits to what you can possibly expect even the best trained and best motivated adviser to do with that kind of level of resources.

Q76 Nigel Mills: I just wanted to go back to ask about the current initial interview and assessment: what sorts of barriers to work do you think that misses that perhaps ought to be spotted? Can you just list those out for us?

Chris Johnes: It is quite difficult for people to get across more complex barriers around skills, and people are always inclined to underestimate the barriers on caring responsibilities. Consistently, we are also finding that the whole question of the balance between transport costs and accessibility is overlooked on both sides as well. That is one that historically we have tended to write off because it was not a major issue, and then as transport costs have risen out of all proportion in the last 10 years, it has become an increasingly big one.

The other issue is that people who are looking for work after having been out of work for a while, as opposed to having just come out of the labour market, are not in a great position to assess the difficulties of getting into work, because they do not have that recent experience. Somebody who has just been laid off is in a much stronger position to assess realistically what they can get back into. When you have got a situation where the adviser is really desperate to try to get them into work, both because that is what they want to do and partly because that is what their targets are, they are not going to necessarily help make the best assessment of that either. They are under pressure that points in a slightly different direction.

Q77 Mike Freer: Just on the pilot, as you are asking for a pilot scheme, what is your assessment of how many staff and hours would need to be frontloaded? That is not taking away from the existing staffing levels, but if you are creating a new gateway, how many staff do you think would need to be acquired for your pilot? What is the cohort—the number of people you think would go through that system?

Chris Johnes: Obviously, you can make a pilot as big or as small as you want. From the experience we have got from running the pilot funded from the Flexible Support Fund, we have run a system where you could support, over a six-month period, 20 claimants through one member of staff, for example, working in a different way. That is the ratio from evidence we took, and obviously you can scale that up or down depending on what level of resource you want to attach to the pilot. Inevitably, you can also make assessments, depending on the geographical place you are doing the pilot, of what numbers of people are likely to come in with very particular needs, depending on levels of disability in the area, long-term worklessness, recent migration into the country, levels of English language skills and so on. There are a number of criteria you could pick that would allow you to make a reasonably informed judgment about what makes sense in terms of the target you wanted.

Q78 Mike Freer: To extrapolate that upwards, if you wanted to do the pilot as you would like it, rather than as the bean counters at the DWP will try to restrict it, in your ideal pilot—let’s say we did the pilot for Wales—how many claimants do you think would fall into your broadest support group?

Chris Johnes: For the whole of Wales, you would be talking in the mid tens of thousands, but that would be too large to run a sensible pilot and learn properly from it. You would end up becoming operational rather than learning from a pilot at that scale.

Q79 Nigel Mills: Mr Obakin, welcome to the meeting. You identified a group of young homeless people who felt that their JCP adviser did not really understand their particular needs. Can you just tell us through what needs those are that are not properly understood?

Seyi Obakin: Of the demographic of young people we work with, something like a third of them have mental-health problems that are not recognised by their JCP advisers, with the best will in the world. A quarter of them would not have the qualifications or any of the skills that they might need. Some of them have carer responsibilities; that is not picked up at all. Some of them have a range of other issues that the current assessment methods do not allow them to pick up.

The biggest problem is that even when support workers who understand these issues—because they have done the kind of enhanced assessments that Chris was talking about—try to get involved and paint the picture, the advisers are not interested. We get sort of patchy results, where you might get some advisers who are really good, who listen to that, take it on board, understand that they have not got it, and then are able to tailor something for the young person that works for them. However, the majority of advisers just are not interested in that at all, and then what happens is they push the young person in one direction or the other, which does not work for the young person.
The other thing that they do not recognise is other efforts that the young person is making that perhaps might prove successful in finding work, and they often divert people away from those efforts, or the young people go down that route and face sanctions.

Q80 Jane Ellison: These are obviously very serious concerns. Can you just give us some idea of the number of young people you spoke to, on which your evidence is based, and the number of Jobcentres involved? Could you quantify the background to the concerns you have just expressed?

Seyi Obakin: Yes, so we will typically work with 600 to 700 young people at any one time, and across last year we worked with 1,200. For us, the outcome we seek for young people who come to us is a home and a job, and our argument is that the job is more important for them to get than the home, because if they get a job they can look after themselves. We do quite a bit to try to get those young people the skills they need to get a job. Virtually all of that 1,200 would have had some sort of intervention that is roughly in that sort of space.

In terms of the number of Jobcentres, I could not tell you that, but I can tell you that our work spans all of London, so we would be talking about most of the Jobcentres in and around London, and some Jobcentres in the north-east.

Q81 Jane Ellison: Following up on that, of the 1,200 young people you worked with last year, can you tell us what proportion were being let down or not listened to? Can you quantify that?

Seyi Obakin: My answer to that would be it is difficult to quantify, especially because the experience of young people is very variable. Sometimes the experience works, and we have got examples of that; sometimes it does not work, and we have lots of examples of that as well. If you really push me, I would say that perhaps two-thirds of the experience of young people is unhelpful.

Q82 Jane Ellison: Is that quantified, or is that your gut feeling because you work with them all the time?

Seyi Obakin: That would be my gut feeling because you work with them all the time.

Q83 Graham Evans: The evidence you have submitted is based on a report to the European Year for Combating Poverty and Social Exclusion 2010, where you state that the majority of young people’s experiences were negative. Your evidence is a few years out of date. From our recent visits to Jobcentre Plus under the new regime, things have somewhat improved and are more positive. Have you had any recent engagement with Jobcentre Plus?

Seyi Obakin: Yes, I have engagement with Jobcentre Plus every day.

Q84 Graham Evans: Have you noticed a difference from this evidence based in 2010 compared with 2013?

Seyi Obakin: The only difference I would say is that now you probably get a few more advisers who are willing to be helpful and rely on some of the work that agencies like us have done in order to make the assessments and judgments that they make, so there is some traction around that. There is further traction, in that we have been able to persuade DWP, for example, to recognise a work-ready programme that we offer, which is hugely successful, but in order to get DWP to recognise that, we had to jump through several hoops, including getting the Minister involved. That is part of the problem, so there is some progress, but I would not say that it is hugely different.

Q85 Debbie Abrahams: We are slightly time-pressured, so if you could mark out of 10 how JCP deals with your clients, both in terms of their approach, their skills and their outcomes, how would you mark them? We will start with you, Robert.

Robert Trotter: That is a good question. The main thing I would say is that there are some good examples of Jobcentre Plus working extremely effectively with disabled people. We have worked with Jobcentre Plus across two Work Choice contract package areas, so we interact with Jobcentre Plus a huge amount in terms of referral. There are definitely some positive stories.

Just to put some figures on it, one of the big challenges is around the issue of assessment. Very briefly, there are two places assessment happens within Jobcentre Plus with disabled people. Firstly, there is the assessment about whether someone should be referred to a specialist disability employment adviser, and secondly there is the referral onwards to Work Choice and the Work Programme. One of the big challenges we see within Jobcentre Plus is that only 22%, according to a DWP evaluation of Jobcentre Plus, of people with health conditions or impairments are referred on to the specialist support.

A disability employment adviser would provide the challenge there is that it is the DEAs, the disability employment advisers, who would be able to refer you on to some of that other specialist support.

Q86 Debbie Abrahams: So you are giving them a nine, are you?

Robert Trotter: I am giving them, let’s say, a seven, if you want to push me on that.

Fiona Wär: If you take it in the context of the resources they have got, the challenges they have had to deal with in recent years and the constrictions within the system, we would be on the positive side of the scale. However, if you looked at what you could do with similar resources with reforms to the system, and if you looked at what the actual single parent experience is, then we have to say quite a lot of people are reporting they are not getting very much at all in the way of any real intervention or support during their time. There is far too little there to practically offer them, particularly in key areas, like work experience, that are absolutely crucial, and for single parents there are some particularly persistent problems that we are worried about. One of the key bits of information we have to gather is around what their childcare responsibilities are, and to understand how this will affect job search and the kind of job a single parent can do. They do not just have a responsibility to work; they have a responsibility to look after their
child. At the moment, the flexibilities agreed in 2008—things like being able to work around school hours, for example, and not having to take a job or do job search if you did not have childcare availability—have been moved out of regulations into guidance. We are concerned that will be more weakly applied, so this invisibility of client group is a big issue. Jobcentre Plus really has to start understanding particular client groups’ needs.

Debbie Abrahams: I am sorry; I came in with a supplementary.

Chair: A lot of these things we will ask more questions about later. Debbie was just looking for a figure, but it has not turned out that way, so I am going to move on to the next set of questions.

Q 87 Glenda Jackson: In the light of Debbie’s question and Fiona’s answer, I am going to skip to improving employment support for single parent claimants. Is it simply a question of spreading good practice across Jobcentres?

Fiona Weir: It is a range of things. First of all, it is hugely well documented that personal adviser support, the tailored support, really, really works, and it is just not possible with current caseloads. There is a genuine resourcing issue, while across the political spectrum everybody supports a more personalised approach, and everybody who works in the business says, “Well trained advisers are what make the difference.”

Q 88 Glenda Jackson: But it used to be, didn’t it, that there were lone parent advisers in Jobcentre Plus, and that has reduced now?

Fiona Weir: There are still some, but it is hugely reduced.

Q 89 Glenda Jackson: Would you argue that should be restored specifically for this, and would that be one part of the best practice?

Fiona Weir: Yes. The key elements would be a really thorough, early diagnostic interview that properly understood claimant needs and referred much more effectively to the right provision early, followed by working with a personal adviser to develop a really tailored action plan that really works for that single parent.

Q 90 Glenda Jackson: But that is not the situation at the moment, is it? I mean, you said that the previous situation had moved into guidance, and so this is, as you said, an invisible area, where the realities of being a single parent are not being taken on board. A part from lone parent advisers hope being restored to all Jobcentre Pluses, what other good practice would follow on from that, do you think?

Fiona Weir: Firstly, the quality of diagnostic interview. Secondly, the ability where somebody has got a credible career plan to be able to fast-track them to vocational skill training; a lot of single parents have nothing above GCSE, and going on an NVQ 3 vocational course that is oriented to the job market, whether it is bookkeeping or whatever, would make a huge amount of sense. Thirdly, allowing somebody on Jobseeker’s Allowance to finish vocational skill training; at the moment, we have people who have done it for 10 out of 12 months having to give it up because a job offer comes along, so, again, taking the more sustainable approach to what will get somebody into the right kind of job and keep them there.

Fourthly, work experience is absolutely crucial. We run the Marks & Start programme with very effective job outcome levels, and have done so for about nine years. For many single parents, they have never had a job, particularly if they are younger, or they have been out of the job market for many years and are just in no position to compete with people newly made redundant. Getting work experience is important, and you will not get work experience placements coming through on a significant scale unless you start to build public and private sector confidence again. The M & S programme is so successful because it is voluntary, and we work with people’s aspirations and the motivation that is there, and we build trust and we get them into jobs. A lot of the bad publicity around mandatory work experience has both led to a lot of the private sector not wanting to engage with it, and to really quite a poor experience. We think this is such a fundamental part of the offer that claimants need so they can really take that first step into work that it requires some quite fundamental review.

Q 91 Glenda Jackson: Is there not also within there a requirement on the part of employers who are willing to participate in these kinds of programmes? I mean, I will give you a precise example: two single parents in my constituency have offers of jobs at weekends; they could not do it because there was no childcare. What I am asking is, it is not just Jobcentre Plus, is it? It is also the flexibility of employers to examine shifts.

Fiona Weir: The biggest problems single parents tend to have are the barriers, and they tend to be just there not being jobs, or not enough flexible jobs, or work not paying with the high level of childcare costs. Given the degree of structural barriers within the workplace that single parents have to overcome—and do not forget, six in 10 do work—it becomes extremely important that when Jobcentre Plus is working with a single parent, it properly understands those barriers and can really work with them to find a pathway into work, because they are real, substantive barriers.

Q 92 Glenda Jackson: Do you think, then, that Jobcentre Plus requires special training in this area, or have we just lost all the experience where there used to be lone parent advisers in every Jobcentre Plus?

Fiona Weir: Better training for each of the client groups that has specific needs will need to be part of the reforms you advocate. We have moved towards really wide claimant groups, JSA 25, that are pretty meaningless, and you need to first of all understand different clients’ needs—whether they have disability or they are a lone parent—and what that means for the pathway into work, and you also need to have a really quality diagnostic interview that understands the particular aspirations, skills and experience of people as individuals, and maps out a personalised path. If you do not get those two things right, the
system is never going to work with somebody in a way that will really help their chances of getting a job.

Q93 Jane Ellison: I have a really quick follow-up on the work experience point: when we did a recent visit to the Oldham Jobcentre, they were very positive about the impact work experience had had on people. I think they said 50% of people had gone into a sustained job following that. Are you saying that you do not think there should be mandatory work experience, and what is your evidence? You said that you thought private sector employers were withdrawing from offering that. Can you just clarify that?

Fiona Weir: There are a lot of well documented cases of private sector companies pulling out of offering because they are unhappy about the negative publicity there has been around mandatory programmes, and we know there really is not the level of opportunities available at the moment to offer people work experience. Jobcentres are absolutely desperate to find work experience programmes that they can place clients with because they know it works—they are really positive about it—so there is a real need to open this up, because it is one of the interventions that really does make a massive difference.

Q94 Jane Ellison: Would you only do it on a voluntary basis?

Fiona Weir: Yes. Firstly, I do not think there is any need not to, because so many clients are desperate for it, but secondly, and our experience with M&S has very much been, you build trust and rapport; you work with the grain of people's aspiration. The whole experience gets somebody motivated, and in a mental state and confident to be able to get a job. Employers are not going to work particularly effectively with somebody who has been dragged on to something and is not in the right place. That is part of what we do: we work with people so that when they come to M&S, they are already motivated and ready, and the two bits can work together effectively.

We just have to start looking at where you genuinely get people into work, rather than the sort of rhetoric around making everything mandatory, because the system at the moment is being designed too strongly around a tiny group of people who are not particularly willing or co-operative. The vast majority of JSA claimants are desperate to get a job, and really, really want to work. Certainly, with single parents, the motivation is there to be a role model and to get out of poverty. If we want to get real job results, we have got to start working with that motivation and natural aspiration that is there, and step one is to build rapport and trust, and the kind of relationship that shares barriers and starts moving forward constructively.

Q95 Stephen Lloyd: Good, thank you for that. I will be coming to Robert for a minute on disability, but just to pick up a tiny bit on what Fiona said, these are points very, very well made. As all of you represent key organisations, I would flag that yes, at the time there was a lot of negative media around the mandatory, but there was also highly irresponsible negative coverage from some agencies out there around the whole concept of work experience, as if it was slave labour. Anyone who has been employed knows that is ludicrous, and Fiona you have obviously come to that same conclusion. If and when we come back to that and we get noises off again saying work experience is slave labour and the worst thing possible, I look forward to all the representatives from Scope, from Gingerbread and the rest saying, "Hang on a minute; work experience gets you a job," even though your point made about mandatory is very strong.

Sheila Gilmore: Is that a question or a speech?

Stephen Lloyd: It was more a little speech, because it was a shocking campaign. Anyway, on to disability. Robert: disability employment advisers have been around for a number of years, and there is some evidence that shows that when they are in a JCP, they are very effective at getting work. There is evidence that shows that when there are not any in a JCP, people with disabilities really struggle getting into work, and there is also some evidence showing that where there are DEAs, they are not that effective. Two questions: in your view, do you think DEAs are really important in helping disabled people access employment, and what is the general quality currently of DEAs across the JCP network?

Robert Trotter: DEAs are absolutely important. The role of specialist understanding of disabled people's conditions, impairments and barriers to work is vital in terms of the support journey. The quality is mixed, as you have alluded to.

Some of the key issues we would raise are probably around the awareness that DEAs necessarily have about all of the support services that are available in a local area, so for instance the Work Choice contracts are not necessarily the only thing that exists in a local area to support disabled people back into work. We might think about local authority services such as healthcare, social care, education and skills training. There are a lot of voluntary sector and smaller organisations as well in a local area, such as disabled people's organisations or user-led organisations, that can have a very interesting approach to supporting people into work and have a very good track record. Those are not necessarily being tapped into by the DEAs comprehensively enough. There are positive examples I would flag. For instance, in Essex, the Essex Coalition of Disabled People are working with the local Jobcentre Plus there and a private sector organisation to run a scheme, which is quite effective. So one challenge in terms of the quality of advice is the knowledge that they have about the local area: sometimes it needs to be improved.

In addition, there is a pretty major problem, which is that there just is not enough access to disability employment advisers. We know that they are important, we know that that face-to-face advice is really important, but the evaluation of Jobcentre Plus suggests that of people with a health condition or impairment, as few as 22%, or one in five, are getting access to a disability employment adviser.

Q96 Stephen Lloyd: So in your view if there were that many more DEAs, it would mean many more disabled applicants had face-to-face opportunities? In
In some ways, comparing those two tens of thousands on ESA—nonetheless it is 5% versus 33%. I think it is 17,500 out of the hundreds of thousands of non-disabled people on the Work Programme taking up employment, while it is 33% in Work Choice. That is an enormous difference. Why do you think that is the case? I am aware that Work Choice has fewer disabled people taking up employment from the Work Programme is round about 5%, considerably lower than the numbers of non-disabled people on the Work Programme taking up employment, while it is 33% in Work Choice. That referral process works. For instance Work Choice, for instance, there has been relatively more successful, but there are not that many places on it. There is also the point made earlier about the initial assessment being well made, in that if you are a disabled person coming into Jobcentre Plus, there is not at all any guarantee that you will get to speak to a disability employment adviser necessarily. The resources that they have are pretty slow, so it is not just a question of increasing the resource, although that would probably be a positive step.

Q97 Stephen Lloyd: You also mentioned Work Choice. I am sure you know the figures: the percentage of people with disabilities taking up employment from the Work Programme is round about 5%, considerably lower than the numbers of non-disabled people on the Work Programme taking up employment, while it is 33% in Work Choice. That is another interesting question. The specialist support has not been present, the results have not been as successful as for ESA groups.

Q99 Chair: Do you have the figures of benefit type going into Work Choice? A nectarably, we have heard it could be as high as 40% are JSA, rather than ESA.

Robert Trotter: That is the ballpark figure that I have heard as well, so there is a really interesting question there about whether the referral on to Work Choice is meeting the operational purpose of the programme, and whether the disabled people going through Jobcentre Plus are getting that support they need. There is another really interesting issue I would also flag that was underlined in the recent Work Choice evaluation, which is that some of the payment groups coming out of the Work Choice assessment—so particularly I am thinking of ESA WRAG group claimants who have previously been on Incapacity Benefit—are referred directly on to the Work Programme, thereby bypassing the opportunity to even go on to Work Choice, and bypassing the opportunity to access some of the other specialist support that Jobcentre Plus might be able to draw down for them.

Q100 Stephen Lloyd: Just one more for Robert, please. The Government recently committed to testing new approaches to employment support for Employment and Support Allowance claimants, and allocated £350 million in the Spending Round for this purpose. You have already identified a couple of areas I can think of where that money might be well spent, but do you have any suggestions as to how Scope think a portion of that money could be used effectively and productively to help disabled people get jobs?

Robert Trotter: Absolutely. We published a report last week with four other disability charities where we set out some options in terms of how that money could be spent. Where we landed in our recommendations was that one of the big challenges is in building the capability and the capacity of local specialist providers such as voluntary sector organisations and disabled people’s organisations, which are quite effective at supporting disabled people and very good at building links with local employers and local labour markets. At the moment, outside of the Work Programme, which has all of these other challenges in building those supply chains with those providers, there are real challenges in terms of funding and in terms of evaluation. We recommended that a proportion of that pot of money be used to incentivise the development of pilots to upskill some of those providers and to bring new specialist providers into the marketplace. We were thinking about a more market-shaping function for the Department.
Q101 Stephen Lloyd: Within that report, were you looking at job outcome payments?
Robert Trotter: We were looking more at the structure of the market rather than the internal dynamics of programmes.

Q102 Stephen Lloyd: But you see where I am coming from. One of my anxieties in this area, for reasons on the side of the angels, is that quite often there is a tendency to build and produce programmes that do not end up with a job outcome. In the current economic climate, there is just no chance of that. You have not looked at those outcomes, but you have put forward in the report some proposals for how you think that money could be used more effectively to get disabled people into work.

Robert Trotter: Yes, absolutely, in terms of thinking about how some of the lessons, if you like, from the local specialist providers can be applied to the national programmes, which would operate on a job-outcome basis, and putting our emphasis on the line of piloting and developing new evidence bases for these programmes. The other thing to say on the money that was announced in the Spending Round, which is a welcome investment, is that we are still waiting for clarity on what that money necessarily entails. The previous figure we were working to in terms of expenditure on disability employment programmes was £320 million, which included Access to Work, the previously mentioned Jobcentre Plus results, and some other elements, including residential training colleges. There is a little bit of wait and see what is included in that pot of money, so there is a concern, for instance, that it might also include JCP specialist advisers, in which case that would indicate that there would be reduced resources for some of the other programmes that we know are currently available. I flag that as a concern.

Q103 Stephen Lloyd: Could you send the report to the clerk?
Robert Trotter: Absolutely.
Stephen Lloyd: Oh actually, it is in here. Fine. Thank you very much.

Q104 Chair: Could I just clarify—if the referral was correct—and it seems as if it is not—in Work Choice, is Work Choice much more appropriate than the Work Programme for people with disabilities?
Robert Trotter: It is certainly delivering more appropriate support.

Q105 Chair: But some of that could be because the people with the worst disabilities, the more severe disabilities, are not getting anywhere near it, and the people who are going on to it are JSA claimants with a health problem, and are therefore much closer to the labour market anyway.
Robert Trotter: That is a reasonable point. That also comes back to the earlier question of the assessment of support needs and the identification of groups. For instance, on the question of JSA versus ESA, it has been very interesting to see, as the work capability assessment kicked in, how, to use the technical term, the kind of blend of impairments on JSA has changed. Whereas in the past it might have been more reasonable to assume that ESA customers were primarily disabled people and JSA customers were not, we are increasingly seeing that change. It is therefore very difficult to analyse the performance of a programme in terms of whether it is supporting disabled people necessarily, when that is the kind of variable we have to work with.

Q106 Sheila Gilmore: The DWP has just issued a statement saying that it is going to pilot some programmes with people on ESA in the WRAG group to test meetings with healthcare professionals, as opposed to meetings with JCP, presumably specialists. Have you got any views on that?
Robert Trotter: It is certainly welcome that the Department has recognised that the ESA WRAG group customers are not particularly getting a good deal currently, and the introduction of healthcare occupational therapy into the world of employment support is a positive step in some senses. It recognises the support to manage conditions and things like social care more generally are quite an important part of getting back into work. In terms of whether we would probably raise are that the pilot has some mandatory elements attached to the delivery of the healthcare, and there is a question there in terms of whether you would see disabled people, therefore, sanctioned for not attending, for instance, a doctor’s appointment. There is a question there in terms of how that plays out, but it is positive that they are trying stuff, and we will definitely be watching to see what the results are.
Chair: We are on to conditionality and sanctions, and Debbie has got the first set of questions.

Q107 Debbie Abrahams: Could you first of all just very briefly say whether you agree with the use of conditionality with unemployment benefits, and then, specifically around sanctions, whether you feel that they are a useful tool to use in that. Please respond very briefly, if that is okay.
Robert Trotter: The evidence shows that sanctioning disabled people makes their lives more difficult without necessarily making them more likely to go into work.

Debbie Abrahams: Fiona?
Fiona Weir: The principle that if somebody can work, they should work, is absolutely straightforward—no problems at all. We have problems with designing the whole system around a small number who might not want to work when the vast majority do, because in practice what we find is sanctions often undermine the process of supporting people into work, and they certainly cause a lot of misery. We would also say that there are some real problems with the extent to which a child should be affected by the sanctions regime.
Chris Johnes: On the principles of people’s responsibilities when they get support from the state, I would agree with Fiona. I am very clear that we believe people have responsibilities and that some degree of sanctioning regime may be appropriate for people who absolutely refuse to meet those responsibilities. However, it is important to note when I say that that our experience of the current sanctioning regime is that many of the people who are being sanctioned are not at all.
Debbie Abrahams: We are going to come on to that. Niall Cooper: I would echo what the previous two have said. We are not opposed to principle to conditionality. The degree of conditionality, the way it is implemented, is where the real issues are. Seyi Obakin: That is true. We agree with conditionality, and we think there should be sanctions, but we also think that sanctions in the hands of uncurable people or untrained people just make things worse for everybody.

Q108 Debbie Abrahams: Thank you. That is fantastic. We have a clear consensus then of the principle bring agreed and the appropriateness, but not the practice. Could we just move on, then, to your experience? Within the evidence that you have submitted, you have given your experience. In my own personal experience as a constituency MP, I have seen the use of inappropriate sanctions, but could you give us your experience of what sanctions you think have been used inappropriately, and then the scale of that? That is very important, because when we have had evidence from Ministers and from officials, it has been said that there is no policy around sanctioning, but there does seem to be inappropriate sanctioning that is taking place. Again, do you mind starting, Robert?

Robert Trotter: Sure. I do not necessarily have any evidence on the scale of sanctioning within our client group. There are various examples of the impact being quite negative. The general point I would make is that disabled people can face a range of quite significant barriers to work, for instance the absence of social care, transport, attitude, confidence, motivation. It is questionable in a lot of the cases that we see within our employment services whether the threat of removing the state’s financial support will necessarily resolve those issues.

Debbie Abrahams: That is very helpful. Thank you. Fiona Weir: On the scale of sanctions, on income support they have been going down; on JSA they seem to be going up. We have not had any data since October, which is what everyone is really keen to have a look at, because obviously with the higher levels of sanctions kicking in, that is going to be particularly vital. We get a steady stream on our helpline, but we cannot use that to quantify it. People obviously phone us when they have a negative experience, so it is not a representative group. All I can say is that every week we get a few calls from somebody, and the kinds of examples are that sometimes there are lots of mistakes; somebody who had a hospital appointment or something, or was going to a job interview and rang the Jobcentre Plus and they wrongly recorded it, or have no record of recording it, so they are sanctioned for missing their job search interview.

Other times they are sanctioned for things that they should not be because the flexibilities are meant to apply, so the examples are refusing a job that is a night job when you have got a five-year-old child, or a 6 a.m. start when you have got an 11-year-old child; refusing a job for 40 hours plus, which single parents are not expected to take; and giving up a job because your parents cannot look after the kids any more and the afterschool club does not take them over nine.

Most of the ones we are finding would not be happening if there was a better understanding of flexibilities, and about 32% of sanctioned decisions are being found in favour of the claimant, i.e. they are poor sanction decisions. This means a lot of precious Jobcentre Plus time is being wasted in examining a bad sanction decision and reversing it, whereas if we just got the training and the understanding in place earlier, we would not be getting to this situation.

Debbie Abrahams: It is also a stress on the claimant and their family. Fiona Weir: There is massive stress, massive financial hardship, and I really cannot see how a single-parent family could possibly cope for three months without benefits. We are talking about potentially really serious levels of hardship for children that we have to say we think are completely unacceptable in any circumstances, but the thought that that might happen because somebody missed a work-focused interview just seems to have completely lost the sense of what this is all about. It is about getting people into jobs, and as far as we are concerned, sanctions are becoming part of the problem now, not part of the solution.

Q109 Graham Evans: Can you give us examples of sanctions that are justified?

Fiona Weir: If you had an extreme case of somebody being really difficult and just determined, fair enough, although I have to say that those are the kinds of people who probably are slightly better at avoiding the sanctions.

Q110 Graham Evans: So do you agree with sanctions? Of course, there are mistakes made, but you are disagreeing with any sanction except in extreme cases.

Fiona Weir: I do not think they should play a role except in extreme cases. They are getting in the way. They are a problem. They are catching a lot of vulnerable people up in them; they are not achieving the aim they are meant to achieve. If you apply them, it should be extremely light touch, but at the moment you need to keep your eye on the ball, which is getting people into work, and I do not think sanctions are helping one bit.

Q111 Chair: This inquiry is about the effectiveness of Jobcentre Plus. Are you saying that there is a lack of training of Jobcentre Plus staff who are misinterpreting the guidelines and therefore are wrongly applying sanctions?

Fiona Weir: Yes. It is the training issue to understand, and the time with your claimant to put it together with understanding their needs, so those two things.

Q112 Sheila Gilmore: I would like to just come in; I was going to ask Fiona another question about single parents, and Glenda kind of moved on to that unexpectedly. On this question of the flexibilities, they were in regulations. Is it your understanding that these regulations still apply, and when do you expect them to stop applying in terms of the new regulations?

Fiona Weir: In the Universal Credit regulations, only one of the 12 went in in its entirety.
Fiona Weir: I am not sure exactly when the change from regulations to guidance kicks in, sorry.

Q114 Chair: But the point is they are still active. These are still the regs as they are.

Fiona Weir: Our point, I think, is that they are misunderstood now in regulation, so when you move them into the softer form of guidance, the chances of them being adhered to become weaker, and the chances of being able to point to the regulations to overturn a bad sanction decision are harmed.

Q115 Chair: So, the changes are that what was in regulation has moved to guidance; they are identical, but one is guidance and one is reg.

Fiona Weir: They are not quite. Some have been modified, so there have been some small changes as well.

Q116 Chair: But you are saying that Jobcentre Plus advisers are applying the regulations wrongly, but even if it was guidance, it would still be wrong.

Fiona Weir: They are applying them inconsistently, and therefore that patchy, inconsistent implementation, we think, will get worse in the weaker form of guidance.

Q117 Debbie Abrahams: Did Chris, Niall or Seyi want to add anything in terms of their experience? As I say, I am thinking about the scale as well as the appropriateness.

Chris Johnes: On the scale, the Citizens Advice Bureau have produced statistics showing that the numbers of inquiries they have had to do with sanctions have tripled from Quarter 1 to Quarter 3 of 2012. There was a significant increase. There are two things I would like to flag up: one is our experience and our partner’s when Universal Jobmatch was brought in. It was very clearly stated in guidance when it came in that it was not mandatory to use the Universal Jobmatch online system rather than the paper system. We have had significant numbers of people being sanctioned, even in the trial stage, for using a paper system and evidencing it, rather than using the online system. When a concerted representation was made to regional DWP staff, they were told by DWP staff that this was an error and it should not be happening, but it continued to happen in local jobcentre offices.

The other issue, linked to that, has been the experience of many of our partners who lack IT access. They will go to a local job club or they will go to a local community centre. They will spend two whole days doing their job search, and the next two whole days they will not do any, because it costs a lot to get to the community centre. Even though they are making the required number that they have to do over a week, they are getting sanctioned for not spreading them out evenly. We have got a case in our Walking the Breadline report on that as well.

The other thing we have found extremely concerning has been the use of sanctions particularly, but not only, against people who have been sent to food banks. When the sanctions are then challenged by a professional worker—food bank manager, community development worker—the sanctions have been withdrawn. That suggests that the person applying the sanctions does not even have confidence in the way they are being applied, which suggests a degree of arbitrariness, and they are not well founded sanctions in that case. It also suggests that a different level of importance is being given to the voice of the professional rather than the unemployed claimant, and that is almost getting to the level of first-class and second-class citizens, and I do not think that is acceptable.

Seyi Obakin: I can only stress the points that Chris just made about training. Although the guidelines are there, I do not think they apply the guidelines, and I am not sure whether that is because they do not understand the guidelines or they just do not know that the guidelines are there. They certainly do not take account of the positive steps that young people themselves are making to get a job or to improve their own prospects, so you get Jobcentre Plus advisers saying to young people they are not there to help young people make a career; they are there to get them a job. If a young person has been doing some good stuff to help them get into long-term sustainable employment, they are still being sanctioned.

A young person went to a jobcentre and told them that he had a university interview at the same time at which they had given him an appointment. He went ahead of time, he told them, they took the records from him; still he was sanctioned for going to that interview rather than complete the number of applications he was yet to complete on Jobmatch. Eventually he got that job, but he was sanctioned still. How ludicrous is that?

Q118 Debbie Abrahams: I could not agree more. Niall Cooper: Yes. In our submission, we included one story of Stephen, and it just illustrates the level of hardship. He is an ex-offender, so he has got a lot of issues to deal with. We have been working with him since the autumn, and since January he has been sanctioned four times. I think we counted he has had 22 weeks without any benefits since January. In that time, he was on a training course, and he has been walking five miles backwards and forwards to go to the training course. He has to walk to go to the drop-in centre to get access to food. He has to walk to the jobcentre to sign on, and in one eight-week period he lost two stone six pounds weight. It is the wider impact that sanctions have in terms of health costs.

As an ex-offender going 22 weeks without income, there are people in his community that are well able to exploit that by encouraging him to go back to a life of crime, and he said himself, “In prison you get fed.
Currently, I am not getting fed. I don’t have the money to feed myself.” The litany of the reasons he has been sanctioned are the same. First, he was on a training course when he was supposed to attend an interview; the training course was really important to him, so he missed an interview. Second, while sanctioned, therefore not getting any income, he missed a signing on, because he was not getting any money, so he did not understand that he had still to sign on. Third, he would apply for 12 jobs in the fortnight but was sanctioned because they were all put on the system in one week. Fourth, he missed an appointment he was not aware he was supposed to attend. None of those are because he is actively resisting. He is desperate to find work; he went on a training course.

Q119 Jane Ellison: Sorry, Chairman, can I just jump in? That is a really difficult case, and we have all seen people like that. I have got someone very similar to that that I deal with. I suppose defining the whole system by the extreme cases is quite difficult. Can you give us some sense of how typical that case may be, and how many you see like that?

Niall Cooper: We work with relatively small numbers of people, but we did not actively go out to find that as a story.

Jane Ellison: How many people?

Niall Cooper: That is from a group of ex-offenders we are working with.

Jane Ellison: Sorry, how many is that? I am just trying to understand the scale—whether that is illustrative of hundreds of cases, thousands, or a small number of people we, all agree, have very complex needs.

Niall Cooper: All I can talk about is his case.

Jane Ellison: So you cannot put a number on it.

Graham Evans: But in terms of scale, how many people are you talking about?

Niall Cooper: We are working with a group of 12 ex-offenders, and that is one story, but he is not the only person who has had experience of sanctions within that group.

Q120 Graham Evans: In Salford, can you name what sorts of employers you deal with in terms of trying to find these people employment?

Niall Cooper: That is not the work we do.

Q121 Graham Evans: No, but would it be helpful for you to know local employers that could engage with people like Stephen?

Niall Cooper: It might be, but, as I said, that is not the project that we are working with. We are working with ex-offenders on issues that they want to identify. As it is in Stephen’s case, he wants to get work; he was on a training course. We do not provide training courses.

Q122 Graham Evans: The reason why I mention that, Chairman, is that we had evidence here from Timpson, who are located not very far away from there, and they engage with ex-offenders. That is the reason.

Niall Cooper: Fine. I will happily make that connection.

Q123 Chair: To bring it back again to Jobcentre Plus, have you got any sense of whether or not the data that my colleagues are looking for about how widespread this is, and to whom it is happening, is being collected by Jobcentre Plus at an individual office level?

Fiona Weir: There is a database that breaks down quite a few of the categories, but it is not as detailed as we would like.

Q124 Chair: Who feeds into that? Obviously the Jobcentre themselves are doing the sanctioning. There will be those headline figures of the numbers of people who have been sanctioned, but from that is there a breakdown of the inappropriate sanctions, the sanctions that were put on but immediately lifted because of a challenge by a professional, or the number of people who fulfilled the sanction and found themselves immediately into another sanction?

Fiona Weir: They have got three categories: the ones that are found for the claimant, the ones that are found against the claimant, and a third category called “Reserved”, which means they would apply if the claimant is still on JSA, so they are very broad categories, but what we are asking is how many people were sanctioned?

Chair: What I am trying to get to is how the Jobcentre Plus advisers learn that they have made a mistake. Is that fed back? Do they learn, or is it just “these things happen”? It is alright if you do not have a sense of it, but that is illustrative as well.

Q125 Stephen Lloyd: I suppose that—anecdotally, like some of my colleagues round the table—in the last few weeks there has been a spike of sanctions in my own constituency, which I am interested in, obviously, when I talk to my local Jobcentre Plus. I do not suppose you would know the answer—we need to go to DWP—but what we are asking is, one, what sets a train in motion that suddenly starts spiking or increasing sanctions? Two, what are the outcomes of the sanctions? Do they lead to other sanctions or do they lead to people trying harder to get a job or whatever? I suppose where we are coming from is that we need to know from the DWP—if you cannot provide it, and I am sure you cannot—why the sudden spike and what are the outcomes of it? From what you are all saying, and I take it you are agreeing, and I have to agree with you from my own experience in my constituency, we are getting the odd spike in the sanctions over the last few months, so I agree with you there. I suppose one question we struggle with is all of you said that you agree with the principle of conditionality and sanctions while at the same time caveatting it, and to be fair it would be a completely unfair assessment from my perspective to say that you all agree with sanctions but we do not want to overdo it. Now, I know that is a little unfair, but could perhaps one or two of you give some sort of idea about where you think sanctions could be used and how they could be used more effectively by JCP?

Seyi Obakin: If someone is clearly not engaging and is clearly not doing the right things, sanctions are appropriate. Where it is falling down right now is even when someone is doing the right things, if he is not doing the prescribed things that enable the adviser to tick a box, he gets sanctioned.
We are not opposed to sanctioning Seyi Obakin:

Stephen Lloyd: Right. It is too rigid, in other words.

Seyi Obakin: We are not opposed to sanctioning young people. They have got to take responsibility, but when they are taking responsibility and they still get sanctioned, that is disheartening. It is demotivating.

Q126 Stephen Lloyd: So are you saying it is the lack of flexibility for the jobcentre advisers about when they can give a sanction?

Seyi Obakin: Yes, Stephen. Lloyd: So, in other words, if Mr or Mrs A is doing exactly what they should do on the tin, they do not get a sanction, but if they are not, they get a sanction, while in fact they might be trying to get a job; they are just not doing it in the prescribed way.

Seyi Obakin: Yes, exactly. That is exactly what I am saying.

Stephen Lloyd: Thank you.

Q127 Debbie Abrahams: Just a very quick one—one sentence answers if at all possible—around the appeal process. Do you support clients that want to appeal their sanctions, and what is the sort of outcome? Whoever would like to answer that, please do. It does not have to be in order.

Seyi Obakin: Yes, we do, and more often than not when we support an appeal the sanction is overturned, but that is because we understand what the rules are.

Debbie Abrahams: Fantastic.

Fiona Weir: We advise on the helpline. I should just say as a caveat on the sanctions, we would not support a level of punitive sanctions that causes real hardship in children’s lives. There is really a duty of care towards children that we need to look very seriously at in this current system. We are going to see some really horrible cases in the coming couple of years, and I do not think those levels are acceptable.

Stephen Lloyd: Where would you support a sanction, then?

Debbie Abrahams: It is my question, Stephen.

Fiona Weir: With any system it is really hard to get the level right. We expect drivers to drive within the speed limit; even though it is dangerous and you could kill somebody by driving over, we do not have this whole punitive apparatus affecting all drivers because a few disregard the rules, and it is a different from any other area. We have got a bit swept away on a tide of getting tough on particular claimants, which has been a theme across successive Governments, and we need to step back and think what is reasonable.

Q128 Debbie Abrahams: Sorry, we have to bring it back; we have still got lots to get through. Niall, did you have your hand up just to say something about appeals? Just quickly.

Niall Cooper: It was on the proportionality, and the wider impact. The Social Security Advisory Committee in 2006 said the DWP ought to commission research into the impact of sanctions on hardship, and on health and other issues, and no research has been commissioned, so we do not know what the impact of sanctions is.

Chair: The others are not the kinds of organisations that take up individual cases anyway.
Q134 Chair: So you are saying it is done even for the people who return. I do not know how often they are allowed to get a food parcel from the Trussell Trust.

Chris Johnes: Trussell Trust generally has a rule of three weeks, although interestingly in their latest figures they are saying that because people are getting severely sanctioned, they are doing much more extended support, but they are generally trying to give three food parcels to tide you over an immediate problem as a principle.

Q135 Chair: So the questionnaire, if they are a returner—a returnee, I suppose, is the phrase—they would go through the questionnaire again, because their circumstances may have changed since the previous time.

Chris Johnes: Yes, they would. Most returnees would return after a while, if you, like, not straight away.

Q136 Anne Marie Morris: Having got that data, clearly in the mind of the individual if I answer these questions in a certain way, I am going to get the food. If I do not, I will not.

Chris Johnes: No. That is not the case, because getting the food has already been arranged by the fact they have been referred by a professional. They could be a health visitor, it could be a social worker, a police officer—it could be Jobcentre Plus.

Stephen Lloyd: It could be an MP’s constituency office like mine.

Chris Johnes: Yes, sorry, indeed. You have to get a referral from a professional to get access to the food, so you get the referral which gets you there and then you tick the box about why you are there, so it is not linked to your eligibility. That has already been determined elsewhere.

Q137 Anne Marie Morris: Right, okay, and in terms of the professional, who is the one that does the referral, what check do they do? They are clearly conscious that they want to ensure someone who they feel is vulnerable gets fed.

Chris Johnes: To be honest, I am not aware of that. I can find out if the Trussell Trust gives guidance and share it with you.

Anne Marie Morris: That would be helpful.

Q138 Graham Evans: Chris, you mentioned there the people who can refer, and you mentioned Jobcentre Plus. That is a relatively recent thing, isn’t it? Why was Jobcentre Plus previously not allowed to make referrals to food banks?

Chris Johnes: I am aware that this is something that happened with the change of Government after 2010. The decision was made not long after that. My understanding was that it was something to do with recognising that one of the causes of hardship was delays in benefits as people transitioned, normally from work to out-of-work. There is usually a delay in processing payments, and that has always been one of the trigger points of hardship, if you like, a change in circumstances, and that was when Jobcentre Plus came in. That is my understanding; there may be different views on that. You could argue that Jobcentre Plus could do it faster, but it is not necessarily a fault of Jobcentre Plus but a function of the system, and therefore there was a necessary kind of bridging period.

Q139 Graham Evans: But does that perhaps explain why there is a greater awareness of food banks and thus the increase in availability?

Chris Johnes: Given that food banks’ use is not determined by professional demand, that is unlikely to be a major factor.

Q140 Sheila Gilmore: Are there statistics that you know of, and there may not be, on where the referral has come from?

Chris Johnes: There will be. We could find them out for you.

Q141 Sheila Gilmore: Because I have read somewhere, it might be wrong, that the number of referrals through Jobcentres is still quite low.

Chris Johnes: It is relatively low, yes.

Sheila Gilmore: So it is not necessarily because they have suddenly referred it that it has spiked.

Q142 Chair: I think some people are under the impression that you go to a food bank every week and you pick up your food, but that is not the case.

Chris Johnes: No.

Chair: If it is a Jobcentre Plus referral, you get three referrals in a year.

Anne Marie Morris: It is anybody’s referral. That is not a Jobcentre Plus rule, is it?

Chris Johnes: No, that is a Trussell Trust rule.

Chair: Oh, right, so they could only get three in the year.

Chris Johnes: There are some independent food banks that work in different ways and have their own rules, but the majority of them are run by Trussell Trust.

Chair: Sorry, Anne Marie, for the interruption.

Q143 Anne Marie Morris: That is alright. What about the others? There are lots of food banks, not just the Trussell Trust. Any response in relation to those? Are there still three applications in a year and that is it? How do they work?

Niall Cooper: They work by literally whatever rules they want, so those that follow the Trussell Trust model will take referrals; the majority do, but there will be food banks that will take people off the street. The impression we get and the evidence we have put in the report is that lots of churches and other groups are setting up food banks in response to the needs they are seeing in their communities, so it is response to need.

Q144 Anne Marie Morris: In a sense, because they do not have the structure of the Trussell Trust, there is a perceived need and actual need, and I doubt they have got the mechanisms, unless you believe otherwise, to work out the difference. I am just trying to understand and get some clarity around why food bank demand seems to be going up, because clearly
demand and supply is linked. If there is more supply, generally demand goes up. I am not suggesting one should ration it, but if there is not a way of trying to really drill down into why people need it, you can come up with a lovely headline statistic that says, “We are in crisis, people cannot find food and therefore the need for food banks has gone up.” There could instead be an issue about, “Well, the supply is there, so, hold on a minute, free food: let’s have some.”

Chris Johnes: Just to add a bit of qualitative evidence to that—and it can only be qualitative—a lot of the other food banks are supplied by an organisation called FareShare, which is also partnered with Oxfam, and they reckon they provide something like 10 million meals a year, and they provide them for a range of the kinds of centres that Niall has talked about. Having been to and worked with a number of those different centres, frankly the need of most people using FareShare support is at a much greater level than that of the people using Trussell Trust support. People using Trussell Trust support almost always have homes; they have somewhere to go to. They have somewhere where they can cook the food. People who use the others often go and get a meal. There is a very high proportion of people who are on the verge of destitution, so the need in our experience there is often worse than the need of people using Trussell Trust. Again, there is no universal rule, but they are feeding an awful lot of people a year who are clearly not even in a position to take the dried food home and cook it for themselves.

The other thing is we have got very, very clear reported evidence that people do not like using emergency food support. They feel very ashamed doing it; it is felt as a sign of their own personal failure, so it is not something you do just because it is there or because it is free.

Q145 Anne Marie Morris: What is the nature of that evidence?

Chris Johnes: Interviews with people on a widespread basis.

Q146 Anne Marie Morris: Is this something that has been put into a report and made quantitative?

Chris Johnes: Yes, it is in several reports. It is in our report; it is also in several others about the use of food banks.

Anne Marie Morris: That is helpful.

Q147 Chair: Again, to bring it back to Jobcentre Plus, we have talked a bit about sanctions and that is one reason why people might use a food bank, but in your report you talked a lot about benefit delay. A gain, what evidence have we got that that is the same as it has always been—there has always been this delay in getting benefits—or is that getting worse? What is the role of Jobcentre Plus in all of this? Are they just failing to pay people’s benefit on time in the way that they have always or has it always been that way?

Niall Cooper: The latest figures from Trussell Trust’s system, which were only out last week, for the period from April to June, show 33% of referrals were due to benefit delays. That is a slight increase on the previous quarter.

Q148 Chair: What percentage were sanctions?

Niall Cooper: They do not specifically list in the information we have got here the breakdown for sanctions.

Q149 Chair: So in fact the delay could be sanctions as well; in other words, there is a delay because they are not getting any money.

Niall Cooper: Yes, and the other context I should put on these figures is the numbers in the last quarter have gone up 200% from the previous year, so it is 33% above a significantly higher figure. The evidence from Trussell Trust would be that the numbers of people that are being referred to food banks as a result in delays in benefits is going up.

Chair: And that is before the introduction of Universal Credit.

Niall Cooper: Yes, but it is clearly after many of the welfare changes have come in.

Q150 Chair: Some people have seen the amount of money they get in their hands effectively cut because they have got an extra bedroom or whatever. What proportion of the people presenting at Trussell Trust have not got any money but do not have enough because they are having to cross-subsidise housing costs that they did not previously have to, or they have been moved from Incapacity Benefit onto JSA?

Niall Cooper: Where the Trussell Trust have a more detailed breakdown, the other figure they have provided is that the number going to food banks because of benefit changes—and “changes” could cover a multitude of sins—has gone up from 12% to 19%, so will probably be as a result of some of the changes that have come in since April. As I said, without drilling into the details as to whether those details are captured in their form, we could not give more information.

Q151 Jane Ellison: Obviously, food banks have become a real political hot potato, and you have seen how regularly it is raised in Parliament. This Committee is currently giving Ministers a hard time about the use of official statistics, so we are really interested in the drill-down on these stats and the work being done to understand this, because, if you like, it is just as political in a different direction. It is really important we quantify this. Quite a few benefit changes have only really happened in the last couple of months, so how much awareness is there in a broad sense in your sector, if I can group you all together a bit, of the need to do some of this real drill-down on the stats and to understand what benefit changes really mean? For example, for us as a Committee, knowing and understanding which changes that might be linked to is much more helpful than a sort of catch-all.

Niall Cooper: We have been aware certainly for the past year or two of the growth of food banks, and we are concerned. Many of the people who run food banks are concerned: they want to provide some immediate support—they are driven by that—but they do not feel that is necessarily what they want to be doing in the long term. That is why we produced the report, to say what the underlying drivers are, and clearly welfare is only one of the drivers.
We did it on the basis of the information that was available to us, but for us that has identified that there is a big enough problem that there needs to be more research, and that is really in a sense our call to the Committee: to look at this and to take evidence, and indeed for the DWP to take the issue seriously enough to commission their own research, rather than just kind of bat off and say, “The national figures are that the numbers having benefit delays is going down.” There is a mismatch, clearly, between that and the experience of food banks. We do not have all the answers to that.

Shelia Gilmore: Sorry, could I just follow that up? All the statistics that are being thrown around at the moment are being collected by, for example, organisations like the Trussell Trust, which are voluntary organisations, so I am not sure whether the previous question was suggesting they should be doing that kind of in-depth research at the same time.

Chair: Are you suggesting it should be the DWP doing that research?

Jane Ellison: Not really. If I could just clarify my question, picking up the point you made, where you say with some of it, understanding which ones at which point, given that some are only just kicking in, is really relevant to our work.

Stephen Lloyd: Jane, I think that it is a good point. Trussell Trust do compile info, because I get it from my local food bank. It would be really useful for the Committee to see that data, because some of it is quite grim, but some of it about some of the cohorts using the food banks is quite surprising. It is probably worth us asking Trussell Trust.

Shelia Gilmore: But it is also worth realising that they are voluntary organisations, and maybe their categorisation is not going to be exactly on a par with what a Government Department might do.

Q152 Chair: We are now having a discussion amongst ourselves, but to get back to the point, one of the recommendations in your report was that this Committee look at the issue, and just by coincidence we happen to be looking at the role of Jobcentre Plus.

As Jobcentre Plus is responsible for the sanction regime and the payment of benefits, it seems obvious, but I would like to be clear on what your expectation was with regard to what you think we as a Committee should be asking for. Is it that more detailed data is kept by the food banks about whom they are giving it to? Is it that the DWP should be looking at this in more detail? Obviously, as a Committee, our job is to make recommendations to Government, so I still have not got, quite, a sense of what you expected from us.

Niall Cooper: The straight answer is we would encourage you to take more evidence from whatever sources, so from Trussell Trust, from other food banks, about what their experience on the ground is, and whatever data they are in their capacity able to collect. We would expect DWP and the Government at the very least to collect data on the referrals that Jobcentre Plus and potentially other public agencies are making to food banks and, more fundamentally, to drill down precisely into what aspects of welfare are driving this problem: whether it is to do with the administration of benefits, delays and errors, whether it is sanctions and conditionality, or whether it is specific aspects of the welfare reform programme. Going forward, our concern is that Universal Credit does not unintentionally make matters worse. It is clearly not the aim of Universal Credit, and not the aim of DWP policy generally, to make people destitute, but the risk is certainly things like the four-week claiming payment period: we see at the moment people struggle to get through two weeks, and that is one of the reasons people end up going to food banks.

Q153 Graham Evans: But the fact is if you are in work, if you are a working person, you tend to get paid monthly, and there is the objective of getting people to manage their finances, as people do when in work.

Niall Cooper: No, that is perfectly laudable. The reality, though, is that if your income is so low that your incomings and outgoings barely match, and only match in some cases because you do not have your heating on or you pay the minimum for food, then that is where the risk is.

Q154 Stephen Lloyd: I would agree, and the Select Committee made that point very, very strongly to the Secretary of State in the DWP. What we were told is that they had taken that on board and they had made some adjustments, and that they were more confident now than, say, six months ago that people who were not able to cope with a four-week payment would be spotted and assisted. Are you saying that is not true—that they have not made those adjustments?

Niall Cooper: At the moment, most of this is theory. What we would be saying is as the policy is rolled out—at the moment, about 100 people have been through the system—there should be really robust monitoring to ensure whatever in theory is in place in place.

Chair: Indeed, that is part of the role of our Committee, and we intend to do exactly that. Graham has got some questions on digital exclusion.

Q155 Graham Evans: The Government has put “digital by default” at the heart of Universal Credit and Universal Jobmatch, and most jobs in the 21st century require some form of IT. I would be interested to see if the panel agree with the Government’s digital-by-default policy.

Robert Trotter: I would make a quick point that there is always going to be a group of disabled people who would feel more effectively supported offline, and currently, however accessible a website is, it is very difficult to make these things perfect. I would definitely have empathy with the designers in the GDS2 or whoever trying to do that work. The challenge is less about digital by default and more about thinking about the backup options.

Chair: How you identify those people.

Fiorea Weir: We are big enthusiasts of online and we work very hard to try to get more single parents online, but you do have to have safeguards in place for people who are not there. The kinds of examples

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2 Government Digital Service
people are giving us are that they often do not have a PC at home, and so they will often come into the Jobcentre to use theirs, but then they are often paying £7 bus fare to come in and use Universal Jobmatch in the Jobcentre and so on, so it is just complicated. People need training; they need the access to the technology.

Q 156 Graham Evans: You deal with an awful lot of young people, don’t you? By the nature of them, they are IT savvy.

Fiona Weir: Single parents often are. The smartphone use is quite high because they tend not to have a landline for the telephone or necessarily a personal computer. They use it for everything. It is multi-purpose, but there are a significant minority who really cannot cope.

Graham Evans: Cannot cope with what?

Fiona Weir: They cannot cope online at the moment. They need quite basic training; they are very scared of it. People with English as a second language often have problems on a very basic level around numeracy and literacy, before you even get on to how you use an Excel spread sheet.

Q 157 Graham Evans: The nature of looking for jobs for these people highlights people who may have an issue; therefore, we can target and help and support those people, so you do agree with digital by default.

Fiona Weir: As long as it is supportive for those who are not ready, and as long as it is properly planned through, it is obviously more effective long term. We have no problems with that as a long-term goal.

Chris Johnes: The point about digital by default, in addition to what Fiona has said, must be recognising that while it is essential, as I agree, for people to develop the skills, we must not assume that everyone has to have access to a PC at home, which goes back to our examples of Universal Jobmatch earlier. We must recognise that people need public access in certain circumstances, libraries, Jobcentres, community centres and so on, and that that will bring certain patterns of use with it. In other words, we should not expect people to have access every single day because of all the costs, but they should have access over a regular period, and some flexibility needs to be built into that one.

Niall Cooper: The issue is really challenging for many people in poor communities that do not have access to PCs at home, and access is not the same as being fully functioning. Again, coming back to a previous conversation, a real risk is that if people that do not understand do not have access, do not have a full understanding and therefore do not fill in the forms properly, they will end up falling through the safety net. They will make errors that will then have severe consequences.

Graham Evans: But, again, those people can be targeted. There is a clear group of people that have an issue with online and IT, and if we are looking at getting them into a job, the likelihood is they will need to learn it, so we can focus support and help on that group of people.

Chris Johnes: Yes, as long as the first step is support, not sanctioning, and it is identified as a need for extra support.

Seyi Obakin: Focusing support in the way you talked about there is easier said than done. We do not agree that digital should be a default. We think most young people we work with are digitally literate, that is okay; many of them simply do not have enough money to secure internet access, and they do not have enough resources to get access to digital in their homes. This is where it really falls down for them. Take something like careers advice. That is all going digital, but the young people I work with are so far behind that the kind of advice they can get on that digital platform is simply not efficient for them. They need someone to talk to who understands their circumstances and can give them advice tailored to those circumstances. The problem that I have got with digital is that it is the default.

Q 158 Graham Evans: In terms of Jobcentre Plus and how we can identify these groups of people that you have all identified, are you communicating with Jobcentre Plus to make sure that when single people come in from your client base, they get the right specialist attention and understanding? Do you liaise and feed back to the Jobcentre Plus so that they do have that specialist intervention early on?

Seyi Obakin: Yes we do, but the results are patchy. Sometimes Jobcentre Plus is happy for us to work with them in that kind of way, and they listen; other times they just do not want to know, even when the young person has said, “I give these guys permission to speak on my behalf; they understand my issues and I am not worried about this.” Some Jobcentres still will not listen.

Q 159 Graham Evans: So in terms of that example you have given there, they do not want to know—this is a Jobcentre that does not want to know. What correspondence or representations have you made?

Seyi Obakin: To whom? To the Jobcentre?

Graham Evans: To the Jobcentre Plus, yes.

Seyi Obakin: We will follow it up with the Jobcentre. We will send the key worker there, and we will just keep batting away at the job, but we should not have to do that.

Jane Ellison: Which Jobcentre was it?

Seyi Obakin: I could give you specific ones. I have not got them here, but I can send them to you.

Graham Evans: We are interested in specific ones, because we are talking about best practice, Chairman, because we have seen Jobcentre Plus that are motivated and all they want to do is help clients get into jobs, in our experience.

Seyi Obakin: I do not deny that at all.

Graham Evans: If we hear of any particular Jobcentre, then that needs to be reported so best practice can be introduced. It is about leadership and management, and that is what we are keen to understand.

Seyi Obakin: I am happy to share that with you, and send that to the Committee.

Chris Johnes: Just a quick point in response to Graham and his point: I understand that, but from
where we sit, where we might be trying to improve the relationship with a particular local Jobcentre, raising it formally is more likely to bring down the shutters than open the door.

Stephen Lloyd: Come to us and we will do it. We do not have to tell them where we got the information.

Chris Johnes: Unfortunately, the kind of quiet word behind closed doors is more likely to get a change in local approach than a more formal approach.

Q160 Graham Evans: I am just concerned by that statement about shutters. No Jobcentre Plus manager should be bringing down shutters. What sort of engagement do you have with your local Jobcentre in terms of network meetings or informal meetings? Do you have a rapport with these organisations within your local Jobcentre?

Chris Johnes: In the programmes we work in, it varies quite a lot. There are some areas where we sit on advisory groups and the relationships are open and clear, and you can raise quite difficult issues in an open way. There are other areas where the Jobcentres are more defensive, where that is more difficult.

Frankly, this is not a Jobcentre problem; this is a public sector problem, and I have worked across the public sector. Many other bodies are very defensive towards criticism, and formalising stuff means that they will not work with you, and you have to be aware of that on a case-by-case basis, if your aim is to get the short-term improvement for your clients or your beneficiaries rather than systemic change. If it was systemic change, I would be coming to this Committee and the Department or whatever, but I would be taking the hit on the short-term benefits, and those are the different balances we have to play off in our roles.

Chair: Thanks very much. The bells have gone, which tells us that the House is now sitting, which is why some of our colleagues have disappeared off. They have got questions in the Chamber. Can I thank you very much for coming along? I know this is a first experience for some of you, appearing in front of a Select Committee. I appreciate it is not that easy either. Thank you anyway. The evidence you have given today will certainly help us in compiling our report.
In terms of the interview itself, at Helen Flanagan:

interview would need to be changed. You could change the form, and the nature of any information about other issues that may be there. Their benefit entitlement situation is and does not have come into the office, the adviser can only see what and does not dig any deeper than that. So when they form they fill in is just about their benefit entitlement moment is that when people make a claim for JSA the improve it; the question is how. The issue at the I am sure there is scope for them to JCP to improve this initial assessment?

and health issues. Do you agree that there is scope for Charles Law: I am Charles Law, Industrial Officer with PCS.

Helen Flanagan: Helen Flanagan, PCS National Executive Committee Member and Vice President of the DWP Group in the union.

Q163 Chair: We have questions about the time and the increased workload of advisers coming up, because obviously there have been changes. In our report that we did on the Work Programme, we recommended that the Government look at something like the Australian Job Seeker Classification Instrument, where they do a lot more diagnostic work with the claimant. Even within the JSA, there might be people who have major barriers to work: they may still have disabilities, health problems, homelessness and all of those kinds of things. Would you welcome the use of such a tool in JCP if DWP ever took up our advice?

Charles Law: It is hard to argue against some kind of segmentation of customers. It is common sense that for people who do not need a lot of work on them obviously there is no point investing time in that. The trouble with tools is that it is difficult to get one that is right and comes out with the right outcomes, and it can lead then to people being incorrectly categorised or something like that. What has worked best in the past are things like the New Deal for Lone Parents and the New Deal for Disabled People, for example, where advisers develop the specialism and the knowledge and the expertise in particular client groups, and were able to focus on that. That has proved to work, and I think most people would agree that things like the New Deal for Lone Parents was very successful in bringing a group that has traditionally been a long way from the labour market much closer and many of them into work.

Q164 Chair: Are you saying that that is lost because of the introduction of the Work Programme, because obviously the New Deals no longer exist?

Charles Law: As you say, the New Deals no longer exist. The Work Programme is run on a very different basis, in that it only kicks in a year, in most cases, after signing on, whereas the New Deal for Lone Parents was offered to people who were then on Income Support and may not have been working for many, many years. So it was a very different situation, but it has been lost; there is no question about that. Helen Flanagan: Segmentation of some kind has always happened under different guises. Charles mentioned about the New Deal; we also have what they call “red, amber, green”, so they assess claimants initially to work out how “job ready”—that is the term that they use—they are. They do have tools that they use in interviews. One is called the customer
assessment tool, but it has been more process-based and filling in a form rather than any kind of genuine assessment. But despite New Deal going, I would say advisers do tend to try to form an assessment and work out who needs more support than others.

**Q165 Chair:** Obviously you think there is a need for segmentation and the concentration of the advisers’ time on those who are furthest from the labour market, but would you go as far as the Policy Exchange and the Centre for Social Justice who both argue that most work-ready job seekers could initially be allocated to a zero-contact group in which they would not be required to attend the Jobcentre? Would you go as far as that? Do you think that that would be an effective way of managing and releasing time for those who are hardest to help?

**Charles Law:** There is a risk attached to that, in that if there is no contact the potential for fraudulent claims is increased and people are entitled, if they become unemployed, to expect some support from Jobcentre Plus. To be told, “No, you can do it all on your own”, when they have paid into the tax system for that public service, would seem, unless they were happy with that, perhaps a bit unfair on them.

**Helen Flanagan:** It goes back to the first point about that initial assessment and that diagnostic interview. It is how you identify that someone does not need that support, and if that is not done properly or people are not given time to do that, there is a danger that someone might appear to be okay—say they have come out of long-term employment in a certain profession—but they may need support as well. As Charles said, people, I think rightly, expect support, so they could just be binned, if you like, into a certain category, but then it is about how long they would be in that zero contact for. Would it be a 13-week period? Would it be hitting the cohorts that Jobcentre Plus want them to hit? It is dangerous, because the longer you leave somebody unemployed, the harder it is to get them into a job.

**Debbie Abrahams:** Just a point of clarification, if I may. Are you saying that the most important thing is specialist advisers and being able to get the correct diagnosis and then the correct referral? Are you, in principle, supportive of a more holistic assessment of the whole needs of the person, not just their labour-market needs? I just wanted to clarify that. You are both acknowledging that. That is fine, thank you.

**Q166 Graham Evans:** Some witnesses have called for JCP advisers to have a more holistic approach. Is there scope within the existing resources to extend this more holistic approach within the system?

**Charles Law:** Within existing resources it would be very difficult. People are extremely busy at the moment just doing what you could call the fairly run-of-the-mill interviews that are standard Jobcentre Plus interviews at the moment. If that was to be expanded into a more holistic approach, dealing with other issues that we have not traditionally dealt with in the Jobcentres, I cannot see how that could be done without extra resources.

**Q167 Graham Evans:** Is it not a case of being aware of not necessarily the internal within the Jobcentre Plus itself but the external—being aware of the holistic services there are in the extended community that they refer them to rather than do them in-house?

**Charles Law:** That can happen, but you still have to diagnose what it is that they need and where to signpost them to and so forth, and that in itself would require an additional resource.

**Q168 Graham Evans:** To what extent would it require an additional resource?

**Charles Law:** At the moment, you have the 40-minute new claim interview, which, as Helen explained, is focused on issues that have traditionally been what the Jobcentre does. If that interview is to be expanded into covering more issues—homelessness, whether they have an addiction problem, whatever it may be—if you still do that within 40 minutes then something else has to give.

**Q169 Graham Evans:** Can you give us an example of what has to give?

**Charles Law:** The conditionality work that is done, the Jobseeker’s Agreement, whatever else there is in the agreement.

**Q170 Chair:** In a conditionality interview, give me an example of what sort of things would be said. Is it laid out as, “Right, if you do not do X, Y and Z, this is what will happen”? Is it that kind of interview?

**Helen Flanagan:** At present, it is the Jobseeker’s Agreement, and what has been introduced through Universal Credit, and soon to roll out nationally, is a Claimant commitment, so you are explaining to people what is required of them. It would be things about availability, being available for 40 hours a week, actively seeking employment, setting out the steps that they have to take on a weekly basis in order to get benefit.

**Q171 Chair:** So a large chunk of this initial interview is not the holistic thing that Graham is talking about to see where the barriers are. A large chunk is telling them, “This is what you must do.”

**Helen Flanagan:** Yes.

**Q172 Chair:** You are not getting information out of the claimant; the claimant is there listening to all the things that they must do in order to get the benefit. Do you think the balance is wrong?

**Helen Flanagan:** The direction that Jobcentre Plus is going down is very much conditionality-focused, and with the introduction of Universal Credit the message to our members is that conditionality is key. We will probably talk about it later in terms of that big push on conditionality and referring people who are not meeting conditionality to decision-makers on sanctions is a major thing in Jobcentre Plus. We would welcome a more holistic approach and having our advisers being able to do that. In terms of that happening in the community, time has shown that Jobcentre Plus can deliver a better and more thorough and holistic approach than anyone, whether it is
Q173 Graham Evans: I am sure you have the ability, but in terms of time, if your members know what holistic services are available, both within the Jobcentre Plus and within the community, then surely within the interview they know the moment they sit down with a customer what is available. For me, very quickly they would ascertain what services are available there in the holistic approach.

Helen Flanagan: Can you explain what you mean by available in the community?

Q174 Graham Evans: For example, if somebody comes in who is homeless, not worked for many years, a recovering drug addict—in my constituency we have services to help the homeless, recovering drug addicts, and substance misusers into work. Or it is a case of a chap who has been working all his life and has been made redundant; he needs re-skilling. Within that constituency you know that there are some prime providers that can help with those sorts of things. Surely your members would be aware of those, so that when they see their clients, your clients, our clients, they can point them in the right direction relatively quickly.

Helen Flanagan: What you are describing there is called signposting, saying "That is available there; go and have a look at that." That is not holistic. That is not building a relationship, assessing what they need and following it up. That is saying, "Go and look at that; go and get that help".

Q175 Graham Evans: Forgive me, but the holistic approach is all things. Whoever is sat in front of you, you are looking at the holistic approach. Whatever help and support they need, Jobcentre Plus staff have the ability or the knowledge. You call it signposting and that is fine, but it is part of the holistic approach, is it not, surely?

Charles Law: The problem is that it is not always obvious what additional services or help someone might need, and it may take a while to build up a relationship before that person is prepared to share with you the underlying problems that they have. People do not come in with "I am a drug user" on their t-shirt, so it is difficult to pick some of these signs up straight away. That is why regular contact, where you can build up a relationship—preferably one that is not soured by having to sanction people who have problems—is the best way of doing it. It can be obvious straightforward, but in most cases it would not be.

Q176 Graham Evans: You mentioned in your evidence about the estate not being able to cope with a potentially large number of new customers. Can you just explain to the Committee what you mean by the estate not being able to cope?

Charles Law: It is just that there is not enough room. It is simple. If you go into the Jobcentres, they are busy and they are full. If there was a significant increase in the number of interviews being conducted, there are just not the places to conduct those interviews with reasonable confidentiality and privacy within the existing Jobcentre Plus estate.

Q177 Graham Evans: Have you done an assessment of the Jobcentre Plus estate and looked at that on a case-by-case basis?

Charles Law: We have not done a formal assessment like that, but we know from talking to our members working in the Jobcentres that they are busy and that they are full. You do not really need to do a formal space assessment to know that it would be, in most cases, impossible to conduct a large number of additional interviews on top of the ones that are currently being done with reasonable accommodation and reasonable privacy.

Q178 Graham Evans: Forgive me; if you have not done an assessment of the estate on what room is available, I can only go off my own experience of my Jobcentre Plus in my constituency that I have visited. There are a significant number of unused rooms. If you are going to ask your members if they are busy, I fully understand they are very busy places, but unless you are aware, on a case-by-case basis on the estate, of the number of rooms that are available, I can only go off my own example. There are a significant number of rooms that were used for various purposes on the ground floor that could be utilised to extend the place, and I would have thought that you would want to know about the estate, in terms of the space that could be utilised.

Charles Law: What I am reacting to is the two main proposals that are out there at the moment. The first one is to bring in weekly signing for half of the JSA register, which is a 50% increase in the number of people coming into a Jobcentre each week; and then there are the 1 million or so people, when Universal Credit is rolled out, who are meant to come in to be interviewed because they need to find more work. Both of those are huge numbers of people. We are not talking about one or two additional interviews that maybe could be done when a room is not being used; we are talking about a massive increase in the number of people coming in. That is why I am saying that there is not a need to do a big formal assessment to know that there is a problem there.

Q179 Jane Ellison: Graham has largely picked up my point. This is a parliamentary inquiry, and obviously you are putting into the record the fact that you think the estate cannot cope. I am just a bit surprised that you have not done that on the basis of a formal assessment.

Charles Law: Well, we have not.

Jane Ellison: Okay. We have noted that then.

Helen Flanagan: I think it is done on the basis that we know about the extra requirement of the current estate. It is not about that we are saying the current estate cannot cope, but at present DWP are closing Jobcentres still.

Q180 Nigel Mills: If we wanted longer, better upfront assessments and if we want more regular
Q181 Nigel Mills: What I meant was as part of their normal working week, presumably they are not doing interviews eight hours a day every day; they have other tasks as well. Are there any gripes where you have your members saying, "This form I have to fill in for every person is a complete waste of time", or this assessment or whatever. Is there anything that could come out of a working week to free up more time that would please your members in terms of not doing pointless bureaucracy or anything that is just wasting time?

Charles Law: I suppose if you asked members what the thing was that they feel they have to do that they do not think is productive or helpful and they do not like doing it, it would be the intensified conditionality regime. A lot of people are unhappy about that, but not just because they may disagree with the Government policy. It is about how it can sour their relationship with the customer that they are trying to build a relationship and rapport with, which is very difficult to do if, for relatively minor breaches of the Jobseeker’s Agreement, they are under pressure to refer them for a sanction and have their benefit reduced. That would be the main area where members tell us that they are unhappy with the work they have to do. Most of the other activities generally are seen to be useful and productive.

Q182 Glenda Jackson: I wanted to go back to the point that you made, which is entirely understandable, which is, given the huge increase in demand that you have got about a holistic approach, I am paraphrasing, but essentially you said that people could be reluctant to say, “I am a drug addict” or, “I have alcohol problems.” That presupposes, does it not, that that is the first time that person has been into that Jobcentre Plus, but there must be people with those problems who are regular attendees at Jobcentre Plus? So is it the fact that suddenly all Jobcentres are having to deal with a vast increase of first-time attendees, in a sense?

Charles Law: There is not a vast increase of new claims at the moment. The last time there was was in the 2009 period. Now, the number of new claims is relatively steady each week. It goes up and down a bit, but there is no big variation at the moment. So no, there is not a significant increase in new claims. Within any group of new claims, there will be some people with more problems than others.

Q183 Glenda Jackson: Why is it that the employees in Jobcentre Plus do not recognise the problem? They must have been meeting these people over a considerable period of time.

Charles Law: What I was trying to say earlier was that the longer and the more frequently you meet people, the more likely you are to identify those kinds of issues, and then you are in a position to say, “What you really need to be doing is going to this group or that group”. What I was saying was that it is hard to do that straightforwardly, but over time you do. The people who have been signing on for a long time who have these issues, the chances are those will have been recognised and identified, and they will have been referred to the appropriate third-party person who specialises in drug abuse or whatever it may be.

Q184 Glenda Jackson: So it is not just a question of the time for the initial 40 minutes, but the length of time that the individual is going into that Jobcentre Plus over weeks, months, or years perhaps?

Charles Law: It is about building that relationship. That is really the key thing. You can build a relationship quickly. Other times it takes longer. The claimant has to be able to trust the adviser to do that and, unfortunately, the way things are going at the moment is that a lot of the publicity that Jobcentre Plus gets is around the intensified conditionality and sanction regime, which means people start off with a difficult or hostile attitude.

Q185 Glenda Jackson: Has there not been a removal of the specialist advisers? You referred to New Deal for Lone Parents; they have gone, have they not?

Charles Law: I do not think that role exists any more. There are still some disability specialist advisers, although we would argue not enough; there isn’t one in every Jobcentre. There are still some specialist advisers, but it is not as systematic as it was when there were New Deals for the various client groups.

Q186 Chair: If the problem is an overcrowded estate when they bring in in-work conditionality, could that not be done over the phone? You would not have to physically bring someone in to the office, especially if they are in work anyway and this is really just to discuss how they would get more work.

Charles Law: It could be done over the phone. My understanding is that the detailed measures behind in-work conditionality have yet to be drawn up. Certainly in the Pathfinder they are effectively not doing it to any degree.

Q187 Chair: But it could be done online or over the phone.

Charles Law: I think the intention at the very least is for everybody who claims Universal Credit, including those who are in the working-enough group, to attend at least once to have their ID verified face-to-face. Then, as I said, we do not know how they would deal with the people in the could-work-more group. Interviewing over the phone is possible.

Q188 Chair: You think there is still going to be a need for at least one face-to-face.

Charles Law: The powers that be will insist on it, yes. I think there is a security issue there.
Q189 Sheila Gilmore: You have touched on some of this, particularly in relation to the suggestion that was made in the Spending Review, although I do not know if flesh has been put on the bones yet or a timetable, for claimants to sign on once a week. Before looking at that, we talked about the 40-minute interviews. In your experience, how long are subsequent sessions when people do come in to sign on?

Helen Flanagan: “Flexible interventions” is what they are called presently. After they have the initial 40-minute interview, you then have the fortnightly interventions, but the flexible interventions are normally for about 20 minutes; that is the standard.

Q190 Sheila Gilmore: Is everybody getting 20 minutes?

Helen Flanagan: No. They are doing some by telephone at present as well, and that can be for 10 minutes by telephone.

Q191 Sheila Gilmore: I have had constituents saying that when they are in to sign on, it is more like four or five minutes.

Helen Flanagan: Yes. Your fortnightly interventions—so when you are there to sign—that is timed; the funding allocation is between four and seven minutes. They are doing pilots at the moment on reduced signing and speed signing. Four and seven minutes does not sound a lot of time, but they are looking to reduce that. When you come in on a fortnightly basis, for you to sit down and just to say “Hello”, you are basically saying, “What have you done to look for work? Sign here”.

Q192 Sheila Gilmore: You may not know because you are not involved in the policy development, but it sounds like there are almost two different things going on here. One is potentially reducing the amount of time, presumably to free staff for other things, and another suggesting that everyone should come in once a week.

Charles Law: That is exactly right, yes. It does seem odd that that is the situation, but there we are.

Q193 Sheila Gilmore: In terms of the question you were asked earlier about the estate and so on, and obviously it is going to vary, but in terms of upping the number of contacts, if you like, in your view, is it primarily a human-resource issue—staff—or a physical-space issue?

Charles Law: The main problem would be the staffing resources. A ssuming that things are done in roughly the same way that they are done now, there is not the capacity within Jobcentre Plus to deal with those additional volumes that would be involved with the weekly signing or the in-work commitment, whether it was done over the phone or face-to-face. We know that in the next two years the budget for the Jobcentres is being reduced by 10% each year, and that will only be increased by substantial staffing reductions. So the staffing resources are going in one direction, and it appears that the work coming in to Jobcentres is going in another direction. It seems to me that that is a recipe for disaster for a start, but also it means that there is not the capacity now, and there certainly will not be after a year or two of staffing reductions along those lines.

Q194 Sheila Gilmore: I have had two recent examples in different situations of people claiming that things they wanted to raise they did not have time to raise, or they were not advised that there was. One was single-parent flexibilities: the degree to which the conditionality could be changed to meet that. Although the existing system is still there at the moment, though it is going to be slightly changed on Universal Credit, in practice people have not been told about it. Secondly, there is the issue of people who are not very well when they are signing on for JSA. I was told by the Minister last week that there was ample opportunity for people to have modified conditionality in those circumstances. How well are these things known to staff, and is there a need for more training?

Helen Flanagan: Staff will be aware that you can adjust. It will be on the Jobseeker’s Agreement—the availability for lone parents, which is in legislation and having adjusted availability and actually seeking employment requirements. It is not just for those kinds of groups, but for others as well. They will be aware of it, but again it is about the pressure put on to hit certain conditionality requirements, so the pressure to refer people to a decision-maker if they are not seen to be hitting all those boxes, and it is the people who fall into those groups. I would say less so the lone parents, because that is in legislation, but, for example, people who have health issues, who are more easy to target in that respect, who probably fall victim of that system because they are not going to be able to meet the standard conditionality. There probably is an awareness, but at the same time there is that pressure to hit the conditionality benchmarks or targets or expectations.

Q195 Sheila Gilmore: I have constituents who have been told that because of their health condition they could not claim JSA. One constituent recently, who had been found fit for work, had appealed and had not won her appeal on ESA, when she sought to claim JSA she was told that she was not deemed by Jobcentre Plus staff to be fit for work, and her claim was refused. Are you aware of that happening?

Helen Flanagan: My own experience from working in a Jobcentre is that it is a very difficult situation. People do fall between that gap, essentially. I think it is very odd that people will fall foul of the Work Capability Assessment—we are not here to discuss that, which is a very sad system—and then when they come to get the Jobseeker’s Allowance and the harsh conditionality, that is there. I would say the lack of resource and support available to people with health problems and disabilities—we do have disability employment advisers but not a lot of them and it is an under-resourced job; it is difficult for people—is a bad situation, yes.

Q196 Sheila Gilmore: What sort of training or instructions are Jobcentre staff given about people who are appearing to claim benefit but do not seem to be fit enough to meet the conditionality requirements?
Helen Flanagan: I would say that because the focus is on meeting that standard conditionality, as an adviser you do get training and that is covered by it, which shows what Jobcentre Plus would say. But when you become an adviser you do not get refresher training. There is not a lot of focus on what we can do for people with health problems or disabilities. The focus is on that standard conditionality and getting people to meet that.

Q197 Sheila Gilmore: How much time is spent on training? Are there set times for training for staff, other than their initial training?

Helen Flanagan: From experience, there is not a set time for training. Training tends to be focused on the ongoing change in legislation and processes and benefits, which we are having to deal with at the moment. That tends to be the training focus, and that is a big demand on the time that we have. It is not a designed training programme.

Q198 Glenda Jackson: I just wanted to go back to the 20-minute interview. I presume that it is not always the same member of the Jobcentre Plus staff who meets up with that same claimant. I know from my own constituency, people say they go into Jobcentre Plus and they never see the same person twice. If that is the case, how much time of that 20 minutes is eaten up by the member of Jobcentre Plus staff having to familiarise themselves with that individual? They must do. How much time is taken away doing that?

Helen Flanagan: The intention at present is that advisers do have caseloads. It will vary from Jobcentre to Jobcentre depending on the size of the Jobcentre and the area that they cover. Of course, now, with the way Jobcentre Plus is managed, it is down to each district how they do that, so there is less of a central design. I can only speak from personal experience of the Jobcentre that I work in, but they do try to have a caseload, so it should be the same person that they see. That flexible intervention—that 20-minute interview—should be with the same person, but I fully recognise that with job pressures there is probably a good chance that they see somebody else. And yes, because you have to cover the conditionality in that 20-minute interview as well, at least half of that will be on that.

Glenda Jackson: Familiarising yourself with the claimant.

Helen Flanagan: Yes.

Q199 Graham Evans: Just picking up with Charles, you talked about staff being concerned about the conditionality and building that relationship. Do you not think that the way the Jobcentre is designed these days is a far better relationship in terms of the way that your staff conduct the meetings compared to just a few years ago, where you used to have barriers and glass screens? It was virtually like a bank where you had the client on one side and your staff on the other. Do you not think it is a significantly better working relationship?

Charles Law: When Jobcentre Plus was two separate organisations, the Benefits Agency and the Employment Service, the Employment Service was the bit that did the interviews around finding work and that kind of thing. That tended not to be screened, whereas the Benefits Agency, which was very much about entitlement to benefit and whether or not they could get money, was screened because of the nature of those interviews, which now are not really done in Jobcentres to a large degree. They are done over the phone or by correspondence. There was a need for screens for those kinds of interviews. We were very concerned at the time of the merger, but over time we were able to come to an agreement, as a union and the employer, which led to the environment that you see now in Jobcentres, which has not really changed that much over the last few years.

Q200 Graham Evans: But the conditionality has always been there. There is nothing new about your staff being able to apply sanctions. There is nothing new about that is there?

Charles Law: It has not always been there. It came in in the 1990s, when JSA came in, and of course a lot of people who were on other benefits—lone parents, for example, who would have been on Income Support—did not have conditionality. Now many of them are on Jobseeker’s Allowance, so there has been an increase in the group of claimants who are subject to conditionality.

Helen Flanagan: There has been an increased drive as well, and they call it “the regime”—that is their terminology—changed in October 2012, to longer sanction periods. So there has been a change in both the drive and the regime that exists.

Graham Evans: But in your evidence you say, “It is clear that staff in Jobcentre Plus have both office and individual targets for sanctioning claimants”. Can you share with the Committee where you see that evidence, because I have been to my Jobcentre Plus and I see no evidence of that?

Chair: We are coming on to questions on conditionality and sanctions, and that is someone else’s question.

Graham Evans: Okay.

Q201 Jane Ellison: You are giving your evidence; it is a bit unremitting gloom at the moment, it is fair to say, but I am just interested to know if you can establish, just for the record, how you gather the background information on which you base your evidence. Do you have systematic contact points with members? Do you do a survey? What is it? I am trying to understand where on a scale between entirely data-led and anecdotal it sits.

Charles Law: We see the data that the employer provides about the numbers of claims and so on, so there is quite a lot of data there that is provided and in the public space anyway. We are a voluntary organisation full of members and we talk to our members, our members talk to us and that is the primary way that we get the views. Occasionally, we hold ballots of the members on some issues. We hold meetings with the members; we have an annual conference. There is a whole variety of different ways whereby we get information.
Q202 Jane Ellison: I understand that, but by the nature of some of the services you provide you might hear more from people who are unhappy with something. So I am just trying to understand whether you systematically gather a wide spread of opinion on a regular basis, or whether this is based on the evidence of the people who have come to you, who may have come to you because they were unhappy with something in the first place.

Charles Law: I will give you an example. Often, if you talk to people in Jobcentres, they say they are concerned about the atmosphere and the risk of incidents. So we would get that, which is what you might call anecdotal evidence. At the same time, we will get monthly stats from the employer, who details the number of incidents, the number of actual assaults, the number of verbal assaults and so on that happen each month. So you can see the trends there. You can see the disturbing number of assaults that there are. I am sorry to be gloomy again, but it is a reality in Jobcentres that there are 50-plus assaults every month. We get a combination of things, some through data and some through people saying things that confirm what the data says.

Helen Flanagan: Obviously, as a trade union, our views and what we are saying here today is defined by what our members tell us. You ask if we just get contact or just get their views when they are unhappy. We obviously have a democratic process in place where we hold regular meetings with our members, annual general meetings, mandating meetings. They come to those meetings and tell us what they think, good or bad.

Q203 Chair: Before we move on to the conditionality and sanctions question, can I just clarify something that has come out of Sheila Gilmore’s questions? Is it possible for a claimant to fall between two stools and therefore end up not getting any money that you would expect them to be entitled to? In other words, if they are too ill to claim JSA — they are not allowed to claim JSA because they have a fit note that says that they are still unable to work and therefore they cannot get JSA — but they are not ill enough to get through the assessment for ESA, and they are left in this limbo. I think that was part of the debate that Sheila Gilmore had last week, where the Minister seemed to assure us that there was enough discretion in the system that, yes, somebody in that category would be able to claim ESA but with a reduced conditionality on it.

Helen Flanagan: My experience, and of our members as well probably, is that it is entirely possible that somebody would fall into that position. The job I was doing until very recently was a customer service manager, which means I worked on the front desk when you walked into a job centre, and that was often a query that you would get. People would have failed the Work Capability Assessment and even gone through an appeal, but then were saying, “I am not fit to work” and tried to apply for Jobseeker’s Allowance. But then they got to that interview and were told, “You are not available for work because you have got a fit note and because you are telling us that you are not well enough to work”, so where do people go at that point?

Q204 Chair: Do you think the Jobcentre advisers are well enough trained to be able to spot somebody in that situation or know about the discretion that they might have to allow someone to sign on for JSA even though they cannot meet the work conditionality?

Helen Flanagan: It is as I said before: the focus is on that standard conditionality. “Looking for a full-time job is a full-time job in itself” is now the mantra, if you like. If that is the standard and if that is the focus, it is less about helping people who do need additional support and need that additional assessment. Lack of resource for our disability employment advisers, as well, is key in that. I think it is a problem.

Charles Law: If the Minister has given some kind of assurance that it is not possible to fall through that gap, and yet there are cases emerging where people appear to be doing just that, then it is clear that more needs to be done to ensure both that the claimants understand where they are and also that the advisers in the Jobcentres understand that it is not possible, and that you cannot say to somebody in that situation, “You cannot claim JSA”, and that there has to be reduced conditionality put in place. Clearly, that does need a very strong message, which I do not think is there at the moment, from the top of the organisation to the staff to say, “In this situation that is what you do”.

Chair: I think it would allay a lot of fears, because I have certainly had emails about that very scenario. A nyway, finally, we will move on to the questions we have on conditionality and sanctions; I think they are mostly on the sanctions side.

Q205 Debbie Abrahams: Just for the record, could you confirm whether you, as a union, support the principle of conditionality?

Charles Law: No, we do not. We are of the view that it does not work in terms of getting people into work. It is just penalising people who are already very poor by making them poorer. It has been, sadly, fed by very negative publicity that has been given to social security claimants that has built up over the last 10 or 15 years, whereby the term “the undeserving poor” is very prevalent, and sanctions is very much a part of, “Oh, we must penalise these people”. So we do not support that regime.

Q206 Nigel Mills: Not in any circumstance? I.e. if I refuse to do any job-seeking at all—just did nothing—you would still not think some kind of conditionality was appropriate for me?

Charles Law: The position is that we are a long way from that kind of a situation. We are in a situation where there is very rigorous conditionality imposed, and talking about some sort of hypothetical situation as opposed to where we are now is not particularly helpful.

Q207 Jane Ellison: But you said you are against it in principle. It is an entirely reasonable question.
Charles Law: We are opposed to it in principle. That is the policy of the union.
Jane Ellison: So, in other words, in the situation that Nigel has described, you would also oppose it. I will take that as a yes.

Q208 Debbie Abrahams: Let us move on to the issue around sanctions. I asked the official who came to the Committee a few months ago about whether there was a system of sanctions targets. I have certainly had experience of it, both from constituents and a whistleblower who came to me who is an adviser in the north of England. You have talked about the regime. What I am interested in finding out, and the Committee is interested in finding out, is how systematic this is. Again, reflecting what Jane has said, what is the evidence that supports that?

Charles Law: The situation is that the stricter benefit regime has been in place for a year of so, and accompanying that was a general drive to, “Right, we have to implement this”, and so on. An organisation like Jobcentre Plus is awash with statistics and data about performance, and regularly, each month, they will produce figures that show the number of referrals for a sanction by region, by district, by Jobcentre and so on. It is then very easy to see who is doing the most and who is doing the least. The managers who see that their office is doing the least say, “I have to implement this”, and so on. An organisation like Jobcentre Plus may also look at, do the managers do as much as everybody else is doing? Are they doing as much cultural as a specific target—is that there is a target and only looking for work that people are not fulfilling their commitment. What do you do if somebody is turning up and signing on but you believe that they are working in the black economy. So the sanction is not

Q209 Debbie Abrahams: Are you saying it is more of a cultural issue necessarily, rather than something that you have got a directive that you need to implement?

Charles Law: There is not a national target that every adviser must impose X number of sanctions each week. That does not exist, but what it has led to—I think you are probably right in saying the problem is as much cultural as a specific target—is that there is pressure brought to bear on people to refer people to sanctions and to do as many as everybody else is doing, and if you are not, there is as question mark over your performance. We know for a fact that there are people who have been put on strict benefit regime performance plans, which have led to, at their end-of-year appraisal, them getting the lowest box mark and thereby missing out on the reward that accompanies the box mark. There is evidence of this.

Q210 Debbie Abrahams: Can I ask you what the effects of that are, both on the claimant and also in terms of what happens once they are off benefits? Presumably, they are off the books and not recorded as receiving JSA, as it is now, so they will not be recorded in the official statistics of people who are jobseekers—people who are on sanctions, and they can be on for two or three months.

Helen Flanagan: If they receive a sanction, there will be a period of disallowance that follows that as well, so they do have to reclaim, so they do essentially go off benefit, yes.

Q211 Debbie Abrahams: They are off the books. How big an issue is the distortion of unemployment statistics as a result of sanctions?

Helen Flanagan: It is a concern for our union that there is no differentiation between off-flow for people finding work and what kind of work they find, and then people not claiming because they have been sanctioned. That is a concern, and we believe that the primary target is probably the sole target—for Jobcentre Plus at the moment is off-flow, and, because of that, conditionality is a big driver, because there are not that many jobs out there for people to find work in. Another way to hit that target is to get people off benefit through any means.

Q212 Debbie Abrahams: Thank you. That is very helpful. My final question is about the botherability factor and about harassing, and I am using that phrase because that is the one that has been used to me by this JCP adviser who has whistle-blowed to me. What do you think, again, the effects of that will be?

Charles Law: The intention is to make life so awkward and difficult for people claiming JSA by continually playing around with when they have to attend for interviews and so on, that they say that it is just not worth it, and it drives them off the thing and can distort the unemployment figures.

Helen Flanagan: The term that is used is to “frustrate” people off benefit. So whether it is called “botherability” or whether it is another practice, that is what is done. I think that particular manager or whoever it was who said it made a mistake of using that word, “botherability”, and putting it in writing, but that practice is endemic because of this drive to get people off benefits. It is off-flow by any means.

Q213 Teresa Pearce: Your sanction regime is that you are sanctioning people who are not looking for work, basically, and are not fulfilling their commitment. What do you do if somebody is turning up and signing on but you believe that they are working? So it is not someone who is not looking for work, but someone who is already working and does not need the benefit. Would that be a sanction or would you put the Fraud people in?

Helen Flanagan: That is a fraud and compliance issue. It is not only not looking for work that people get sanctioned for. It is whether they are available as well and whether they are complying with all the requirements, like attending mandatory interviews and following the directions that they are given as well.

Q214 Teresa Pearce: The common image that is portrayed in the media often is people are either too feckless or lazy to look for work, or they are already working in the black economy. So the sanction is not so much what you would use if that was your suspicion, because it must be very frustrating for somebody who is an adviser, who sees somebody they think is clearly working and claiming when they should not be, so there must be something that you can do. Would that be just a sanction, or would you refer it to the Fraud department?

Helen Flanagan: That is a fraud and compliance issue. It is not a union position, but I think staff are
very good at picking that kind of thing up and acting on it very quickly.

**Q215 Teresa Pearce:** The anecdotal evidence is that since further conditionality that has been less of an issue anyway because of the botherability thing. For the amount you are going to get on Jobseeker’s Allowance, if you have got a job in the black economy, people have just signed off because they have been expected to come in more often. Is that your experience?

**Helen Flanagan:** If you do suspect someone of working but there is no evidence, you can refer it to Fraud or you can enact more frequent attendance, which is bringing people in on a regular basis. That is what botherability is in a different sense, but this is on the basis that you think they might be working.

**Q216 Teresa Pearce:** Since you are able to do that, have you found fewer instances? Do you believe that there are fewer instances of people doing that, working in the black economy and signing on?

**Helen Flanagan:** I would imagine it would be very difficult in the regime they have in Jobcentre Plus to do that now.

**Teresa Pearce:** So in one aspect it has worked but maybe not all.

**Charles Law:** The figure for the amount lost to fraud, given the scale of DWP’s budget, is very, very small. It is grossly exaggerated in the public sphere, and I do not think there has been a significant up or down-shift in the cases going to Fraud in recent years. They have been roughly constant. Sometimes the resources available to Fraud to investigate them go up and down, and that can lead to variations in the numbers of cases that result in a prosecution or whatever. There are a number of factors behind the figures, but I do not think the sanctions regime is affecting the level of fraud.

**Q217 Teresa Pearce:** You do not think sanctions would affect that, okay, so it is just affecting people who are looking for work but are maybe not looking hard enough or are not able to because of health.

**Charles Law:** Or childcare responsibilities, or a whole range of factors that mean they are not available for work 35 hours a week.

**Q218 Teresa Pearce:** I was just trying to look for a way that sanctions work more positively, but clearly that is not necessarily—

**Helen Flanagan:** We do not believe it does work positively.

**Q219 Jane Ellison:** Just going back to Debbie’s line of questioning, I think you described essentially that you think there is a culture whereby people are expected to sanction or whatever. I think that was the essence of what you were saying, but your submission said it was clear that offices and individuals had targets. Obviously, a fairly major report found that not to be the case. Are you saying that that report was misinformed or that someone lied, or are you slightly rowing away from your submission and saying that it is just a cultural thing?

**Charles Law:** The management position was that there are not targets but there are expectations that there will be a certain level of sanctions. We can argue all night about what that means, but it is clear to us that there is significant pressure on people to meet the expectations on sanctions and, if they do not, they fall foul of the performance improvement measures in the Department.

**Q220 Jane Ellison:** That is a slightly more subtle thing than you have put in your submission, though, is it not?

**Helen Flanagan:** Can I ask if you are referring to the report published by Neil Couling in May?

**Jane Ellison:** There was a report made into the very widespread and well publicised—

**Chair:** That was the Neil Couling one, yes.

**Helen Flanagan:** The Neil Couling report.

**Q221 Jane Ellison:** In your submission you said it is clear there are targets, but what you are saying to the Committee is that there is a culture of expectation, which is a bit different from what you have put in your submission.

**Helen Flanagan:** It does not matter what you call it; they are targets.

**Jane Ellison:** It does matter quite a lot what you call it.

**Helen Flanagan:** In reality, to people who work in Jobcentres, it is the same thing. That expectation is a target and sometimes it is numerical; sometimes it is just the pressure. We do think that Neil Couling report was very flawed. It was very limited in what it looked into. The Neil Couling report, if you read it, the evidence that he looked at was basically some of the examples that we provided to him. That was not a broad investigation into what we described as a target culture. Targets do exist. You say the words matter; the people who work in Jobcentres are being told, “You must make more referrals. You are not making enough. We have to.” The expectation is so many a week, or there is a percentage. Now, that is not called a target. That is called an expectation, but the reality has the same effect.

**Q222 Nigel Mills:** We have approached this subject on the question of how we should measure JCP performance. I think it is currently on off-flow from benefits, but there is a consensus that what we really want is to get people into a sustained job and that is the measure we ought to have. Is that something that you would agree with, and, if so, how do you think we could get that measure to work effectively?

**Charles Law:** On balance, we probably would favour that more than the off-flow approach. The off-flow approach, as we have discussed earlier, has flaws in it. What is important would be to have a very good and clear definition of sustainable employment whereby you would need to consider issues like the living wage and so on being part of that definition. Particularly when Universal Credit comes in, the distinction between working and being on benefit will be blurred, and so it is important to have a much clearer goal of what the organisation should be about.
It should be about not just getting people work but work that provides them with a living wage.

Q223 Nigel Mills: You think the timing for that is probably when Universal Credit has been rolled out.

Charles Law: It is hard to see how off-flow can continue when Universal Credit comes in, unless it is off-flow from Universal Credit, which is all about getting people into what we are talking about, which is sustainable, well-paid or relatively well-paid work.

Q224 Nigel Mills: Can I just ask a different question, Chair? This is clearly a question, not my view, but what do you think the role of Jobcentre Plus should be going forward? Do you think we would be better off just saying that external providers and the Work Programme do all the back-to-work support and we will leave the Jobcentre as a benefit processing and sanctioning area, or do you think the opposite of that is true, that Jobcentre Plus can do a far better job of getting people back to work than all these people?

Charles Law: We think the opposite, as you probably would expect, but not just because we consider that is in the interests of our members. There have been clear examples of when the job-brokering side of it, rather than the benefit-payment side of it, has been done in-house by Jobcentre Plus. We quote in the report a reference to what happened in 2009 when the registers went through the roof. Jobcentre Plus was very quickly able to redirect resources from within in order to deal with that unexpected surge in the register, which would not have been possible if we had been dealing with 25 different contractors and, going further back, to the successes of the New Deal in getting unemployment down as well. There is clear evidence that supports our position on that as well.

Q225 Nigel Mills: If you could change something that would mean you could get people back into work more quickly, what would it be, probably other than more money or more advisers. Is there anything you would like to see change?

Charles Law: Where do you start? We have a long list of changes we would want to see. Clearly, in terms of the people working in Jobcentres, it is having the ability to use their discretion and to do that in an atmosphere where they will not be hauled up and questioned for not having done something else. That is the most effective way of doing it, which is freeing up advisers to use their judgement. We have a lot of very, very experienced advisers in Jobcentres, and they are a real asset that, if used properly, can be a real benefit, and I do not think they are being used properly at the moment. That is what we would like to see.

Chair: Thank you very much for coming along. We have kept you a bit longer than we anticipated, but your evidence will be very useful when we come to write the report. Thank you very much.

Examination of Witnesses

Witnesses: Colin Booth, Principal of Barnsley College and Association of Colleges, Kirsty McHugh, Chief Executive, Employment Related Services Association, and Stewart Segal, Chief Executive, Association of Employment and Learning Providers, gave evidence.

Q226 Chair: Thanks very much for coming along this morning. While you are getting yourselves settled, can I just perhaps ask you if you can introduce yourselves for the record?

Colin Booth: I am Colin Booth, Principal of Barnsley College. I am also representing the Association of Colleges today.

Kirsty McHugh: I am Kirsty McHugh, Chief Executive of the Employment Related Services Association, the trade body for the welfare-to-work industry.

Stewart Segal: Stewart Segal, Chief Executive of the Association of Employment and Learning Providers.

Chair: I am sure you have heard the other panel; most of you were in for most of that. Our questions are slightly different to you, as you would expect, although there is some overlap.

Q227 Nigel Mills: It is kind of the inverse of the last question I asked the previous witnesses, about whether or not Jobcentre Plus is better at getting people back into work, or external providers are. What is your assessment of that?

Kirsty McHugh: 90% of people who become unemployed get back into work of their own accord or with very light-touch support from Jobcentre Plus. It is the 10% who are at risk of becoming long-term unemployed that really my industry focuses on, by and large. At the moment, we have a situation, as you have just been exploring, where Jobcentre Plus is measured by off-flows and the welfare-to-work industry is measured by outcomes. That is different for Work Programme, Work Choice, etc, but, by and large, it is about sustained jobs, so you are not comparing apples and pears, but you are also not necessarily talking about the same client groups as well.

For me, the Jobcentre Plus regime for quite a lot of people is going to be perfectly adequate. It really will, because they are motivated jobseekers and they have the skills and the networks, etc. They may need some support, but they will be able to get back into employment. For those who are going to become long-term unemployed, particularly younger people, they need more intensive support earlier, and what I do not like is the thought of them just sitting in the Jobcentre Plus regime as time ticks until there is a point when they are referred to specialist support. We need to get that specialist support into them sooner.

Colin Booth: I am going to repeat some of the things that Kirsty has said. The DWP and Jobcentre Plus are focused on getting people off the unemployment register. That is entirely different from meeting the aspirations of young people and adults. It is entirely
different from meeting the needs of the labour market, and it is not the same as providing the skills that help people get back into work. If we are thinking about sustained employment, then the interventions that we make through DWP and Jobcentre Plus are not really aligned with sustained employment frequently. If I look at what we do as a college and what colleges do, where we provide training that is specifically aimed at getting people back into work, we get around 30% of adults into work; where we are running Sector-based Work Academies in partnership with employers, those percentages increase to 40% to 100% into work. So what I would say very clearly is that training that is focused on getting people back to work and into sustained jobs works, but that is not the same as the way that Jobcentre Plus and DWP work.

**Kirsty McHugh:** My perception—and my members may tell me otherwise—is, by and large, it is down to the local players to sort out relationships. There is no DWP intervention.

**Q230 Chair:** What if the Work Programme providers were co-located with the Jobcentre Plus? Would that make things easier? Does that happen? Are there some that are working out of the Jobcentre Plus, provided there is room in the building, as we heard in the earlier session?

**Kirsty McHugh:** There are a few examples but not that many; I could not give you a number. I remember that with the first inquiry you did on the Work Programme, 18 months or two years ago or something, this is one of the points that came out of that. The timing of getting the Work Programme contracts up and running of course was so rapid they just took on contracts all over the place and so took on offices where they needed to. The push from JCP around co-location followed that, and if we had had more time, we could have had considered conversations, because it would have been a better relationship. But the timing meant it has not really happened to the extent it should have done.

**Stewart Segal:** Also, co-location does not have to be permanent offices constantly located.

**Chair:** A hot desk, you mean.

**Stewart Segal:** It can be a hot desk and, to the client, it is seen to be a co-location, and that is certainly working in some aspects where people are referred very quickly. So I do not think we should focus too heavily on co-location. It is about that very fast and smooth referral process.

**Colin Booth:** As a college, we have recently leased accommodation to co-locate with the Careers Service and Jobcentre Plus. That is based on an improving relationship with Jobcentre Plus offices over the last two years, and that works extremely well. As Kirsty said, it is a bit inconsistent between Jobcentre Plus offices, but generally the situation is improving. Co-location would very much support. That is co-location based on partnership, but as I indicated at the beginning, that is the college leasing the accommodation and then inviting the Careers Service and Jobcentre Plus into that accommodation. We also have a relationship with Work Programme providers as well, which is not entirely positive.

**Chair:** It is not entirely positive.

**Colin Booth:** No.

**Q231 Chair:** Do you think that is local factors there, or is it a wider symptom of something that is not so good?

**Colin Booth:** I think it is probably a wider symptom. It is not necessarily the providers. We have problems with adults who are on training courses that are leading directly to employment. They are then mandated into the Work Programme, which moves them further away from the job market. In some cases, we will see those adults again later when they are mandated to come on to different programmes to help them get a job, none of which makes any sense to me.
Q232 Chair: We have heard examples. I think Sheila Gilmore had one of her own constituents in exactly that position.

Colin Booth: The public purse ends up paying twice, because they could have just completed the course they were on, to be honest.

Q233 Chair: Do you have problems getting payments out of the Work Programme providers? We heard again in our Work Programme report that there were some Work Programme providers that were looking around to get the cheapest option to support, and sometimes, if they could get it for nothing, then they would as well.

Colin Booth: Or the Work Programme providers do not pay us, which is why the public purse ends up paying twice.

Chair: Right, okay.

Colin Booth: We also get referrals from the Work Programme, but when we get a referral from the Work Programme generally the Work Programme provider will not make any further input.

Q234 Chair: You get referrals but with no money attached to them.

Colin Booth: No, and my view would be that if Jobcentre Plus or somebody else had just made the referral directly, we would have done exactly the same thing and got exactly the same percentage of people into work and the public purse would have paid once, not twice.

Chair: That is very interesting. Thank you very much.

Q235 Nigel Mills: The next question is basically about referral issues. We have touched on the relationship with Jobcentre Plus, but are you still seeing errors with the categories that people are referred into when they are passed on to the Work Programme?

Kirsty McHugh: Yes. The Work Programme and welfare to work generally relies on, first of all, accurate predictions of the referral flows, because then they can plan how many advisers they want and what resources they have in place, and that relies on national predictions and also the local predictions. That is the first thing that can sometimes go awry. The implications up and down the supply chain, including to very small charity providers can be quite severe. In terms of category of referrals, we still have ongoing problems with people being referred to a less than appropriate programme, particularly between Work Programme and Work Choice, where we have people being referred to Work Choice who would be better off in Work Programme.

Chair: That is our next question, so hold that one.

Kirsty McHugh: The other thing is, as you say, the referral groups. To give you a couple of examples, in our evidence we have people being referred through PG3, which is for vulnerable adults, who were confused with the PG9s, who were the ex-offenders. There are different payment terms in relation to those, and so obviously my members would prefer them to go into the payment group that has better payment terms, because they give more resources to work with that particular individual. A nother example is the PG5s and the PG6s, which are both around Employment and Support Allowance (ESA) customers, but again there are different amounts of money attached to those. Therefore, getting them into the right payment group is really important, and that is down to the individual adviser at Jobcentre Plus. That is down to them understanding how that individual goes through.

Q236 Nigel Mills: That is human error rather than an IT problem, effectively.

Kirsty McHugh: There is an element of discretion. It is about human judgement rather than IT, in many cases. There are IT errors as well: referrals will come through and there will be one digit missing in the number that comes across—those sorts of things—but there also are category errors as well.

Q237 Nigel Mills: Is there a challenge mechanism where the provider can go back to the Jobcentre and say, “These 10 people this month are in the wrong category”, or is that very hard to do?

Kirsty McHugh: It is hard to do.

Chair: We did recommend that in our last report.

Stewart Segal: It does vary. You do hear examples of the change being made, but it tends to be quite a long process even where there is a positive result. That can be a real difficulty because people are waiting to go onto the programmes.

Q238 Nigel Mills: Do you still sense that there are some people whose 12 months have happened, they should be being referred to the Work Programme but somehow they are being delayed or not moved?

Kirsty McHugh: Yes. One of the big issues, of course, which the Policy Exchange report a little while ago had the best evidence-gathering around, is about the phenomenon, which I am sure you have heard about, of cycling. People come off benefit for one or two days, maybe a month, and that breaks their continuous claim of Jobseeker’s Allowance or ESA or whatever else it might be, and so the clock goes back to day one again. They may have been out of work over an 11-year period or whatever it may be, but because there are the breaks they do not get the year of continuous unemployment to get to the Work Programme. One of the things we need to look at is the cumulative time unemployed, because if people are just doing very short jobs they will never get referred to the specialist support and that cannot be right.

Q239 Glenda Jackson: We are moving on to Work Choice now, and you will know that half of the claimants referred to the Work Choice programme are on JSA. Is this more than just an indication that Work Choice is not supporting claimants with more severe disabilities, for whom it is harder to get into work?

Kirsty McHugh: If you look at previous programmes for people with disabilities, they also had quite a lot of people referred to them on JSA. The figures we are getting through from providers show that a very large proportion—about 30%—of people on JSA have a health-related condition or a disability. It is not that ESA equals health condition, and JSA equals not; it
is far more complicated out there. That could be leading us to say that there are far more people on JSA who should be on ESA. That is one of the things that could be going on, and of course JSA is a cheaper benefit.

Q 240 Glenda Jackson: From the example you have given, these are new claimants, and for existing claimants surely by now they are on one of the alternative programmes. I am talking about the definition—ESA, or whatever it is.

Kirsty McHugh: Yes. There are a lot of people on JSA who would benefit from Work Choice; because they have a health-related condition but they are not on ESA. I am not saying that it is wrong that the JSA people are being referred to Work Choice. However, there is certainly a good proportion of people who are being referred to the Work Programme whose health or disability needs are such that they would be better off on Work Choice. It is to do again with the individual Jobcentre Plus adviser, and particularly the dearth of disability employment advisers, which you have heard about, in Jobcentre Plus. They have to make that decision about which programme is right for that adviser. Once they are referred to that programme, it is quite difficult for a provider to exit them to get them over to another programme. It could be that they are accused of parking.

Q 241 Glenda Jackson: Why?

Kirsty McHugh: I know; it is mad. We are thinking about what comes post Work Programme and post Work Choice, and one of the things we need to get are those referrals across groups right, because there does not seem to be an easy way of doing it. You have to go back via Jobcentre Plus. It is very difficult to reverse out of the system; the IT systems, such as the PRAP system, do not like it, so there are all these barriers in how to do it.

Q 242 Glenda Jackson: Is there sufficient communication between the providers for them to be able to furnish the expert—that is probably too extreme—that an individual is on the wrong programme?

Kirsty McHugh: They have the information.

Q 243 Glenda Jackson: They can do that, can they?

Kirsty McHugh: But they cannot hand over to another provider. It has to go back via Jobcentre Plus.

Q 244 Glenda Jackson: It does seem somewhat convoluted.

Kirsty McHugh: Yes, it is.

Q 245 Chair: The numbers on Work Choice are capped, are they not? Is it just there are not enough places available for everyone who would benefit from Work Choice?

Kirsty McHugh: I really do not think it is that. It is more to do with the expertise of people within Jobcentre Plus when referring to begin with.

Q 246 Chair: Is that therefore a lack of disability employment advisers (DEAs)? I was quite shocked to hear that not every Jobcentre has one nowadays. There used to be a whole team of them in Aberdeen, and I think there might be one now.

Kirsty McHugh: More DEAs would certainly help, because they do have the expertise, but for us it is very much around getting that better assessment in place of the needs of the jobseeker when they first go through that door. If you can get that assessment right, then you are able to make a better decision about what pathway that individual goes down. The other thing that then needs to happen is the sharing of information, which again is still poor. The providers of outsourced provision are still not getting the WCA results routinely, for instance. So there is an information flow thing that is still problematic between different parts of the system.

Q 247 Glenda Jackson: My next question was going to be: how would you assess the support provided by JCP to people with disabilities before they are referred to contracted providers? I would imagine, from what you have been saying, your opinion would be that it is rather low.

Kirsty McHugh: Light-touch, but to be fair to JCP, I do not think that they have the provision in-house to be able to do it.

Q 248 Glenda Jackson: That is what I was going to say. It is simply because their resources and expertise have been reduced, is it not?

Kirsty McHugh: Absolutely.

Q 249 Glenda Jackson: Any ideas for how that could be improved?

Kirsty McHugh: With disabilities and health-related conditions you need to get the experts in and there needs to be enough money in the pot to be able to help it. Access to Work, for instance, is a great scheme, and needs to be enough money in the pot to be able to help. It is not as simple as just giving them some advice, you have to get the experts in, you have to get the expert to talk to the employer to be able, to put it bluntly, to send in a person with a disability.

Q 250 Glenda Jackson: Is that fund not another non-moveable feast within this whole structure? It cannot be used other than for the defined purpose, can it?

Kirsty McHugh: No, indeed.

Q 251 Glenda Jackson: We have raised this before with the Department, have we not, about this money? Kirsty McHugh: Yes, indeed, but it is around the expertise that exists in Jobcentre Plus for people with disabilities. They really need to be given to the specialist charities and others who deal with these groups.

Q 252 Glenda Jackson: You mentioned a lack of the Work Capability Assessment being forwarded to providers. Whose responsibility is that? Is that a JCP or Jobcentre Plus?

Kirsty McHugh: It should be Atos to Jobcentre Plus, and then Jobcentre Plus to the provider. Now, it was not happening at all, and then a decision was taken that it could happen, and now it is a case of implementing and making sure it does happen. But we
still have situations where people are being handed over to the Work Programme provider or the Work Choice provider, and they are still not getting the results of the Work Capability Assessment. As you know, that can be quite a traumatic thing for people to go through, so then to have to explain again to somebody else what has happened and what the results were, and of course that individual may not even be very clear as to what has occurred—we do need to get that information flow right.

Q253 Glenda Jackson: This is anecdotal, but I am still hearing of people, having gone through that process, being placed in the wrong programme.

Kirsty McHugh: Absolutely.

Q254 Glenda Jackson: Is that the failure for the WCA to go to the right people at the right time or is it simply a failure of Atos to do things properly?

Kirsty McHugh: There is an issue still with the accuracy of the WCA, as you know, but there is also an issue with the sharing of the information about the WCA, so it is twofold.

Q255 Chair: Would somebody in JCP or somebody in the work provider help a claimant apply for an Access to Work, or is that left to them and the employer?

Kirsty McHugh: The providers will handhold them in terms of Access to Work.

Chair: They will handhold them, okay.

Kirsty McHugh: Absolutely.

Chair: Because that would act as a barrier as to why there is a much lower take-up of Access to Work when very often the money is there.

Q256 Graham Evans: I have a fantastic example of a constituent in my constituency who is severely disabled and she got a very good job. She mentioned about the Government changes and how they helped her to get a personalised service, so it is not all doom and gloom. There are examples of how things can work.

Kirsty McHugh: Absolutely.

Q257 Graham Evans: Perhaps we should invite her here as a witness to let us know how she was helped. In your experience of Jobcentre Plus in monitoring the local job market, what is your experience in terms of grabbing hold of those emerging opportunities, those new businesses recruiting, coming into the areas and identifying the skills gap, and how they can marry perhaps the 10% hard-to-get-to to the new job opportunities that are coming in? Is Jobcentre Plus doing a good enough job? Are they applying enough resources to look for those opportunities?

Colin Booth: We get very useful information from Jobcentre Plus. It is focused on unskilled and low-skilled work, but it is very immediate; it is the immediate vacancies and people looking for work. In terms of that information, it is very good. That is not the same as an analysis of labour-market needs or the needs of the economy. That is just one slice of it. It is how we can work with Jobcentre Plus to intervene in very short courses that will get people over that barrier, and the skills they need to get a fairly low-skilled job. It does not work anywhere near so well in the broad context of sustainable work and the skills needs of the economy and local employers, because that is not the same thing.

Q258 Graham Evans: Are you suggesting that that resource is not there or should be there to enable them to do that?

Colin Booth: The whole system is not aligned like that. The DWP and Jobcentre Plus are a barrier to people doing longer skills courses to get them into work. Because they are focused on getting people off the unemployment register, they are very focused on referring people to short interventions to get people into work, but they are actually often a barrier. This is not the Jobcentre Plus offices, although sometimes they are a bit inconsistent. This is the whole system. We run a system that means that we frequently get adults who are very motivated, who sign up for courses, and they are then prevented from doing those courses and then we see them again when they are referred and often mandated into training later. We run a system that creates barriers to people participating in longer skills courses and participating on their own terms and with their own motivation, only to refer them under conditionality back into the same system later sometimes.

Kirsty McHugh: On the original question, by and large, the welfare-to-work providers have their own relationships with employers. They will have national engagement teams and local relationships, and that is how they tend to do business and always have done. Just picking up Colin’s point, Colin is quite right that there are different regimes, performance metrics, drivers and probably cultures between the skills and the employment worlds. One of the areas of activity these three organisations are trying to lead between us is trying to break those down and find ways of combining them. We know, for instance, that colleges are measured, by and large, by the number of qualifications that people complete, but we know that the world I represent is measured by people going into work. A Work Programme provider, for instance, tends to think that work-focused courses, particularly where there is an employer involved—the employer is keener on the employer ownership of skills type stuff—lead to guaranteed interviews, etc, good ways of doing things and tend to be more effective interventions. Of course, people do need college-based courses as well on some occasions, but if you only have them for two years and you have been sent somebody and their course is going to be for 18 months, there is a bit of a concern: are they going to be looking for work during that 18 months, or are they going to sit it out until the course finishes? Of course, what we do need to do is make sure that people are able to combine the work search with the college qualification. It should not be an either/or and sometimes it feels like it is.

Stewart Segal: Whenever you look at these sorts of issues, the contact and the closeness of jobseekers with the marketplace and, therefore, employers is key to the whole issue. Many of the partners of DWP and JCP are also working with those employers on a range of other activities, so if jobcentres can work with their
local partners and link in to employers, that is when those schemes are very successful. There are some really good examples of those: Sector-based Academies, for example.

**Colin Booth:** Can I give you a couple of real examples of how this works on the ground, or it works sometimes but does not work other times? We run a lot of very successful Sector-based Work Academies. Off the top of my head, the latest one with Gunstones was 65 participants, 60 of whom went into work. A Sector-based Work Academy tends to be short-term training, work experience and a guaranteed interview with an identified employer. However, when we were approached recently to do a Sector-based Work Academy for the care industry, where the entry level into those jobs was a Level 2 in Care, we would be delighted to do that and I would anticipate somewhere between 50% and 100% of participants would get into work. We are unable to provide that because a Level 2 Care course is too long and a combination of the funding rules and Jobcentre Plus rules just prevents us from running it.

**Q259 Chair:** With the Claimant Commitment coming in with Universal Credit, individuals who are signing on will have to spend 35 hours a week looking for work, which effectively rules out doing any kind of training or any courses. Is the barrier you have already identified—of people not being able to do it because of one element of conditionality and then they are appearing at your door because of mandated conditionality later—likely to get worse with the Claimant Commitment? They are not going to be able to do any college course because their whole week is going to be taken up with job search.

**Colin Booth:** People do college courses, but they do it at their own risk and sometimes at the risk of the provider. When we run courses, we run the risk of students not being able to complete them sometimes, because of the interventions, and the individuals themselves are often extremely committed to those courses and are often very focused on getting work.

**Q260 Chair:** Do you have examples of individuals being sanctioned because rather than doing what the Jobcentre said they had to do, they have come to you and done the courses?

**Colin Booth:** Yes. I will give you a straightforward example, just because it wraps a number of things up: I recently dealt with a young woman who was doing a customer care course with us and, as part of that, was doing a work placement. That was on track to become a permanent job, into an apprenticeship placement Level 2 and then on to Level 3. Through Universal Jobmatch she was referred to an interview for temporary work in a call centre, and was quite distraught at having to interrupt what she was doing to go to that interview, with the thought that she might get that temporary job, and that would mean that the much more permanent employment and career path she was on would not work. Understandably, she went to the interview and did her best to fail it. She managed to fail it without getting her benefits stopped, came back to us, did a few more weeks on work placement and then was in a permanent job with an apprenticeship, which is a much more sensible option.

**Q261 Chair:** Is there no flexibility that the Jobcentre advisers have so that, in her case, they could say, "Right, Sue", or whatever her name is, "what you are doing is absolutely sensible and absolutely fine. We are going to suspend the need for you to do the job search and things"? Does that not exist in Jobcentre Plus?

**Colin Booth:** There are some flexibilities. There are flexibilities in some cases and not others, and it is difficult to predict how the individual Jobcentre advisers will—

**Q262 Chair:** It depends on the individual adviser and their knowledge of what they have as discretion.

**Colin Booth:** Yes. If I refer back to one of your questions to the other panel, you said there might be a zero-contact group. When I was listening to the panel, there were a lot of issues around the amount of work that Jobcentre Plus advisers have. We have a real problem with adults who are very motivated to attend training courses that are very focused on work outcomes, but who then have to go to interviews and often to Jobcentre appointments. It would be great for us if you simply said that if people are attending a work-focused training course that they did not have to attend Jobcentre appointments, because we write to Jobcentres all the time, giving them the individual timetables of people on work-focused courses, saying, "Can you please not make appointments in these times?" Some advisers are very helpful and do that, and others are not.

**Q263 Graham Evans:** Do you speak to the Jobcentre Plus manager about that?

**Colin Booth:** Yes.

**Q264 Graham Evans:** What is their response to the extremely busy nature?

**Colin Booth:** I was talking to one of the regional managers, and he was very supportive. He was asking me which Jobcentres and which advisers were being supportive and which were not. Over a period of time, hopefully, things like that will start to resolve themselves.

**Q265 Graham Evans:** Is that a solution to the problem, Chair, because a lot of what we hear is that that is problem, but what is the solution? Is it better communication with the leadership within Jobcentre Plus? I am sure people do not put timetables there deliberately to kibosh a course, but is it a case of better communication and learning from that?

**Colin Booth:** Yes, but in those exchanges with the regional manager, you then come up against the barrier of the central targets and the central guidance from DWP, which often are unhelpful.

**Q266 Jane Ellison:** Were they specific about what particular aspect of guidance might make it difficult for them to do what sounds to the rest of us like just pure common sense?
Colin Booth: It reverts back to their core role, which is getting people off the unemployment register as quickly as possible. When I talk about a longer course, I bear in mind that the rules at the moment say that if you want to do a full-time course you are allowed to do one full-time course a year that lasts two weeks. Longer courses can be two months, three months, a year or whatever. It comes down to when we want an amount of flexibility that allows people to do more sustained training to get them into higher skilled and more sustained jobs, we eventually run into the problem of the central targets and the central guidance.

Q267 Sheila Gilmore: I was going to ask you about Sector-based Academies, and I know you have touched on it. Would you be able very briefly to set out what you think the key factors are in that that makes that successful?

Colin Booth: Yes. It is quite simple, really. We will talk to an employer and say, “What are your skills needs? What posts do you want to fill?” We will design a training programme that meets those needs, and then we will contract to give them work placements and a guaranteed interview for the participants at the end. It functions partly as a selection process for employers, because we will then recruit a cohort of adults who we think are suitable for those jobs. We will give them some training; they will get a bit of work placement and a guaranteed interview with the employer. It does not take a genius to work out why that is successful really.

Q268 Sheila Gilmore: How long do these normally last?

Colin Booth: We are only allowed to do very short interventions, so normally it is one week of training, possibly two weeks of training. They are very successful in what they do, but we would love to be able to do them with longer training periods and get people to higher skill levels. In Barnsley, one of the major drags on the economy is the skill level of adults. We need to get more of our adults trained up to Level 3, Level 4 and higher, but the system does not help us do that.

Q269 Sheila Gilmore: In Edinburgh, some years ago, through the council, we had work academies, which sound very similar, but participants spent six weeks on them.

Colin Booth: As a college, we have an adult-skills budget, which is more flexible, but when we run courses through that, that is when we get into problems. Very often, individuals cannot attend them because of the Jobcentre Plus rules. We have some other contracts called “Skills Support for the Unemployed” and “Skills Support for Redundancy”, which are with the Skills Funding Agency, and they are short-term interventions to get people back into work. For example, in the last year, £1,652 million went into work from those programmes. Those are the short intervention programmes, but we cannot fund longer interventions from those. If we use our adult-skills budget to put on longer courses, there are a number of problems with that, but we run a risk of putting on a course that students cannot complete and, as Kirsty said, we are very frequently measured by qualification outcomes, so that is a risk to us. It is a risk for the individuals taking part in that course because sometimes they will have Jobcentres and Jobcentre Plus advisers who are very supportive and allow them to complete, and other times they will not.

Stewart Segal: They have taken quite a lot of the good things about the sector academies and built them into the traineeships, which is a new programme, but again we are finding problems delivering a tailored programme under a traineeship banner because of the restrictions on benefit rules, around how much long-term training we can give, and how many weeks the work experience can be run. Those rules will still apply under the new conditions of traineeships.

Q270 Sheila Gilmore: In the previous panel, or maybe Kirsty mentioned it, the business of people being in and out of short-term work was raised. Is that partly because they are low-skilled?

Stewart Segal: Yes, it will be partly low-skilled, partly the types of contracts that people are on, and there is no doubt there will be any churn in the entry-level jobs. Having discretion around somebody trying to build a career, rather than get a job, is very important. I understand the balance between that discretion, but with some common sense, as somebody mentioned, and a bit better information-sharing, and perhaps the word “trust” between JCP and their partners in delivering those training programmes, we could improve that. There will always be cases where people might disagree.

Q271 Graham Evans: That links nicely to the question I was going to ask of you all but particularly Kirsty, based on what you were just saying about how you spoke to the Jobcentre Plus regional manager and they said, “We need to concentrate on our targets; that is how we are measured.” Is there an example in your wide experience of particularly well-run and good Jobcentres doing exactly what you are doing there, working closely, networking with providers within the community? You may be familiar with Mid Cheshire College, for example, in my patch, which works particularly well with Jobcentre Plus as a beacon. Jobcentre Plus could be used. The management, the leadership, the team working within that could be used as a beacon, as a template, to say to the whole Department, “This is how it is done. Look at this.” Do you have examples of outstanding performance of Jobcentre Plus that could be in some way used as a beacon for the Department to use?

Kirsty McHugh: Outstanding performance for us tends to be around collaboration. Probably London is a good example again, where you know the six Work Programme providers and their subcontractors meet centrally, they share vacancies and information about employers, etc. Of course, Jobcentre Plus is part of that as well. That collaboration there, as far as I can see, is working extremely well. There are other examples around the country of very small Jobcentres in smaller towns having very good relationships with the interim provider in that area. Often, it is because people have been working there for an extended
period and they have known each other for a while, which is why it is so important that you do have the longer-term contract, so that building of relationships, understanding, and trust, as Stewart said, can take place.

Q272 Graham Evans: Can you just give us some examples? Those good examples of the smaller Jobcentre Pluses are operating under exactly the same rules as those that perhaps are not performing so well.

Kirsty McHugh: Whatever I say here and now, somebody is going to come back to me and say, “We have just fallen out with them”, so if I could provide those to you afterwards I would be far more comfortable, so I can double-check.

Q273 Graham Evans: As a Committee, we have to make recommendations, and my glass is always half-full. A lot of the evidence we get is that it is a managerial issue. That is the problem; what is the solution? What can the leadership do about that within the rules set by the Department for Work and Pensions? For me, it is a leadership and management thing. Where we have the best relationships with Jobcentre Plus, we eventually hit the barriers of what that flexibility is gives people more confidence. A lot of it is around the confidence issue and around what the art of the possible is, so it about publicising that more. I would agree 100%.

Colin Booth: You mentioned Mid Cheshire College having an excellent relationship with Jobcentre Plus. I would say we have an outstanding relationship with Jobcentre Plus, but I would be very clear that if you talk to the Principal of Mid Cheshire College about how their partnership and relationship with Jobcentre Plus could be improved, you will get a very similar answer to the one I am giving you now. It is not managerial. Where we have the best relationships with Jobcentre Plus, we eventually hit the barriers of what is essentially public policy. Coming back to what Stewart said, what we have, for example, at the moment, through BIS, is traineeships being promoted as a way of engaging with people to get them the skills to get back into work. At the same time, the DWP rules prevent them from taking the course.

Kirsty McHugh: Let me go out to all 18 prime contractors and I will say, “Look, this is your chance to nominate the best Jobcentre Plus from your perspective”, and I will pass it across to the Committee.

Q274 Graham Evans: Then examine why a particular Jobcentre Plus is performing so well on all the measures. Why is it? Examine it and then you can duplicate it; this is best practice.

Stewart Segal: We push for flexibility, but within that, you are always going to get some variety of views and judgement. Increasing transparency and publicising what that flexibility is gives people more confidence. It is a bit of a summary of all of the other discussion we have just had, because it is a particular fund that I guess goes back into a number of different funds to give more flexibility. We would support that. We would support having a fund that can address some of those very specific issues for, perhaps, individuals or a group of individuals where with a bit of funding, we can just make sure that that happens, where everybody agrees that should happen and we can take it out of the normal rules, and it gives people a bit of confidence. It also allows, in some instances where we have seen it to really good effect, where there is something around an innovative approach, they can take it out of the normal rules and have a particular project with a particular partner. That has worked very well and there are some good examples of that.

I guess where it does not work well is where they are using the money either to cut across existing programmes, where there can be a bit of frustration around somebody working over a long period on a particular programme and then finding some of the referrals have gone to another route because they have created another programme. It also does not work well where, frankly, they create almost another programme locally, where there is a bidding process, and where they restrict certain people to that bidding process. In my view, it should be added to enhance an experiment with the core programmes, not to establish new programmes, where there is something around an innovative approach, they can take it out of the normal rules and have a particular project with a particular partner. That has worked very well and there is some good examples of that.

Q275 Chair: What you are saying is that there are elements of public policy that are making your job really difficult, and even though the relationships are good, you could do a much better job if the constraints were not there.

Colin Booth: Yes, absolutely. We will put on traineeships, but I am extremely worried about doing it, in case some of the students on it are then prevented from completing them because they are sent interviews or appointments.

Q276 Jane Ellison: Just quickly, and directed mostly at you, Stewart, around the Flexible Support Fund, if you could just talk us through what some of the bureaucratic barriers are for it being used properly; I have certainly come across some myself in my own constituency. Where it is working well, what are the factors in making that work well? Overall, there is a reasonable amount of money attached to it; how can that be spent best in the areas of most need? If you could give us your thoughts across that, it would be very helpful.

Stewart Segal: It is a bit of a summary of a bit of a summary of all of the other discussion we have just had, because it is a particular fund that I guess goes back into a number of different funds to give more flexibility. We would support that. We would support having a fund that can address some of those very specific issues for, perhaps, individuals or a group of individuals where with a bit of funding, we can just make sure that that happens, where everybody agrees that should happen and we can take it out of the normal rules, and it gives people a bit of confidence. It also allows, in some instances where we have seen it to really good effect, where there is something around an innovative approach, they can take it out of the normal rules and have a particular project with a particular partner. That has worked very well and there are some good examples of that.

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The other aspect of it is that as soon as people know there is a flexible fund, there is a lot of time and effort spent in trying to access that fund, and the funds are not huge in comparison to the other spend. We need to be careful about the amount of resource being put in to those flexible funds, because it is always quite attractive, is it not, to get hold of some flexible funds that do not have a lot of rules. Given that, I think it is something that can be used very positively, and there are lots of good stories around that being used to turn around a programme fairly quickly where there is a sensible approach.

Q277 Jane Ellison: If I can give you an example from my own constituency without naming the organisation—just tell me if this is typical—I had a very enthusiastic small community group doing quite a lot of work getting people online, doing support for
them, and doing job applications. They were getting referrals from the job centre, but it turned out, when I have unpicked what has become a bit of a mess, that the jobcentre assumed that, because they were providing this service, they were funded by someone, and the person running the service assumed, because she was getting referrals, that she would be funded for what she was doing. The net result is she is massively out of pocket and now, having applied, and I helped her to apply, for Flexible Support Fund, the local jobcentre helped her fill in the form and then the regional jobcentre told her that she was not providing skills that were not already provided locally and therefore did not qualify. I just find myself thinking, “How did that happen?”

Stewart Segal: Yes, I am sure we could all find situations where the flexible rules have not really helped. There are good reasons why programmes become established and have a set of rules, so that both sides know where they stand. That is why I say we need to be careful about the flexible fund taking people outside of that, because you need to be really careful and support programmes, rather than create new programmes.

Q278 Jane Ellison: Is that the slight fear, though, that people just see a pot of new money and chase it?

Stewart Segal: Yes, and there are no rules at the beginning but then—guess what?—the region picks it up, and there are overarching rules, so that no programmes should be addressing situations that can be addressed through a core programme, and they will get caught. There is a danger that flexibility is not really flexible. There is no easy answer, but the more transparency we can have—because these are flexible funds and local—around what the local office and region expects to do with those funds and each of the individual programmes.

Q279 Jane Ellison: And almost give people a steer about what the areas are in which they are looking for new provision.

Stewart Segal: And what areas they want to fill. That would be really helpful. It takes away a lot of the unknown just bidding and writing that goes on, I am sure, that is under the radar. And then other people who are running programmes know what else is happening. I have situations where somebody finds out right down the line that they have created a programme that is almost the same as theirs, and they have made the investment and made the resources. Many of these organisations are quite small, and we are talking about low referral numbers, so a move of half a dozen people makes a course absolutely un-runnable.

Q280 Jane Ellison: Presumably, that first contact, when someone says, “I am thinking of running this and I am applying for the Flexible Support Fund”, is really the point at which someone says, “Well, hang on a second, because we have quite a lot of that going on around here”.

Stewart Segal: Yes, and everybody should have a statement around what they are trying to do with the Flexible Support Fund, so at least they have something that they can make those judgements against.

Jane Ellison: Yes, that is very helpful.

Kirsty McHugh: It would also be very good to know what has been funded. I once asked for a list of what has been funded under the Flexible Support Fund, and JCP just said, “I don’t have a clue”; this is nationally.

Q281 Jane Ellison: So that list is not available at a local level.

Kirsty McHugh: I am sure it is all available locally, but it is not gathered nationally and it is not shared nationally. If there is stuff that has really worked, would it not be nice for it to be shared? That does not happen at the moment.

Chair: I think the bell sounding indicates that we have come to the end of our session, so can I thank you very much? That was very helpful and very illuminating. You have given us a suggestion for a recommendation that should have been in our last report, but anyway, thank you very much for coming along today. We really appreciate it.
Wednesday 16 October 2013

Members present:
Dame Anne Begg (Chair)
Debbie Abrahams
Graham Evans
Sheila Gilmore
Glenda Jackson
Nigel Mills
Anne Marie Morris

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**Examination of Witnesses**


Q282 Chair: Can I welcome our witnesses this morning to our fourth oral evidence session in our inquiry into the role of Jobcentre Plus in the changed welfare landscape? Starting with Cllr John, please introduce yourselves for the record?

Cllr John: My name is Cllr Peter John. I am the leader of Southwark Council and the Executive Member for Children, Young People, Employment and Skills on London Councils.

Cllr Taylor: I am Cllr Sharon Taylor. I am Chair of the Finance Panel at the Local Government Association and leader of Stevenage Borough Council in Hertfordshire.

Kathleen Caper: I am Kathleen Caper. I am a Senior Policy Researcher for Citizens Advice.

Q283 Chair: Thanks very much for coming along this morning. The first question is to the two councillors about the local support services framework that is to be set up on the introduction of Universal Credit. The intention of the local support services framework is to provide better support under Universal Credit than has ever been available before. Do you agree the Framework provides an opportunity to achieve this?

Cllr Taylor: I am hoping there is a huge opportunity here for local government, for other partners involved and for the clients that we will be looking after. We have been very pleased with the close working we have been doing with the DWP and with Lord Freud on this. We have a vision of a locally commissioned and very diversified sourced range of support to Universal Credit claimants. We think that local government will be very well placed to help in this work because, uniquely, we both deal with the complex needs of the clients and have a good working relationship with our local businesses, so we can see the kind of labour market intelligence that is coming through. We hope that we will be able to support this work in the local support services framework and help deliver the best service possible to clients.

Cllr John: I think it provides an exciting opportunity. At the moment, the lack of clarity and certainty as to what is going to be our role and responsibility adds to a level of difficulty in absolutely saying, “This is wonderful”. The sooner the DWP is able to provide certainty and clarity as to what the role of the local authority is going to be—

Q284 Chair: Is that because they are not clear yet what the role of JCP is going to be in all of this, and what has to be handled at the local authority level and what has to be outsourced separately, as opposed to what is going to be held in Jobcentre Plus?

Cllr John: I think so, yes.

Cllr Taylor: We urgently need the budget information. Councils will be setting their budgets for 2014–2015, looking at them in December and then making the decisions on them in February or March. The sooner we can have the information around the funding of this, the sooner and better we will be able to plan for what our role is going to be.

Q285 Chair: Can you give us an idea of the different functions you think that local authorities should be carrying out as part of the LSSF? What is it you think that local authorities will be able to do or deliver?

Cllr Taylor: We want to try and integrate the work with claimants in some of the other roles that local authorities have. It is making the links between further education providers, for example. If I can give you an example, my local FE college is able to tailor the delivery of very quick training packages to meet the needs of employers to help claimants back into work. Local authorities can make those contacts between the two; it is about this partnership-working relationship with JCP, making sure when we get claimants into work it is sustainable work, so that they are not coming in and out of the benefits system constantly and causing both that level of disruption to their families and great cost to the public purse.

Q286 Chair: Surely that is the role of Jobcentre Plus and not the role of local authorities.

Cllr Taylor: Jobcentre Plus is doing that in some areas, but it is not consistent around the country. About one third of our members say that, except in some areas, it is not consistent around the country, and that’s one of those areas. We think that local authorities will be very well placed to help in this work because, uniquely, we both deal with the complex needs of the clients and have a good working relationship with our local businesses, so we can see the kind of labour market intelligence that is coming through. We hope that we will be able to support this work in the local support services framework and help deliver the best service possible to clients.

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Q287 Chair: That is a new function. What about the functions that local authorities already do within the benefit system, such as the checking and delivery of housing benefit? What happens to all your people who are presently working for the Council who do the housing benefit claims? Are they going to be made
redundant or redeployed? Is there another job for them to do?  

Cllr John: Our concern is that we are going to lose some of that expertise. London authorities are already reporting that housing benefit staff are drifting away because of the uncertainty of their future role. It does present a challenge in that regard.

Cllr Taylor: That is the urgency of the funding decisions. We need to know so we can give our workforce some certainty. We have a huge level of expertise in local government and it would be an awful shame to lose that. With the current local government funding situation, it will be very difficult for us to deploy people into other areas. We hope that the funding issues around the local support services framework will be resolved quickly, so that we can give our staff some certainty and we can start planning to deliver that opportunity in terms of a better service.

Q288 Chair: I asked the question about housing benefit because, slightly light-heartedly, I asked people in my own local authority who work in housing benefits, "Are you expecting to lose your job when Universal Credit comes in?" They said, "No, because we will be needed to do the checking of the documentation". They saw that there was a role for them, but you have not mentioned that. Do you think that is part of the support that you will still be expected to do? Is that something that JCP will either do themselves or outsource to Citizens Advice perhaps? Obviously there still has to be that face-to-face meeting and the checking of documents.

Q289 Chair: What about budgeting advice and those kinds of things?

Cllr Taylor: We do some of that ourselves and some is commissioned through the voluntary sector, Citizens Advice Bureau and others. Again, that is another area where we feel partnership working will greatly benefit the changing timetable for Universal Credit roll-out.

Q290 Chair: Can I turn to Citizens Advice? According to your written submission, you believe that DWP has been "frustratingly unclear on what exactly the LSSF will look like". I am still not that clear myself and I have a feeling that that is still the case. Which specific aspects of the local support services framework need greater clarity?

Kathleen Caper: The funding levels and the expected volumes. I know DWP has been working on volumetrics for the LSSF, but that information has not been released. One of the reasons for that will be that the changing timetable for Universal Credit roll-out will be affecting that as well. However, without having a strong sense of the funding levels that will be available and what their real, true expectation is of local authorities and the voluntary sector, it is just impossible to start planning at this stage. Our belief is that Jobcentre Plus really needs to be building its networks locally now, in order to be able to deploy appropriate support as soon as Universal Credit starts rolling out.

Q291 Chair: So you think the delay in the roll-out should be giving DWP and Jobcentre Plus the time to get themselves organised actually to quantify exactly what is needed and everything that should be delivered.

Kathleen Caper: Absolutely. The delay is actually an opportunity for them to ensure that support is in place in time for Universal Credit.

Q292 Anne Marie Morris: The issue of IT and the challenge for those coming to jobcentres in using IT are much debated. While a number of jobcentres have upped their game, improved the facilities they have and provided advice and support to claimants—I am talking generally, not just about Universal Credit—do you believe that to date enough steps have been taken and that IT support is as it needs to be? Kathleen commented specifically that she believes they should be commissioning external providers. In a sense, that is almost part two, because there is clearly something you think is not working now which leads you to conclude that you need external providers. What is not quite working and why is an external provider going to be better? Maybe Kathleen can think of a response.

Kathleen Caper: For Jobseeker’s Allowance, Citizens Advice is currently largely deployed online now. We have good experience of claimants engaging on that level. Though there are internet access devices in very many Jobcentre Plus services, they do not have staff support to help people with that process. They are quite frequently told to go to their local library or go to their local Citizens Advice Bureau. Neither libraries nor Citizens Advice Bureaux have the support available to assist people with the detailed level that they need to navigate their online claims.

The reason we think that it should be commissioned externally is there is likely to be a period of five years, say, where there will be very high demand for support. We do not think that this should be something that Jobcentre Plus needs to deploy itself. Commissioning it externally would mean that they can get expert support in the community available to those claimants who need the additional digital support to understand how to use the systems. Then they will be able to self-service through internet access devices in jobcentres themselves. I think we will see a ramping up of the support demand, which will taper down over time. I do not think it is good usage of JCP resources to be trying to do that in JCP itself.

Q293 Anne Marie Morris: Effectively, you are saying that you do not need JCP individuals to become specialists in an area that they will not use long term.

Kathleen Caper: Exactly.
Anne Marie Morris: My question would be: while that clearly logically makes sense, given the nature of the system—which is specific to benefits, welfare claims etc.—there needs to be some knowledge of any IT provider that enables them to work/use/advise on your systems. That would be a question mark. I suppose I would have a further question, which is: if you do use these external people, how would you get them upskilled and how would you deploy them? Would you deploy them in the jobcentre? Would you deploy them in people’s homes? How would you use them? Are you looking for more fluidity than that just in the jobcentre? One of the points that you made was that they would come to the CAB or the library; would you see them having a role there as well?

Kathleen Caper: There will probably need to be different types of support in different areas, depending on need. Rural areas will have different requirements compared with urban areas in the access that people will have to the internet. I am specifically thinking about the Government’s digital strategy overall. It is not only about skilling people up in their ability to access online DWP services, but their more general access to information technology, which will also increase their employability over time. This is a part of the reason why I think it needs to be extended beyond the JCP walls.

Cllr Taylor: We have learnt a lot from pilots in this. I went to have a look at the pilot in North Dorset, and there are definitely different issues in urban and rural areas. There was a JCP drop-in point in one of the market towns where claimants could go and use the IT and get some support on that. However, for claimants to get there, it was a four hour round-trip by bus and something like an £18 bus fare. It was very difficult for them to actually make that journey in, and then they relied on support in the limited time they had there. For example, if they fit that in between school hours, there was limited time while there to provide the support. This is an area where councils can really help because we are dealing with migrating our wider customer base on to self-service issues anyway. Hopefully we will be able to support clients. I absolutely agree with the CAB on the ramping up of this, and then there will be a tailing off. There almost certainly will be a fairly intensive period of time when we need to help support clients with this IT. That means both the provision of equipment to do it and the support for clients in managing the process through. There is going to be a very intensive period when they will need some support.

Q294 Anne Marie Morris: I have a rural constituency where we have real challenges. In the rural case, wherever the central point is, there is always a challenge of whether there is a bus that is going to get you there. Do you have any thoughts or bold ideas as to how one deals with rural communities, where sometimes frankly broadband access is not what it might be and the bus service makes it very difficult for them to come to any central point?

Cllr Taylor: It is one of the areas that our pilots are looking at very intensively. If you would like some specific feedback from those pilots, we are happy to feed that in to the Committee because they have developed some expertise in this issue. I am not saying they have solved the problem, because they have not yet. Broadband access is definitely an issue in those areas. Even in the market towns, the broadband access is not always wonderful. They are trying to look at touchdown points even in very small localities, so parish and town councils are helping with this. That is an area that we could provide you some more evidence on, if you would like it.

Q295 Graham Evans: During the recess, I made a point of finding out the amount of help that is available if you are unemployed, irrespective of age group—40s, 50s or people who are not familiar with the internet—and I was amazed by it. I do not know if I am unique, but I have two Jobcentre Pluses—one in Northwich and one in Runcorn. I have photographs here of the services that are available. There is an Exchange Group around the corner from the Jobcentre Plus that essentially says, “Get the skills, get the job”. I then went on to the Jobcentre Plus, and it says, “The work you want, the help you need”. There was plenty of room for help and support to get yourself onto the internet and learn about the internet. Then I went to Cheshire West and Chester’s local authority support and it is called the Work Zone: “All the help you need to get a job”. It seems to me that there is an awful lot of very good, helpful stuff already in place. Is it not possible to look at the positives in the councils and the networks that are already in place, and use those as examples of how other local authorities and the third party sector work to get to that? I do not think I am unique in the way that everybody—local authorities, the private sector businesses, the colleges and the CAB—is working together. My unemployment figures are down from 2010. It does not matter what age group, nor experience on the internet. There seems to be help and support and hand-holding at every stage.

Cllr Taylor: One of the key roles of the Local Government Association is to share that practice around. That is both what we have learnt from the pilots on the Universal Credit roll-out, but also more generally in supporting everybody across the age ranges, from our very young unemployed—those people who are not in employment, education or training—through to the wider group including those who get made redundant in their mid to late 50s and may not have those IT skills because they did not need them when they started working. I do see that as a key role for local government in supporting our communities to do that.

The other thing is to think about what the future jobs market is going to need and developing, with our local employers, the kinds of skills they are going to be looking at for the future, and working together with them, further education and partners in the voluntary sector to help people keep their skills up to date and develop their skills to meet future employment needs, not just what is there now. I agree with you; there is some good practice around and sharing that is really vital. At the Local Government Association, we do that all the time in terms of promoting where there is...
What I am trying to drill

increase in need in those communities.

challenge for those providers; there is a massive

online. That is where there is going to be a real

the volume of demand as Universal Credit comes

everywhere. The challenge is going to be

this LSSF, whatever it eventually turns out to be?

internet cafés. Are you looking at those access points

their phones and also that they will be able to use

telling us that people will be able to make claims on

The Government has been

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internet and so forth. Then further to that is actual

complexity of the form itself, but understanding the

computers and the logic of computers. It is not the

hardware—it is about being able to understand using

is it is predominantly a matter of skills and access to

hardware— it is about being able to understand using

internet and so forth. Then further to that is actual

access to a computer that is sufficiently connected to

the internet.

Q296 Glenda Jackson: I just want to clarify

something here. You have referred to a spike and then

a tail off. What is the basic problem here? Is it IT

ignorance—and I am a member of that school—or is it

the actual complexity of the claim itself?

Kathleen Caper: Our experience at this stage, which

we understand from Jobseeker’s Allowance and things

like that because Universal Credit has not rolled out,

is it is predominantly a matter of skills and access to

hardware—it is about being able to understand using

computers and the logic of computers. It is not the

complexity of the form itself, but understanding the

internet and so forth. Then further to that is actual

access to a computer that is sufficiently connected to

Q297 Glenda Jackson: The Government has been
telling us that people will be able to make claims on

their phones and also that they will be able to use

internet cafés. Are you looking at those access points at

the moment, and could you incorporate them into

this LSSF, whatever it eventually turns out to be?

Kathleen Caper: If I could refer to Graham Evans’s
response here, there is a huge amount of provision

already in communities. The challenge is going to be

the volume of demand as Universal Credit comes

online. That is where there is going to be a real

challenge for those providers; there is a massive increase in need in those communities.

Q298 Glenda Jackson: What I am trying to drill
down to here is: do you envisage a situation under an

LSSF scheme of those kinds of access points being

under some kind of overarching local authority

umbrella, so that people can be confident of making a

claim in an internet café that it is going to be safe and

there will not be security issues as far as they are

concerned? Will somebody be checking to see that in

fact what they are receiving as support and help is on

the nose?

Cllr Taylor: Your question goes right to the heart of

what we are saying. This is a partnership project, where

local government takes the overarching responsibility but everybody else works within that

framework so that we are making sure that provision

is there, and not only is the provision there, but the

security for people. You spoke about filling in these

forms on your phone. It probably is possible, but any

of us that have tried to do anything on a phone, even

if you are just trying to buy something online, know it it still quite difficult. If people need support

through that process, I think local government can actually help to provide that umbrella that says,

“Where is the provision? Who is supporting that

provision?” For us, the logical way forward is to have

that in place in local areas, as Graham Evans said, using every resource and facility that is available so

that people have a choice of where they go for their

help and support.

Q299 Glenda Jackson: Can you envisage a situation

whereby the validity of those access points is going
to be authorised by the local authority? Simply

anecdotally, in my own constituency, where people go

for advice tends to be areas that have nothing whatever to do with the local authority. Obviously, the

CAB is primary here. I am trying to find out whether

there is some way of validating those access points.

Should that be the responsibility of the local authority

if this LSSF comes in, or should that be the

responsibility of Jobcentre Plus?

Cllr Taylor: The local authority can sit in the centre

of that and help. We are very used to working in

partnership, and our vision is to have the local

authority at the centre of this wider partnership to help
deliver across the board of jobcentre Plus. Further

education colleges and certainly the voluntary sector

providers like Citizens Advice Bureau can help with

this. Our vision is making sure that, wherever you
touch down, that support is there and is validated and

secure for the people who are using it.

Q300 Glenda Jackson: You referred to the minimal

roll-out of Universal Credit. As we know, that is

almost exclusively dealing with the easiest applicants.

In all your considerations, are you also taking on

board those people who will find this new system

incredibly difficult, simply because of their own

mental health or maybe some form of physical
disability? Is that something that you are—

Cllr Taylor: Certainly, for the complex families that

we deal with.

Glenda Jackson: Perfect phrase, thank you.

Cllr Taylor: I do not like the term, “troubled families”

particularly. There are the complex families we are

working with, where there are a number of issues

within that family to be resolved, one of which may

be worklessness. To be able to bring that whole

package of support together for them, including

helping them with any gap in IT skills and supporting

them where they may be very worried and frightened

by filling in these long and complex forms, is

something where local government very much sees its

role. You will know that this is an area where we are

already working in the framework of a community

budgeting approach. Taking all the agencies— whether

it is health, sometimes the police service, certainly

mental health services and many others—we think

there are huge savings to be achieved across the public

sector by our working in this way. Where we have

had community budgeting already, we have had

assessments done of it that show very significant

savings available. It is where the Local Government

Association’s Rewiring campaign is driving forward,
to say we think we can bring all this together in a way

that will make huge savings across the public sector.

Q301 Anne Marie Morris: We have touched on

budgets— that lovely topic— briefly, and you have

made it very clear that, without further specifications
to what the LSSF is going to look like, it is very hard

for you to budget. As I understand it, the plan is to

publish an outline version shortly, then for a

comprehensive version to be published in the autumn

of 2014. Clearly Universal Credit is supposed to be

coming on stream completely by 2017. Does that
timeline satisfy your needs and enable you to budget
appropriately to hit that 2017 deadline? It would be helpful to understand how those decisions are made so we can understand what, why and when, because I suspect you are going to be telling me you would rather have it sooner. If I understand the budgeting process, that would help.

Cllr Taylor: You are right. The answer is the sooner the better, certainly as far as local government is concerned, but I am sure for our partners as well. Because of the situation of funding generally in local government, most of us are now not looking at budgeting over a one-year period, but over the next three years. We want to be able to plan how we are going to manage this part of our work in line with other budget savings that we are having to deliver. The sooner we have the clear indication of what local government’s role in the local support services framework is going to be, the budget that is allocated to that and how that is going to be distributed between JCP and local government, the clearer we can be about how we need to take that forward both in terms of staffing and other issues that we may need to be thinking about.

Q302 Anne Marie Morris: I understand, when you plan, you say it is long term and not just for a year, but the Government is saying it will be published in detail in 2014 ready for 2017. That is three years; is that adequate? If not, why not?

Cllr Taylor: I suspect it will not be the case that nothing is going to happen until 2017, and we are going to be in 2014. I suspect we will have to cope with a phased roll-out between now and then, in which case the sooner we have the information the better. Even if it is not happening until 2017, if we know that now, we can start planning ahead for it and both making sure that we are keeping the resources and the staff we have, if we are going to keep them, and planning for training if new skills, if we have new roles coming in that we want to make sure we have adequate staff in place for. It really is the sooner we can get some clarity around this, the better. I cannot speak for our voluntary sector partners, but I am sure things are no different for them. Because budgets are so tight, we just do not have the flexibility in our budgeting to deal with that. Why do we have to have to cope with a phased roll-out between now and then, which the clearer we have the information the better.

Q303 Anne Marie Morris: The proof of the pudding will be what the outline is that is published shortly, and how far that goes down the line to the level of detail you need as compared to what will finally come out in 2014. Let’s move on. The Government is exploring the possibility of outcome-based funding for Universal Credit support. How do you think outcome-based funding would work in practice across the range of support services that are required?

Cllr Taylor: First of all, it is important to say that we want outcomes to be outcomes and not outputs. That is really important, because one of the problems we have had is the constant turnaround. Because there is a performance measurement of JCP staff that says “just get people into a job” they are often turning around very quickly and coming back into JCP very quickly. We would like outcomes to be outcomes, and we are exploring with DWP funding models that are based on a formula with three components. They will be core funding, per client fees and then outcome payments. We are very keen that the outcomes are focused on reducing benefit dependency and improving labour market outcomes. That is making sure that the links we have with our employers to develop the skills that they are looking for are actually met through the process that is put in place, so that clients are actually developing skills that are needed in the market and we do not train 94,000 hairdressers if only 1,400 are needed. We are progressively ensuring that as many claimants as possible can manage their claims independently of publicly funded support.

We hope that local partnerships will be able to strike up the right note on what success looks like locally. It will not be the same around the country, and that is the important thing about local government involvement in this. My local employers are very focused on science, technology, engineering and maths-type careers. I am working with my local college; I launched my Jobs250 programme yesterday, which means that, if a client comes in and wants a job in that area, my local FE college will develop a specifically tailored, fast-track programme to get them some skills that will be useful to them in my local labour market. Those kinds of approaches are really important and will hopefully create sustainable employment for clients so they do not keep coming in and out of the benefits system. If outcomes mean real outcomes in terms of sustainable employment, I think that is going to be better for everybody concerned.

Cllr John: We are not opposed to an outcomes-based approach, per se. There would have to be much more clarity, as I think Sharon has already indicated, as to what outcomes are expected and details of payment mechanisms. It is also our view that, if a movement into employment is going to be the key outcome to be measured, we would want to see a more significant role for JCP and Work Programme providers as part of the LSSF.
Q304 Anne Marie Morris: That is helpful. I think what you say is absolutely on point. Clearly, if the outcome is to be employment-based, we need to be able to not only identify what we mean by employment, but also track what led to that individual outcome. I would be interested in Sharon’s thoughts. You have talked about a number of things that within your community you could do. You have an FE college that can provide you with support, so, in that example, hopefully there is an obvious and clear link between the intervention and the outcome, but that is a lovely example. If you were trying to have this outcome as opposed to output model— which I think is what we would all like to achieve—and the outcome is employment, it needs to be sensibly defined and clarified. How can we measure what interventions have made that difference? Clearly, going forward, if we know what works, we do more of it, and if we know what does not work, we do less of it.

Cllr Taylor: I would initially say that we want to properly test an outcome-based funding model, and to do that we need the figures, again. That is another reason for this meeting. Clearly, we need to be sure. What has been happening is I do not think there has been really proper accurate measuring of those outcomes. We do see, as I say, people coming in and out of the labour market fairly quickly and sometimes they are under-employed, so they are not getting enough work. That is disruptive to their lives and puts a very heavy burden on voluntary sector partners.

The measurement of the outcomes is how many people we are getting into sustainable employment. There is good evidence that things like the Work Programme have not been very successful in doing that. I think that is because of the output measurement rather than the outcome measurement. We all need to work together on what a successful measurement of outcome is, and that should be sustainable employment. It may be looking at whether that person is still in that employment after six months and 12 months, for example, would be a better measurement than just getting them into a job.

Q305 Nigel Mills: I am just making sure I have not got a little lost somewhere in this discussion. What I am thinking is, if I came to you and said, “Can you help some claimants who are struggling to make their Universal Credit application online?” perhaps because they are not very used to IT and are not very good at monthly budgeting, I suspect the outcome you would want paying for would be based on their becoming IT literate and capable of dealing with UC themselves without more support, rather than on their being in sustained employment. Otherwise, you might find you are not getting paid for that work for quite a long time. Are we merging two different areas in terms of actual support for dealing with the Universal Credit and the wider area of support with getting people back into work?

Cllr Taylor: The measurement of getting people into this IT literacy area and helping and supporting them through the claims process is part of the core funding. The long-term aim for this, though, has to be to get people into sustained employment. That is why we need measures of that as well.

Q306 Nigel Mills: I was just thinking, when we have the LSSF—we do have some catchy acronyms, don’t we?—the outcomes that would be being funded or the success payments for that LSSF would be people not needing support to deal with the system any more rather than not being in the system at all, or getting much less out of the system.

Cllr Taylor: Absolutely, and there may be a combination of both, so the core funding and the per client fees, with an addition of outcome payments for long-term sustainable employment. That is why we have divided that into three parts when we have been looking at it, as to how it works across the board. We have these three distinct areas: core funding, per client fees and then the outcome-based measurement.

Q307 Nigel Mills: Should we have done this differently? Should we have just scrapped the Jobcentre Plus and given the local government responsibility in this area? I am not sure exactly what the jobcentre will be having to do.

Cllr Taylor: We do not want to lose the expertise of Jobcentre Plus in liaising with employers and clients, and providing that contact point for both. Certainly, although about one third of our councils have really good relationships with JCPs, we want to make that a good relationship across the country so that everybody has that good relationship and we work in partnership with one another. There is a huge range of expertise and knowledge in local government and there is in JCP, and we can share that.

Cllr John: I think it is an interesting challenge, actually. What do I think about that as an idea? I think it is quite interesting. There is a huge inconsistency between how local authorities interact with JCP. I thought until yesterday that Southwark’s interaction with JCP was pretty rubbish, quite frankly. I have never met anyone from JCP; they have never come and spoken to me. My cabinet member with responsibility has never met them over the last six months rather. However, in a briefing from officers, I am told that we have an excellent relationship with JCP. That may be at an officer level, but I think that is a shame and that maybe also highlights the inconsistent approach. At the end of the day, I do not know a council leader in London or probably anywhere in the country who is not ambitious for jobs and growth, and getting people back into work. That is absolutely at the core of what they want to achieve. Anything that gives greater strength to the hand of local authorities to deliver on that ambition would be welcome. I think it is an interesting challenge, Mr Mills.

Q308 Graham Evans: I have just a quick point on that. I totally agree with you on that. Are you familiar with A Together Better in terms of healthcare in local authorities?

Cllr John: No, I am not.

Graham Evans: A Together Better is taking health and wellbeing within constituencies, within areas, and
breaking down all the silos within the Health Service. Perhaps this is an example of an A together Better in terms of jobs and so on, and breaking down these silos. Perhaps, in some areas, not all, there is a silo mentality between Jobcentre Plus within local authorities and other public bodies. If we had an A together Better, “Let’s get people into work” type mentality, you could break down those possible silo mentalities. It means that you all can communicate better together.

Cllr Taylor: I am a great fan of local authorities having greater responsibilities for delivery of services and ultimate responsibility for things because, as Sharon has already intimated, we deliver great efficiencies. As you know, local authorities and local government have delivered great efficiencies over the last three years of between 25% and 28% taken out of each of our budgets. Services have not collapsed or fallen over, and we are an example of how you make savings in the public sector, actually. The greater responsibility we have for other budgets and other delivery mechanisms, the greater savings we can deliver across the piece. I am a great fan of breaking down silos as well, because they lead to problems and delays in delivery, rather than speeding up delivery.

Cllr Taylor: We like to feel we can connect up things that have not been connected in the past, whether it is health or in terms of the complex families work I was talking about earlier. Local government is really showing that it can be part of breaking down silos to make sure that the needs are directed at the people who need the services and not around the silos that everybody sits in. In terms of budgeting, we can manage a process where the funding is directed where it is needed and bring together services in a way that has not happened before.

Also, local government uniquely provides that democratic accountability for services. If a work programme in an area has only delivered 60 jobs to 1,800 people who are involved in the programme, for me there is an element of democratic accountability in that we say we have not done that terribly well, so we maybe need to think again about how it is being done. Local government is happy to take that democratic accountability for how employability services are delivered, so it gives an extra edge to it. I agree with everything Peter says about breaking down silos. We are not going to deliver to people with very complex needs and get them back into sustainable work without organisations across the piece in the public, voluntary and private sector all working together on this project.

Q309 Chair: Can I just pick you up? Sharon, you said that you envisaged three elements of LSSF: core funding, per client funding and outcomes. Has that been agreed, or is that your wish list with regard to how it will work?

Cllr Taylor: I would have to say it is a wish list at the moment. As you know, at the moment we are working very closely on the LSSF with DWP. That is the way that the LGA is framing it at the moment; it is not finally agreed yet.

Q310 Chair: I will tell you what occurs to me sitting here listening to you. I know that you are a great enthusiast for local government; that is why you are here and you are obviously here to make the case for local government. If I were in central Government and I heard that local government can do this, that and other things, I would just say, “Well, just let local government get on with it” but there would not be any funding to go with it, because you are busy volunteering that your councils can do all of this stuff. Is there not a danger of being overly ambitious and actuallycounting what you are wanting? You obviously want the funding to follow the promise of delivering these services, but you might be being too enthusiastic—I was going to say “cutting off your nose to spite your face”—so that central Government actually says, “Well, we’ll just leave it all to local government and they’ve got the funding there. They are doing it anyway; they can carry on doing it and we won’t fund it.”

Cllr Taylor: Of course there is a danger of that, and we are ever-vigilant of new burdens being imposed on local government without the funding to go with it. There must be funding to support this, but we think we can save the public purse by breaking down silos, by working together with partners and by delivering a much better solution at local level than can be done from a central level. That is what the whole LGA Rewiring campaign is about, really. It is saying that there are very significant savings. The Ernst & Young review of our community budgeting we have already done, even in the areas that they were looking at, identified savings of about £1.75 billion to the public purse. We think there is huge potential for saving here by delivering what is needed at local level, by having sustainable solutions, particularly in the employability area, not having people in and out of work constantly, and by tackling their other problems like health and mental health problems.

Chair: We will move on now. We have taken half our time and we are only past the first section.

Q311 Glenda Jackson: This is for Cllr John, but feel free to chip in. London Councils supports DWP’s prioritisation of employment support for claimants affected by the benefit cap. Do these claimants require a different approach from the standard JCP offer, in your experience, and how successful has that approach been to date in supporting those claimants?

Cllr John: Yes, I think so. There is a good example of Enfield working intensively. 1,000 households have been worked with by Enfield, and it moved 25% into work. Those households are often large families, they have not been in the process of actively seeking work and many do not speak enough English to get a job. There are some good examples there from Enfield as to an authority that has risen to the challenge. We do not have adequate data at the moment to say whether the focus on employment support for benefit cap claimants has been successful at a London-wide level or what interventions are working the best. I can give you the example of Enfield where something is potentially working, but I cannot give you a London-wide answer.
Q312 Glenda Jackson: Who introduced that? Were these ideas coming from Enfield and were they working with Jobcentre Plus? How did it come about?

Cllr John: My understanding is that is an Enfield-inspired initiative, working with Jobcentre Plus.

Q313 Glenda Jackson: To go back to complex families—and you touched on English as a second language—it was specific to that borough. Are there lessons you think that can be learnt from that, which can be touched around the edges so that it is a model for other boroughs?

Cllr John: It is too early for us as London Councils to say we can draw any particular lessons or say this is particularly the best practice, but it is a good example. There were 1,000 households being worked with and 25% moving into work. There must undoubtedly be lessons that come from that intensive level of work.

Q314 Glenda Jackson: In that situation, was there equal working between Jobcentre Plus and the local authority?

Cllr John: I do not have the answer to that, but I can find out for you.

Glenda Jackson: Can you get that?

Cllr John: Yes, of course.

Glenda Jackson: I think we would all be grateful for it.

Q315 Sheila Gilmore: Can I just ask on the back of that, very quickly: Is that being evaluated in the light of perhaps other things we have heard, that just getting a job, if it is not sustained, will not necessarily resolve the problem because you go around in a circle? Is somebody evaluating that on-going?

Cllr John: I do not know the answer to that, so I obviously will feed that back into the Committee, because it is a specific example I have been given.

Q316 Chair: Can you identify the type of person who is affected by the benefit cap? I ask that question because, in Aberdeen, there are 34 households affected by the benefit cap. For almost all of them, it is because they are homeless and in temporary accommodation. It is not because they are large families and not because they are out of work, so it is not the kind of family that the tabloids like to portray. These are homeless people who still have to get their temporary accommodation paid for by the council under the homeless legislation, so there are no savings to the public purse. Is that just Aberdeen or is that the kind of people who are being affected by the benefit cap across the country?

Cllr Taylor: Can I refer to two pieces of work, one the LGA is doing and one it has done on that? The Centre for Economic and Social Inclusion did a fairly extensive study for us of what the capacity was for welfare claimants to mitigate the impacts of welfare cuts, including the benefits cap. It showed us almost a north/south split in terms of claimants. A bout four out of five claimants will not be able to do so. In the north of the country, that is because of worklessness and a mismatch between skills and jobs available, sometimes in the north and sometimes in the south. In the south, it is because of the high cost of housing. We actually produced that information on an authority-by-authority basis, so people can go online on the LGA website and check what the position is for their own authority.

The other piece of work we are doing on benefit cap is that some authorities are moving clients out of London to avoid the benefit cap. At the moment, we do not know how that is impacting on other local authorities, so we have just commissioned a piece of work from the Finance Panel to have a look at how that benefit cap might be impacting on the areas where they are moving to, to see whether they have the resources to pick up complex family needs, for example. We do not always know that those clients are moving out from areas where they are hitting the benefit cap. It is a particular issue for coastal areas, for example, but some of the areas in the Midlands and the north are being affected by this movement out. We do not know the extent of that yet, and that is why we have commissioned a study to have a look at it.

The anecdotal evidence is the issue is a mismatch between client skills and the work available. That is why the skills issue is really important here. Even the keenest people who are very keen to get back into work are struggling to develop the skills for the local labour force that they will need.

Cllr John: I have some figures. Across the four pilot boroughs with the benefit cap in London—I am just reminding myself what they are: I think they are Bromley, Lewisham, Haringey and Enfield—7,843 households had a cap applied and, of those, 98.2% had at least one child dependent, 89% had three or more children and 39% had five or more children. 53% of capped households lost more than £50 per week. It does not sound like the Aberdeen example is replicated here, because it is unlikely you are going to have homeless people effectively with so many children. It sounds like families.

Q317 Chair: So it is straightforward housing costs. Cllr John: Yes.

Kathleen Caper: I will make a couple of quick comments on that. If we think about the overall make-up of the group who are affected by the benefit cap—one third of some 40,000 households have been identified as likely to be affected—one third of those households are in receipt of Jobseeker’s Allowance. Only one third of them had been defined by the benefits system as able and available for work at this time. The rest of the households are on ESA or Income Support, so they had health issues or caring issues that prevent them from being able to work at this point in time. By virtue of that, they will have different employment support needs. The biggest issue for that group is going to be working with those people who are on ESA, who have potentially recently come off incapacity benefit and moved onto ESA, into the work-related activity group. They are going to need a very much higher level of support to engage with employment.

Q318 Glenda Jackson: Where do you envisage that support coming from?

Kathleen Caper: At the moment, it is difficult to say. Jobcentre is not set up to deliver the kind of support
that is needed. Some of the support has been pushed out into the Work Programme, but whether people are able to avail themselves in the work programme of the kind of skills development that they need is a different matter; as is whether they are able to get the soft skill building that is needed. There is also the need to tackle employer discrimination against people who have been out of the workforce for a long period of time or may present with disabilities. There needs to be support for people who have fluctuating conditions, and that is their reason for being on Employment Support Allowance. That is being covered by neither the Work Programme nor Jobcentre Plus at this time.

Q319 Glenda Jackson: What about local authorities in that situation? Are you up to speed?

Cllr Taylor: This reflects back into the complex needs issue. Although there is support for complex families— in my own area, for example, we have 80 families on that programme—we could probably treble that and still have under-capacity in terms of achieving support for all of the clients that would need it.

Q320 Glenda Jackson: That is simply a matter of people who are expert in helping these complex families. Is it a question of not being able to afford to hire more people in?

Cllr Taylor: It is bringing together the resources from all the agencies, and all of the agencies having enough support available to give the intensive support that clients in that base actually need to help them to solve their issues, whether they are access to work issues, skills issues or whether they are underlying health issues that need to be resolved before they can effectively get back into sustainable employment.

Q321 Chair: But in the same way as I suspect Aberdeen is slightly abnormal, London compared with the rest of the country is abnormal.

Cllr John: Because of our housing costs, absolutely.

Chair: The housing costs on their own are unlikely in most parts of the country to put people through the benefits cap. That includes in Aberdeen, which is a high cost area as well, so obviously it is only the temporary accommodation that pushes them over that limit. It was not the response I was expecting when I asked the question, and that is why I have been asking lots of other people what their experience is. In areas of low housing cost, it could be temporary accommodation that is the one thing pushing people over. Underneath all of this, it is housing costs.

Cllr John: Yes. In Southwark, you have 65 council tenants, so one third of those who have been hit by the cap in our borough are council tenants who are going to be paying some of the lowest rent in London.

Chair: We will not go on about the housing because that is our next inquiry. Those questions are exactly why it is our next inquiry.

Q322 Glenda Jackson: I will ask that question when we get to it. This is essentially about Jobcentre Plus and local authorities working together. Has the co-location of local authority staff and Jobcentre Plus staff improved unemployment outcomes?

Cllr Taylor: Where co-location has occurred, it has been very successful. The issue is it is not occurring in enough places, Jobcentre Plus staff working very closely with local authorities we would certainly see as good practice. That is what has encouraged us to think more widely about how this very close partnership working should go forward.

Q323 Glenda Jackson: What are local authorities bringing to the table then? Jobcentre Plus has been there for decades, so what is the element that local authorities are bringing to the table that is having a positive difference?

Cllr Taylor: It is bringing that wide range of contact. Firstly, it is our responsibility for economic development overall. We are looking at what our local area is, where its economy is moving and how we are trying to build that up. There is not a local authority leader in the country who is not very exercised at the moment in thinking about how to grow and strengthen the economy in their local area. That will bring with it the contact with Local Enterprise Partnerships. We are looking with them at the development of skills, where the infrastructure investment needs to go. Then we can start to look ahead, work on the skills programme that will match into that growing economy in our local areas. We can then work with JCP to deliver that level of skills through the education system, through individual training, maybe looking at outside training providers as well, and working with the private sector on their training programmes, apprenticeships, work experience programmes and so on to make sure that we have a workforce that is better skilled to meet the local needs. That is the perfect partnership. That is our vision of how it might work.

Q324 Glenda Jackson: Where does local business sit in all this? Is your experience of local employers better than Jobcentre Plus’s knowledge? This is one of Graham’s big things: that Jobcentre Pluses do not hold breakfasts for businesses. Is there that linkage there?

Cllr Taylor: The problem is it is patchy around the country. In some places, it works really well; in some places, Jobcentre Plus is really engaged with the local authority input. Yesterday morning, I had a business summit; Jobcentre Plus was there, my local businesses were there and the local FE college was there. That does not work everywhere around the country, and the better that works, the more likely we are to be delivering the whole agenda.

Q325 Glenda Jackson: Setting aside something you have already established, that there is a basic difference between urban and rural as far as all these programmes are concerned, have you any idea of why
it is patchy across the country? Is it unwillingness from local authorities or JCP? Is it simply that the potential for creating a thriving future economy is not there?

Cllr Taylor: We have a feeling that the way performance in Jobcentre Plus has been driven by this kind of output level measurement of what they are doing has not helped in terms of pushing forward the partnership agenda. That is changing and moving. I do not want to over-exaggerate this, but the more we can get that link in with the overall economic picture, the better it will be and the better it will be in terms of developing sustainable employment.

Q326 Glenda Jackson: Do you afford the models that are working to both other local authorities and other Jobcentre Plus areas?

Cllr Taylor: Yes, we do. One of the LGA’s key roles is to share that good practice across the country. In some cases, people are finding it quite hard work to make the contact. I think Peter has explained: we can only get partners to the table if they come to the table willingly. There is no compulsion on Jobcentre Plus managers to come and sit on an economic taskforce.

Q327 Glenda Jackson: Do you think there should be?

Cllr Taylor: I think DWP is moving that way; it is encouraging it and that is where we would want it to be at the moment. Compulsion is never a good thing—

Glenda Jackson: No, quite.

Cllr Taylor:—because people do not normally do it willingly. The encouragement to do that and seeing the benefits of it is the other thing. Local government has to demonstrate that there are demonstrable benefits for us working together on this agenda. That is our role, as well.

Cllr John: I think Jobcentre Plus should be involved at a political level, understanding what the local political leadership wants to achieve. I have never had a conversation with someone from JCP in Southwark, which I just think is kind of shocking.

Q328 Glenda Jackson: Have you invited them?

Cllr John: Exactly—it goes two ways. I have not arranged a meeting and they have not asked to speak to me. We are a borough that has huge opportunities in terms of construction, growth and all the jobs that flow from that. It would be good to have a conversation with them about it. At the London-wide level, there is better connection and Jobcentre Plus is represented on the London Enterprise Partnership, so there is that regional overview, but at borough level there is not that connection. I think that is disappointing and there should be more of a connection.

Cllr Taylor: We can also deliver the accountability for Jobcentre Plus to our residents and employers. As I said before, we have the democratic accountability locally and, with a greater emphasis on contact with us, they would be more accountable to our local employers and public for whether they are delivering against the skills agenda, whether they are feeding through people into the jobs market with the kinds of skills that people need. That democratic accountability is vital in helping move this forward.

Kathleen Caper: It is interesting that Sharon touched on the outcomes issue there. The focus on off-flows in Jobcentre Plus does mean that there is not a great deal of matching of claimants to jobs in particular. When we start looking at that adviser connection with the claimant, the adviser’s role is very much about ensuring and encouraging behaviours in the claimant that will help them to seek work. It is not about being the kind of employment adviser that matches them to a particular job. There is a disconnect there.

I am not saying that should be the role of Jobcentre Plus. It is really important to encourage people to the self-sufficiency that you see around being able to build the skills to find work themselves, to address training needs and so forth, but there is a disconnection between the local labour market and what the needs of claimants are in that area. Over time, as welfare changes come in, there is an opportunity for culture change within Jobcentre Plus and the way services are delivered to individual claimants. It should be far more holistic and far more engaged around understanding what the local labour market is, understanding what the skills gaps are, understanding what the skills gap is for that individual and being able to signpost them appropriately to services in their community to ensure that they will be able to build sustainable work outcomes for themselves over time.

Q329 Glenda Jackson: There is a paradox in the outcomes, inasmuch as it seems to me there is a pressure not to get people into work, but to get them off benefits. They are not the same thing.

Kathleen Caper: They are not the same thing, and that is shown by the lack of nuance in the off-flow measure. The off-flow measure can include people who simply fall out of the system; it can include people who go into work; it can also include people who have been sanctioned or had a disallowance for a compliance failure. Some of those are good outcomes, some of those are negative outcomes. We need a greater understanding of what happens to people over time as they leave the benefits system. That will help us to understand what works and what does not.

Chair: As we have now strayed into the questions we had on local partnership working and employment services, I think we will carry on with this, then we will go back to those other things.

Q330 Sheila Gilmore: This is possibly predominantly for Sharon in terms of the Local Government Association. One of the things that you have called for is sharing of JCP and Work Programme data with local authorities. What type of information are you looking for and how would you be using it?

Cllr Taylor: We have had problems with data sharing. We struggle to understand that, because obviously councils deal with very secure data on benefits anyway. It would very much help us, particularly for example with young people, for Jobcentre Plus to share that data with us. We have consistently struggled
to get data on these issues. We are working with DWP to try and crack that and work out what the obstruction is in terms of dealing with data sharing. We just have not quite got through yet.

Q331 Sheila Gilmore: Assuming, then, you could get that information, which would tell you, let's say, how many 18-to-25-year-old claimants were in a council area, what are councils looking to do with that?

Cllr Taylor: It is both understanding what kind of experience those young people have had in the past and looking at whether they are linking in with other issues that may be present in their families so that we can help with that. The more information we have about their jobs background and their skills training background that Jobcentre Plus holds and we do not, the better we can link that in with other issues that we may be working with their families on.

Q332 Sheila Gilmore: Do you see yourself almost being able to go out actively towards the young people in that position? Is it only to assist in doing work that is already ongoing with their families?

Cllr Taylor: It is about linking their worklessness, the issues that they have around job search and supporting them with that, with the other issues that they may be facing in their families. We will have one set of data; Jobcentre Plus has another. If we can link the two together, that is a far more powerful base of intelligence around that family that we can then use to support that young person or any person back into the work, training or support that they need—which may be health support—to help them to deal with the issues that they are facing. The more data we can link together, the more likely we are to be able to provide a programme that works for that person.

Q333 Sheila Gilmore: Once you have the data, say, for instance, the young person is already involved in something like the Work Programme. Several of us have had examples of people who appear to have been told that, because they are on the Work Programme, they are not eligible for taking part in courses that the local authority might be offering. The sharing of data is not going to get you around that issue, is it?

Cllr Taylor: No. We have developed a Memorandum of Understanding with the Department for Education. The paperwork is in place, but it is not working on the ground yet and we need to make sure that the agreements we have are actually working on the ground. It is about quality of data as well as just straightforwad data sharing. As you say, that does not get around the quality of the data. If JCP give us the name of an individual, but not their benefit type or their contact details, that is really essential to us. For example, young people in rented accommodation move around very quickly. JCP will have the information and that can help us to target the individual quickly and with the right support. If we can share the information, we can better support people who may have very transient or chaotic lifestyles. It is only by maximising the use of the data we have and improving the quality of it, which is vital, that we will be able to provide that better package of support.

Q334 Debbie Abrahams: Can I just follow up on that? It did not really get to the nub of what Sheila was asking, which I think links back to what Kathleen was saying about the nuanced approach. Currently, because of the way that off-flows are the focus of what JCP does, ensuring the right training for the individual, but that that matches the labour market, is not happening. You said there is a Memorandum of Understanding with the Department for Education, but you did not really get to the point that this will address the issues that we are finding—i.e. people are not getting the training courses that they need for sustained, long-term employment.

Cllr Taylor: That is right. For young people who may be moving constantly and who may have chaotic lifestyles, if we can keep tracking them, making sure we know where they are and what they are doing and helping them deal with that, we can better support them. We need the JCP data to do that: they will be in and out of there because they have to sign on. We do not have that information at the moment, and we are finding out that the agreements we have, which could have a very positive effect on the ground, are not yet fully in place.

Q335 Debbie Abrahams: We did the field visit to the pathfinders and so on. I sat in with an adviser interviewing somebody who did not have a chaotic lifestyle, but he was being offered a bog-standard training course, to which he said, "Yes, okay. I'll go along with it". I think he will go along with that training; he will put in for a few months and it will not be the right thing for him; it will not be the right thing for the local economy. It is not necessarily people with chaotic lifestyles that we are talking about.

Cllr Taylor: No, of course; not everybody has a chaotic lifestyle. If we are to personally tailor the package of support we give to the skills someone already has—and they usually have some—and what the local labour market needs are, and help them to go through a process that gives them better skills so they are more likely to get sustainable employment in the local labour market, we need all the data about them. It is not just tracking people with chaotic lifestyles; it is about understanding where they are coming from in their job experience. They may have developed a bit of experience that may be relevant to something that is greatly needed in the labour market, and we can help work with local employers and training providers to gently push them in the right direction to get the training they need.

There is another example I want to give. It will not be right for everybody to go into employment. I will give you an example of a young man I met, who had worked as a window cleaner. His boss had decided to emigrate and he had gone off to Australia. This young man wanted to carry on with the window cleaning business, but he could not get the support and could not afford to buy a van and a ladder. We have all the enterprise support in place to help him set that business up and work out a business plan. We have
low-cost accommodation that people use. If we had had the data from JCP that that is what he wanted to do, we could have helped him into the enterprise support that we have so that he could set his own business up. There is funding available for that, but things do not always match up. The more data we have about people and what their aims and ambitions are, the more we can help them to get into something that will be right for them.

Q336 Graham Evans: Surely that is an example of your picking up the phone to the local Jobcentre Plus, saying, “We have something here for you. Can we have a one-to-one or a telephone conference” and connecting the two together.

Cllr Taylor: Yes, and most Local Authorities are working on that all the time, but the data to do that is helpful as well. If we can have better data sharing, that would help that process as well. Of course, you are absolutely right; we are in constant contact with JCP, letting them know what is available. Having the data about individuals means that we are better able to support them through that process too.

Q337 Sheila Gilmore: One of the critical transitions where local authorities are really perhaps in a unique position is school leaving. Every study that has ever been done will say that, if people drift at that stage, it becomes increasingly difficult. When you move from nursery to primary school and from primary school to high school, for example, there are all sorts of transitional arrangements in place and all the rest of it. Are local authorities doing that, for example, with jobcentres for young people who are not immediately going into further education? It is an important transitional moment.

Cllr Taylor: Yes, and we could get into a discussion about the whole area of career support. That has been considerably weak in terms of what we need to help guide young people from that very important transition point. It is fine for the academic achievers who are going to follow a further education route, but it is not necessarily so strong for other people who are going straight into the jobs market. I do think there is a huge role for local government and our partners to move that forward. It is particularly relevant for looked-after children, who very often do not achieve so well in terms of exam results and will need quite considerable support, and do not have other support mechanisms. Certainly, local authorities around the country are thinking about how we support those looked-after children when they get to the end of their education.

Q338 Chair: Surely that is a responsibility for the local authority to track these people, because they are not in the benefits system when they are 16. It is not JCP’s role because they do not engage with them. My understanding is very few, if any, local authorities actually track school leavers and, indeed, college leavers. That would give you the data. You should have that data, rather than depending on getting data two years down the line from JCP when they appear there.

Cllr Taylor: We clearly need to do both. To support young people properly, we would want to do both of those things: track them from school leavers onward, and then have proper data sharing when they get to 18 so that we keep following that process through and do everything we can to get those young people into sustainable employment. It is well documented that, if they are out of work between 16 and their early 20s, their life chances are greatly undermined in terms of future employment. We all need to do all we can to make sure we are helping them over that transition phase from schooling to employment.

Q339 Chair: What are you doing? You said you need to do it, but what are local authorities doing.

Cllr John: We do try to track post-16 year olds, and we are rightly criticised if we have a significant number of not-knowns within that NEET category. Ideally, we want to see 16-year-olds go on into apprenticeship or pre-apprenticeship, or onto sixth form or college, or into work. That is what, in an ideal world, we would like to see happen. The reality of the situation is we do not have complete control and cannot pull all the levers to make that sure that happens.

Q340 Chair: I suppose it will be easier once the education leaving age goes up to 18.

Cllr Taylor: Yes, exactly.

Glenda Jackson: It will simply delay the pain.

Cllr Taylor: There are a number of local authorities setting up specific programmes. Plymouth, for example, has this 1,000 Club jobs programme that it has set up. That is not just about jobs; it is about apprenticeships, training programmes and work experience placements. They are not specifically targeted at young people, but young people are often the beneficiaries of those types of programmes. Tracking every 16-year-old that comes out of school is something I am not going to pretend we have cracked yet. We have not, and it is something local government needs to look at and JCP needs to look at. We cannot do that without our partners. We need to work with partners to do that.

Q341 Graham Evans: You mentioned the City Deals or the Local Enterprise Partnerships offer opportunities to establish greater local accountability in employment services. Most of your members are on LEPs; it is an opportunity for you to analyse the local job market, the skills shortages, what current job opportunities and future job opportunities are. Rather than waiting for the DWP to tell you what you can do, do you see an opportunity for your members to say to DWP, “Actually, we have worked with business leaders on the LEP. We know our patch. We know that our members can deliver holistic care working with all the partners”? Do you see that as an opportunity? If you do, how many of your members are grabbing that with both hands?

Cllr Taylor: There are big opportunities here. You will be aware that the picture with LEPs is different around the country. The very important thing about this is whether it is LEPs, City Deals or Employment and Skills Partnerships, they can look at the local area, what is needed locally and make a better job of this
than something that is just looking down from the central point and saying, "This is what we think we are going to need." centrally. The LEP is focusing on the employment clusters in my area around science, technology, engineering, maths and the media industry—we have a big film industry—and then we bring in education and the employability skills packages that are being developed to feed directly into those industries. That is a huge opportunity for us, and although local government representation on LEPs is different in different places, the members we have that are engaged in LEPs are pushing that agenda forward about linking these things up together. That goes right to the heart of what we see as the big opportunity here.

Q342 Graham Evans: Do you see the LEP as an opportunity for your members?  
Cllr John: Yes, definitely.
Cllr Taylor: I absolutely agree with that. That is absolutely right. You find interesting things out if you sit on the LEP. I am sure you are all aware, but I did not know that there are 1.2 million people working in construction in the UK at the moment, of whom, 518,000 are due to retire by 2020. That is an amazing statistic, but also highlights the need for us to be training people to get into construction in all its forms. The LEP in London is certainly concentrating on responding to the local labour market. Birmingham has a very good example of how a LEP works, with some very clear outcomes that they have identified, and everything they do is focused on those outcomes. LEPs are the perfect vehicle to do the work you are talking about.

Graham Evans: We have talked about best practice, Chairman. The underlying theme here is that you can always focus on the negatives and the things that are not working. In my experience, it is leadership and management of your various organisations; once people get together and are talking together, if you have best practice—what works, what the best-working councils are and what the best LEPs are—it acts as a beacon that others can learn from.

Q343 Glenda Jackson: London Councils report that all the London boroughs have established local emergency welfare schemes, because of the localisation of elements of the discretionary social fund, but that those schemes vary significantly. Does that mean that financial assistance for residents facing financial hardship is subject to a postcode lottery rather than an assessment of real need?

Cllr John: There is a clear differential between how local authorities are approaching this. I know for instance, in Southwark, we have a system whereby applicants apply on the telephone. In Lambeth and Lewisham, applicants have to apply online. As a consequence, Southwark has paid a lot more out from its hardship fund than either Lambeth or Lewisham has. If you want to call it a postcode lottery you can, but there are clear differentials in the way in which these funds are operating.

Q344 Glenda Jackson: Is that deliberate, and is it based on the fact that the individual council simply does not have enough money in the bank?

Cllr John: Local councils adopt the scheme that they think is going to work best for their residents with the resources they have.

Q345 Glenda Jackson: That does not make any sense. It cannot be the best if the resident does not actually get the money.

Cllr John: It is going to depend on what resources they have to give out.

Q346 Glenda Jackson: That is just what I have said. People have to go through a fairly horrendous process and be in a horrendous situation to apply for what people still persist in calling social funding—even though we know that has gone; it is not ring-fenced and all that kind of thing. These are people in severe financial need. There must be a structure which all local authorities, I would have thought, would have devised for themselves of how they prove that hardship, and then, if the applicant meets that kind of benchmark, the money is there, limited though it is.

Cllr John: I think the criteria are common, certainly across the three boroughs I have just talked about. It is the mode of application that is different, and that could lead to differential outcomes.

Q347 Glenda Jackson: Do you think that is a deliberate choice?

Cllr John: Yes, it is a choice that has been made. In Southwark, we decided to make it easier, we thought, by allowing people to apply on the phone.

Cllr Taylor: My serious concern about this is that making the hurdles higher to jump over for discretionary social funding is putting huge pressure on our voluntary sector partners. Instead of doing that, people are going to payday lenders and very high cost lenders like BrightHouse and others to solve whatever the immediate crisis problem is. In the longer term, that is not going to do any of us any good, because if their debt problems pile up, it puts great pressure on organisations like CAB. Although I understand the need to take cost out of the system, if you push the bar up too high, you are going to make the problem worse, not better, in the long term, and sometimes the triage system is quite difficult.

There are some examples of very good practice, like linking in with credit unions, for example. Where there is a link built in with a credit union, that encourages people to get in touch with the credit union. They then understand how it works and they get the support they need at the appropriate time. One of the things the LGA needs to do is spread that good practice more widely so that we are helping people to link in with low cost lenders, not pushing them towards high cost lenders—payday loan companies and so on. I do not know if CAB has any comments on that, but certainly, in some instances, it is making people go to those very high cost lenders, and I am worried about that.

Q348 Glenda Jackson: Have you seen an increase in applications for—let us call it—the hardship fund money? Are figures kept on that, as far as local authorities are concerned?
Glenda Jackson: the data.

Cllr Taylor: We will get some figures from around the country of whether applications are going up or down. With the change in access route to this, there has been a transition phase, because people have not always widely understood that there has been a change. They have gone to apply for an emergency loan, as it used to be called, and then found there is a very different process. They have sometimes struggled to get through that process. We will get some figures for you about what the applications are.

Q349 Graham Evans: Can you also segment them into the reasons for the emergency? As well as saying whether they have gone up or down, what are the categories?

Cllr Taylor: Sure.

Glenda Jackson: It would be.

Kathleen Caper: Access is something that Citizens Advice is very much seeing as being an issue in terms of local emergency welfare assistance. For example, we know in Tameside, which is one of the pathfinder areas, the bureau there has in the last quarter had 1,500 enquiries from people who require some support to access the local system because it is a purely online system. That gives us an inkling of the level of support people will need going forward around these online systems. You are going to get differential results as an effect of the access route that people have to these funds.

Q350 Glenda Jackson: Could you link back from the differential routes to the variance in the local authorities’ budgets? There must be some consideration, even though it is not ring-fenced money, any more, that local authorities think, “We’ve got to have this kind of emergency fund for somebody”. Is there a link between that?

Cllr Taylor: We will ask that question when we collect the data.

Glenda Jackson: That would be useful.

Kathleen Caper: It is going to be very complex as well, because it will be not only the access channels, but also the emphases on different criteria in different areas. For example, whilst we know the greatest users of the old crisis loans system were young men under 35, anecdotal evidence at this stage—it is still very early days—for local emergency assistance seems to indicate that, if there are not dependent children or vulnerable people in the household, then they are not meeting the eligibility criteria for some local schemes.

Q351 Glenda Jackson: Those are the high hurdles that Cllr Taylor referred to. Thanks very much. In what circumstances should claimants be referred to the local authorities for their emergency welfare schemes rather than applying for short-term benefits advances or budgeting loans through JCP? Is the guidance on this clear enough?

Cllr Taylor: One of the issues with this is that what was previously an emergency system now has a slower process of triage. How slow depends on the way the local authority does it. The whole point of an emergency loan is it is there to deal with an emergency. It should be dealing with that quickly. We are not sure yet whether, in every case, the system is quick enough to deal with that very dire emergency that somebody might be facing.

There may be evidence from food banks, for example. This is anecdotal evidence, but we do have people coming into food banks who do not have any cooking facilities, because they have not been able to replace the cooker, and you end up running around trying to find them stuff they can eat that they are not going to have to cook. We do not have enough evidence to give you at the moment around whether the system is working quickly enough to deal with those very dire emergencies. It should be for, if you need resolving instantly: the lady with four children under five who has no washing machine, for example. They should be dealt with as quickly as possible.

Cllr John: The London experience is that JCP staff are referring clients to local welfare provision without having regard to the criteria for that. Clients are ending up being bounced from the JCP to us and back again, because they are not being informed about what is still available through the JCP route, the advances and the fund that you referred to in your question. JCP is knocking people on to us.

Q352 Glenda Jackson: It goes back to the point about the delay for an emergency that needs to be met.

Kathleen Caper: Citizens Advice would very much echo Peter’s experience there. Whilst we see some evidence of inappropriate referrals to the local emergency support, it is not clear if it is widespread. However, we are very likely to see people coming to us for assistance and signposting when JCP has not given them enough information about the provision that it has. It may be more appropriate for them to have applied for the equivalent of an interim payment or a hardship payment, but they are not aware of these and they are coming to a Citizens Advice bureau and then being referred back for a hardship payment.

Q353 Graham Evans: Do you then tell Jobcentre Plus that that is inappropriate so they know they have got it wrong or made a mistake?

Kathleen Caper: As with my local authority colleagues, there will be different engagement with different bureaux and job centres around the country. Where there is a good feedback loop with district managers and so forth, or local JCP managers themselves, then that information is definitely fed back, but there is not always a good relationship.

Q354 Chair: Is that lack of training or lack of knowledge of the professional advisers at JCP that they are misdirecting people and do not know that things have changed, or do they not know what the new criteria are?

Kathleen Caper: It may well be that. Jobcentre advisers are as easily affected by media influence as the rest of us about understanding what provision is available. It does appear to be a lack of information for them to understand about what the right referral would be.
Graham Evans: That is training of management, Chair. It is a leadership issue.

Q355 Glenda Jackson: Have you raised any of these issues with DWP?

Cllr Taylor: This is more evidence of the need to join things up better. From the LGA’s point of view, we have not raised it yet, because we do not have enough evidence to suggest whether it is working or not. We are gathering that evidence as we move forward with this. Certainly, it is a topic we need to work through when we have clearer evidence, and go to DWP to have discussions with them about how it is working.

Kathleen Caper: We are in fairly constant contact with DWP and feeding back what we see, but it is a very long line between the civil servant and the JCP front line.

Graham Evans: That is why we need local working together, so you do not need to go all the way to DWP to sort a problem out locally; you pick up the phone and speak to the Jobcentre Plus manager and sort it.

Q356 Nigel Mills: We can move seamlessly on from where we have just been to conditionality and sanctioning. Has the CAB seen an increase in the number of claimants in severe financial hardship seeking your advice since the sanctions regimes were toughened about a year ago now?

Kathleen Caper: The short answer to that is yes. In the six-month period from October last year to March this year, we saw an increase in advice queries—people coming to the bureaux and asking for assistance—around sanctions of some 35% compared to the previous year. This did coincide quite closely with the change to the JSA sanctions regime that took place in October last year, so, as you say, a year ago. It is difficult at this stage for us to understand what that increase means. It could mean a number of things. We suspect it is a mixture of a greater number of individuals being sanctioned, but we also think that it is because the minimum sanction for Jobseeker’s Allowance is now four weeks instead of one week, and that is pushing people into extreme hardship.

Whereas, when people had a one-week sanction, there was a possibility that they could ride that out with what was in the back of the cupboard and borrowing from friends and family, that is exhausted pretty quickly. It does not hold people over for a four week period. As you may know, we are certainly seeing a number of bureaux operate as a gateway service or a referral service to food banks in their area. We know that somewhere around one in five people coming to us asking for food bank assistance or a food bank referral are doing so because they have received a sanction to their benefits and do not have enough money for food as a result.

Q357 Nigel Mills: In what proportion of sanction cases that you see do you think the sanctions have been inappropriate applied or are not consistent with the rules, at least?

Kathleen Caper: It is a very difficult thing to quantify, and our response to that would have to be anecdotal, based on the cases that we see. Certainly, we know that, for a large number of the people we see who come to us with problems, the requirement that was imposed on the individual was something that they were unable to meet due to a lack of skills, a lack of access in their area or that it is simply an inappropriate requirement placed on them. When they failed to meet that requirement, a sanction has been imposed. In terms of the rules about sanctions, they are being followed, but to our way of thinking a sensitive adviser would look at the situation more carefully and understand that the need for support was indicated, and not a sanction, in that instance.

Q358 Nigel Mills: So if they had shown some more flexibility or discretion through the process.

Kathleen Caper: Yes, and also if they were empowered to do that, and to ensure that people could be referred to training courses if they do not have the IT skills to apply for a job online, for example.

Q359 Debbie Abrahams: Can I just come in on the unemployment point? We have some evidence that, even when people are complying with what is required of them, sanctions are still being applied.

Former witnesses have indicated that, although there are not any formal targets around sanctioning, the Department has introduced expectations around sanctioning that seem to support what has been said. Do you have evidence around that?

Kathleen Caper: The way I would respond to that is that, certainly, one of the things we are seeing is people being sanctioned for quite small failures. For example, they were told to apply for 12 jobs in a week and they applied for 10 or 11. A bit of discretion there on the adviser side would be welcome. It seems like a very harsh penalty to lose your benefits for four weeks for not applying for one more job, for example. In terms of understanding targets, I think we need to come back to off-flow data and the lack of nuance in off-flow data. There will be an expectation on JCP for JSA claimants, that they would have off-flows at 90% of the caseload for JSA over a period of time, but it does not specify what that off-flow should be made up of. Whilst we would expect that off-flow to be made up of people moving into employment, if that is not achievable because of the state of the local labour market, the state of the economy and so on, then another way of achieving that is through sanctions and disallowances.

Q360 Debbie Abrahams: We have evidence that people have complied, but they have still been sanctioned. We have evidence that they have turned up at the right time, they have done what has been requested, but they have still been sanctioned.

Kathleen Caper: Some of the stuff we see is similar to that, and it is very close to the line. That is where discretion is certainly an issue. There is one case of a gentleman recently who was on the Work Programme, and so when he had been signing on during that period he had not needed to provide evidence of his job search. He had a sign-on at the end of that process with the Work Programme and he did not bring his evidence with him. However, he had applied for more than 10 jobs in that week. He had a further appointment at JCP in the afternoon and brought his
evidence in then, but because he did not supply it two hours earlier at his sign-on, he was sanctioned. It is that kind of lack of flexibility we certainly see time and again.

Q361 Nigel Mills: That example just sounds stupid, doesn’t it? Presumably we want to get to a situation where the claimant understands what they need to do to remain entitled to their benefits. That should be set out clearly in a claimant commitment agreement or something, and then fairly applied. Is that something you think JCP is operating effectively? Is that something that is getting better from what you see, or is there still a long way to go?

Kathleen Caper: I do not think it is operating effectively at the moment. We are keeping a very close eye on the roll-out of the claimant commitment, which has just started. That is something we have worked very closely with DWP on, because we know that, for a lot of the people that we see coming into bureaux who have problems with sanctions, it is a problem of not understanding their requirements. The claimant commitment should be a step in the direction of improving that. A lot of the emphasis, though, needs to be on the relationship between the adviser and the claimant. It is one thing to have a document setting out very clearly what your requirements are and what the consequences of not meeting those requirements are, but much better engagement and much better compliance will be achieved when that is explained really thoroughly to a claimant, and the time for an adviser to do that should be freed up to allow them the space to develop their relationship to enable them to have a proper discussion with that person about what the requirements are, and their ability to meet those requirements.

Q362 Sheila Gilmore: You said you had done some work on the claimant commitment with DWP. To what extent is it time? We have heard an awful lot about 35 hours. How much is it a specified number of jobs? We have all had experience of people who say that they applied for nine jobs and it should have been 10, or whatever. That has been a very fixed point: “You’ve got to apply for 10 jobs” or “You’ve got to apply for 15 jobs”. In terms of the claimant commitment, is that going to be similar or is it going to relate to hours? If so, how is it going to be expressed? How is it going to be shown? How is a claimant to demonstrate they have spent 35 hours on job seeking?

Kathleen Caper: It is probably a better question for DWP and JCP than for me at this stage. However, the claimant commitment will be coming in two parts. It will be the commitment itself, which is the legal requirement around the jobseeker’s agreement side of it, and the “my work plan” section of it, which is the more detailed part of it where the claimant will have greater ownership of what they intend to do over the course of a week. There will still be a very strong emphasis on applying for a certain number of jobs and, as you say has come up, spending a certain number of hours on job search. My understanding of that is that some of those activities can be monitored through Universal Jobmatch.

Q363 Chair: Just before we leave sanctions, is this going to get more difficult with Universal Credit? At the moment, people are sanctioned only on their work-related benefits, so it is predominantly JSA, although it might be ESA. It is not their housing costs; it is not the money they get for their children. In Universal Credit, it will be one single payment. Do you have any ideas or have you had any discussions about how that is going to work?

Kathleen Caper: It will still be the standard allowance element that will be sanctioned, so, at current rates, approximately £10 per day will be sanctioned. However, bearing in mind that some people will have lower entitlements than that, they will still be sanctioned at what the going rate is. However, there is a real opportunity here to solve a problem we have seen constantly throughout the sanctioning system where, whilst people’s housing benefit is not sanctioned, there is an inadvertent knock-on effect when people receive a sanction and an automatic message is sent to the local authority to say this person is no longer on benefits, and their housing benefit is stopped. People frequently do not understand that their housing benefit has not been sanctioned and that they need to contact the local authority immediately and make a nil income claim for housing benefit. Under Universal Credit, that knock-on effect should not happen, but we still have a little while to go yet.

Q364 Chair: Is it right that, if someone is sanctioned, they do not have access to the discretionary emergency welfare scheme?

Kathleen Caper: My understanding is that the eligibility criteria of the majority of local authorities do exclude people whose emergency arises from situations they could have prevented themselves. Receiving a benefit sanction is counted as one of those situations.

Q365 Chair: What advice does CAB give to them in those circumstances?

Kathleen Caper: Frequently, people come to us asking for a referral to a food bank. I know certainly, over the last few months, one in five requests for a referral to a food bank have been as a result of receiving a sanction. The next step is looking at whether there is an opportunity for them to apply for a hardship payment, bearing in mind, though, that if it is not a vulnerable household, there is a two-week wait before they are allowed to apply for them. It is quite often where Citizens Advice Bureau is the one who is making those connections for people, rather than it being made clear to them when they receive a sanction that, “These are your options now”.

Q366 Chair: Ministers have said that food banks are being used because they exist. Do you see a direct correlation between the increased use of sanctions and conditionality, and the increased use of food banks? Trussell Trust is reporting today that, between April and September of this year, they had more referrals than in the whole of 2012.

Kathleen Caper: The main driver of that, certainly around sanctions, has been the change from the one-week sanction to the four-week sanction. Hopefully,
today the statistics on sanctions should come out from the DWP, if they have been able to sort out their quality assurance issues around sanctions, to help us understand if there has been an increase in the number of individuals being sanctioned. I expect that there will be, but that four-week minimum sanction is particularly harsh.

Q367 Chair: Are local authorities doing anything in their areas to co-ordinate the food banks so that the whole system is not being abused at all?

Cllr Taylor: Most food banks are run by independent charitable organisations and not by local authorities. While local authorities may have a connection with the food bank in terms of knowing that it is there and potentially councils using community budgets and so on to support them, they are mostly run independently. There is another problem as well that I just wanted to mention while we are talking about that, which is the delay in dealing with ESA appeals. People may be sanctioned while their ESA appeal goes through. I have one example of one that took seven months, and the individual was sanctioned for the entire seven months while the appeal went through. That is causing pressure there as well. There are issues, and it is not just JSA; it is ESA as well.

Q368 Graham Evans: Does the panel agree with sanctions?

Kathleen Caper: Citizens Advice agrees with conditionality, in that everybody has responsibilities in their engagements with DWP. I have responsibilities in my job that I need to meet and I also believe that people have responsibilities in their engagement with the benefits system. I think we need to look at what other opportunities than financial punishments could be used to help people engage better with the system. I think financial penalties are counter-productive and I do not think they bring people closer to compliance. They push them away from it.

Q369 Debbie Abrahams: The final question from me was about claimant count in relation to sanction levels. If it has increased by 35%, the implications in terms of the claimant count or the reduction in the claimant count as a result of that are huge. How are we monitoring that or how can we get data that will enable us to identify the relationship between sanctioning, the reduction in claimant count and the unemployment figures that are published?

Kathleen Caper: It is very complex, and probably someone from ONS could help me out a bit with that one. One of the things that we certainly look towards is the amount of money that has been withheld from claimants over a period of time. The most recent figures that I am aware of, and I am speaking quite roughly, are that something like £45 million was withheld from JSA claimants in 2012–2013, but, in the first six months of 2013–2014—April to October—£60 million was withheld. If you extend that over the year, you are looking at £120 million compared to £40 million the year before. That is a particularly interesting avenue for us to go down to understand how much is being withheld. Matching that against how many people have actually been sanctioned gives us a strong indicator of the impact of those sanctions.

Q370 Graham Evans: Councillors, do you agree with sanctions?

Cllr Taylor: I would rather we looked at other ways of dealing with it. I do think people have a responsibility here. I would like to see JCP staff with far greater discretion, because this goes to the question of whether JCP is about delivering or not delivering benefits, as the case may be, or whether it is about employment support. Clearly, our view is that it is both. If JCP staff have greater discretion to support the individual, and if local government got involved in this as well, we could tackle other needs that they have and get them back into work.

The most horrendous example I saw of this was a young man who, even though the employer kindly provided CCTV evidence that he had been at an interview, because the receptionist was not there when he got there and he had not signed the signing-in sheet, had his benefits sanctioned. That is clearly nonsense. We had evidence from the CCTV cameras that he had been to the interview, but he was still sanctioned because he had not signed the signing-in sheet. The JCP staff having discretion there could have prevented him from being sanctioned. The sanctioning just stacks up other problems. I agree with what CAB has said; it pushes people away from where we want them to be, which is receiving strong employment support and help to deal with their other issues that are the barrier between them and employment, and actually getting into employment. Greater working around a partnership framework and more discretion for JCP staff would help that process.

Q371 Nigel Mills: The questions I want to ask, as with all of this inquiry, are trying to work out what we think the future of Jobcentre Plus or its role should be. I think you just touched on this. We have outside providers doing back-to-work support and all manner of other support; I think you are suggesting that there are more roles for councils to play. Should Jobcentre Plus just become a benefit processing centre for DWP and we leave all the other stuff to other people, or do you think actually what we currently have is about the best way of doing it?

Cllr Taylor: No, I do not think what we currently have is the best way of doing it, because there are clearly big gaps there. We think that, by working in partnership with local authorities and our networks, we could do a better role in terms of the employment support side of this, and probably a better role in terms of the discretionary element around the benefits side of it as well. In local government, we have a very clear vision that this can be done better and save the public purse money, which is important in all of this. It is both working from the national treasury side in terms of saving money, and also providing a better service locally for clients and employers in the local economy, which is really vitally important to us. We see those things working together, and I think there is a role for both. There is definitely still a role there for
Jobcentre Plus, although your earlier question was an interesting one and we will give that some thought. Co-location has been successful, so perhaps that is another way forward, and I think this is an area for the kind of real big thinking around community budgeting that we have been advocating from the LGA. If we were starting with a blank piece of paper on this, how would we design a system that meets the needs of clients, the local economy and prevents the increasing cost of welfare benefits?

Q372 Nigel Mills: Peter, you seemed to say earlier that you did not like the silos.

Cllr John: No, and there are some good examples in this side of London. You have the tri-borough of Westminster, Kensington and Chelsea, and Hammersmith and Fulham. They have a community budget employability programme that they are working on with JCP. Southwark, Lambeth and Lewisham are doing public transformation network work on employability, again with the local JCP. I would like to see greater accountability at a political level of what JCP is doing, trying to meet local political priorities. If you have that environment, you are going to get better outcomes because, as Sharon said so eloquently, partnership working is going to lead to better outcomes for local residents and deliver on that promise of jobs and growth.

Q373 Nigel Mills: Do you think it is possible to bridge silos with partnership working rather than just saying the only way to get that local accountability and that closer working is actually to move the actual line reporting in to the council? If my boss is in DWP and that closer working is actually to move the actual silos with partnership working rather than just line reporting, you would get a better outcome. I therefore very difficult to influence their public health strategy, because in London, for instance, you have the Mayor with his regional responsibility chairing the LEP, so where would accountability lie? I still think it would lie at a borough level, but working perhaps to targets and strategies endorsed by the LEP at a regional level. I think it can be made to work.

Cllr Taylor: I am leader in a two-tier authority as well, so that is a very big question. As you know, the discretionary social fund sits at upper-tier level, whereas the housing benefit responsibility and so on sits at district level. This will be different things in different areas, but I think the more local you are, the more able you are to deliver against your own area’s local economic needs. It needs to be the best configuration that will deliver against local economic needs. Where you have a LEP that is coterminous with the upper-tier authority, you may want to put it there. Where a LEP covers a number of areas that straddle district boundaries, you may want to configure it slightly differently. We have to think that through properly. With the accountability sitting at a local level, we can do what is best for the local economy and make sure that work programmes are geared to the local economy.

Q374 Chair: We have heard a lot about the short-term approach of JCP, because their measure is off-benefit flows and things. In the examples you have given this morning and your written evidence, where you mentioned Newcastle, the local authorities have taken a strategic lead in employment services. Do you have any evidence that, in those partnerships, JCP has been forced or encouraged to take a longer-term approach to things?

Cllr Taylor: I do not have that evidence in front of me. We can have a look and see what is happening in Newcastle and areas where they have done that.

Q375 Chair: Obviously our focus is on JCP, and we need to find out if there are other ways of working that encourage JCP not to work in silo and not to work to very short-term targets.

Cllr Taylor: Yes.

Cllr John: I mentioned the example of the Southwark, Lambeth and Lewisham community budget approach, where we are working with JCP. It is such an early stage that I cannot really say whether that is having an impact.

Q376 Chair: You did say that one person should be in charge. In these examples, which body is actually in charge? Is it the local authority or is it JCP?

Cllr John: I think it should be the local authority.

Chair: Well, you are going to say that.

Cllr John: I would say that, yes, because of all the arguments about local accountability and democratic accountability. It does present some interesting challenges, because in London, for instance, you have the Mayor with his regional responsibility chairing the LEP, so where would responsibility lie? I still think it would lie at a borough level, but working perhaps to targets and strategies endorsed by the LEP at a regional level. I think it can be made to work.

Cllr Taylor: We can work it out, Chair.

Q377 Chair: You said that one person should be in charge. In these examples, which body is actually in charge? Is it the local authority or is it JCP?
Chair: Thanks very much. The House is now sitting, so that is why our colleagues all disappeared off. Thank you very much for coming along this morning. Your evidence will be very useful for us when we come to write our report.
Witnesses: Lena Tochtermann, Principal Policy Adviser, Labour Markets and Agility Policy, Confederation of British Industry, Kevin Green, Chief Executive Officer, Recruitment and Employment Confederation, Damian Kenny, Strategic Account Director, DWP, Monster Government Solutions, and Alan Townsend, Senior Vice-President, Sales Readiness and Business Operations, Europe, Monster Government Solutions.

Q378 Chair: Can I begin by thanking the witnesses for coming along this morning? This is our penultimate evidence session on the role of Jobcentre Plus in the reformed welfare system. I will make sure I have my teeth in properly and can get the words out. Can I perhaps at the beginning, ask the panel to introduce themselves for the record, please?

Q379 Chair: You are very welcome this morning. Could I perhaps begin with the CBI and ask about employers’ attitudes to offering more permanent work? We know that Jobcentre Plus advisers spend quite a lot of time liaising with employers to set up work experience—particularly for young people. Obviously, this is a good thing to do, but it rarely comes with a firm offer of a permanent job or even an interview. Do you think there is more that employers could do to ensure they get work experience to work experience, but never actually get into the work force.

Q380 Chair: Surely, however, it would be a good thing for the employer to be able to see the applicant in action. If there may be a job at the end of it—without any formal obligation to give them the job. There has to be a job there somewhere, otherwise young people are going from work experience to work experience to work experience, but never actually get into the work force.

Q381 Chair: Of course, there have to be the jobs for there to be an offer. My understanding is that less than a third of all employers and a fifth of smaller employers actually use Jobcentre Plus to recruit. What is the evidence shows us, however, that a lot of young people actually stay with the employer they have.

Q382 Chair: Ms Anne Marie Morris...
Q382 Chair: Mr Green, what are your members doing that Jobcentre Plus is not doing? There obviously are jobs being advertised in your area.
Kevin Green: They spend a lot of time working with their clients to understand the job requirements. Our members are experts in trying to work with employers to get underneath the surface of what their requirements are. It is not just about skills; sometimes it is about culture; sometimes it is about a whole range of different attributes that they are looking for. They spend time doing that and they provide a high-quality experience. Many employers get an inconsistent experience when they are working with Jobcentre Plus. You have to remember that 47% of all Jobcentre Plus jobs come from agencies. We brokered a partnership agreement with Jobcentre Plus to get the public and private sectors working more effectively together. On a national level, it is great and we have had great experiences on the ground with many local offices working really effectively with the private sector, but we have also had experiences where it does not work very well.

Again, that is one of our issues: how do we get Jobcentre Plus to invest in the private sector and work more effectively with it?

Q383 Chair: In the ones where it does not work, is that due to the personal context? Does it depend on who is the manager at the Jobcentre Plus or who the people running the private recruitment service are?
Kevin Green: Quite often, there is a high turnover of staff. You build a relationship; the team changes; it is difficult to maintain. Clearly, some people are more interested in actively working with the private sector than other people within the staff of Jobcentre Plus. It is based on the ability to build the relationship and also the ability of our members to spend some time building those relationships, because they perceive it as in their interest.

In some parts of the country, our members are probably more actively engaged than others. It is not all down to them; some of it is down to our members seeing the benefits.

Q384 Chair: One of the complaints we have heard is that Jobcentre Plus will only advertise lower-level jobs—entry-level jobs or retail and hospitality jobs. Actually, any kind of job that would require someone with a degree never gets anywhere near Jobcentre Plus. Is that a fair criticism?
Kevin Green: Most people in the higher-end professional areas of activity would look at different routes to finding job opportunities. They may go in if they have to sign on, so they may be experiencing Jobcentre Plus in terms of benefits, but in terms of actually helping them find a job, they will probably do it themselves through job boards, through our members and through a range of different networking opportunities they would have to find their next availability.

Not many professionals would see Jobcentre Plus as providing that level of service. This is partly because a lot of the activity in Jobcentre Plus is based around benefits. They do not spend a huge amount of time understanding the jobs market and talking to employers.

Q385 Chair: You are now advertising most of these jobs on behalf of the DWP. Is it a fair criticism that it is mostly lower-level jobs on your system?
Damian Kenny: What we have seen since Universal Jobmatch was introduced is actually the other side of that; as the system is online and self-service, it opens itself up to a wider segment of the employee population than previous services may perhaps have done. If you look at the data on the service now, there is quite a high proportion of skilled jobs. I take Kevin’s point, however, that perhaps there is something cultural in how jobseekers wish to engage. People with professional qualifications may not look immediately to Jobcentre Plus as being their route to finding a new job—or simply finding a job.

Q386 Chair: In the same way as Jobcentre Plus does not have small employers using their services, is it true of your system that a much smaller proportion of smaller employers would in fact advertise on Universal Jobmatch?
Damian Kenny: That is where we see particular challenges for employers in using Universal Jobmatch. If we think about the demographic of employers out there, some of the larger employers will have dedicated HR and recruitment functions and will be very used to using online and digital systems, whereas smaller enterprises—your mechanic down the road or your plumber—are used to picking up the phone and asking the jobcentre to post their jobs for them. This is a challenge for DWP: to communicate with the employers and make them aware of the benefits of the service for them.

Q387 Debbie Abrahams: I was just interested in the proportion of members of the CBI that are actually engaged with work experience, but also more generally with JCP job offers. You said “a lot”, but I was unsure what “a lot” was.
Lena Tochtermann: We do not have a percentage there.

Q388 Debbie Abrahams: Could you hazard a guess? Is it 50%, 70% or less?
Lena Tochtermann: This is putting my finger in the air, but I would say probably at least 70% of CBI members would offer work experience. Not necessarily all would offer work experience through Jobcentre Plus, however; I can double check and come back to you.

Q389 Debbie Abrahams: Similarly, are larger businesses more likely to do that than smaller businesses?
Lena Tochtermann: Larger businesses generally have more resources to do it, but smaller businesses might do it on a smaller scale. It is perhaps not seen as much as it is with some of the larger companies. The issue with engaging with Jobcentre Plus, particularly for those companies, is the level of customer service; with getting smaller businesses in, word of mouth really
matters. The off-flow targets have not always been helpful here.

Q390 Graham Evans: I have a quick point on Jobcentre Plus and the opportunities for executives, professionals and senior management who are made redundant. For those positions, you have to sign on to get your national insurance paid for; that was my experience. These are executive, senior-position people coming into Jobcentre Plus; is there not an opportunity when they come to sign on, as it were, for you to grab on to them and feed them in to your members? You could say, “Executives are looking for positions,” and they would be sent down a different avenue.

Kevin Green: We ran a scheme with DWP at the beginning of the recession for professionals who were going into Jobcentre Plus. They recognised they did not have the skills around giving advice on CVs and on the right way of finding opportunities for those types of people. They commissioned our members to provide that service.

There was a little bit of funding for our members to provide advice around CVs, using job boards and how to think about interview technique, because quite often these executives have not been out of work for a long period. It was highly successful. We ran it for about 18 months. A gain, we would like to work more actively with Jobcentre Plus on such things, but all the funding got sucked away into the Work Programme.

Q391 Stephen Lloyd: When you say it was highly successful, do you mean that it was highly successful in terms of job outcomes?

Kevin Green: Yes, it was. The figure was that over 40% of people referred to our members had found a job within three months, which the DWP thought was very successful. Remember: this was 2008-2009, when we were experiencing the full difficulties in terms of the labour market as we went through the recession. It was very positive.

Q392 Stephen Lloyd: On one level, that is an impressive figure. Did the DWP have figures for the outcomes they managed to achieve for professionals so they could cross-tab it?

Kevin Green: I do not know. The feedback to us was, “We need the funding.” I cannot remember the budget, but it was approximately £10 million or £12 million. It was not a huge amount of expenditure over a two-year period, but it was sucked into the Work Programme. Obviously, at that time, that was the priority. It was seen by the DWP—I am sure you will ask them questions about this—that their priority was to ensure they were providing services to the people who were becoming long-term unemployed and were getting stuck in the system. There was a feeling that these people were better prepared to help themselves than others. They made a choice around prioritisation. However, it does demonstrate the ability of the public and private sectors to work effectively to get people into the jobs that are available in the labour market.

Q393 Graham Evans: What area are you talking about?

Kevin Green: That was geographic, so it was across the whole of the UK.

Q394 Ms Morris: We have talked quite a bit about the diversity of the types of jobs out there and the fact that there are quite a few at the lower end. We all agree the upper end is not really quite catered for by the system as it stands now. However, the bit we have not reached, whatever the nature of the job and whatever the nature of the candidate, is how we can improve the matching. It seems to me that this is a bigger policy issue. This is not just about—dare I say it—technology. We are going on later to talk about the technicalities of how that does or does not work, but it seems to me as if there are some policy issues.

My first question is to you, Kevin. What could we do to try to get that match between the quality job and the quality candidate, given you have this range of candidates and range of jobs and, in a sense, your organisation are the experts?

Kevin Green: There is quite a lot in that. There certainly are some issues around time. The experience of most people when they go into a Jobcentre Plus is that they have 10 minutes with someone. If you were to see one of our members and they were preparing for your job, they might well spend an hour going through your CV and trying to get the best they could out of you so they could present you more positively to the employer. Our members will spend a huge amount of time talking to the employer about exactly what they are looking for. Jobcentre Plus does not do that. They tend to just take the job and do it at quite a superficial level.

You certainly have time. There is also the question of skills and capability. We spend a lot of time making sure that recruitment consultants have the skills and capability to do their job. We have codes of conduct; we have professional qualifications; we have a professional institute. You will often find that people who work in Jobcentre Plus have not spent enough time thinking about that matching activity and the skills that are required.

You also have to go back to the role of Jobcentre Plus. Many people’s view of Jobcentre Plus is that it plays a policing role around benefits. A gain, if you are going in to get job advice, you may be hesitant about being incredibly open and trusting Jobcentre Plus, because you may be thinking, “They might be trying to find out whether I am really unemployed and I am concerned about my benefits.”

There are a lot of things going on. You do not have a lot of time; you have to check on benefits; you do not really know the labour market, what is going on or what employers are really looking for; and you may not have the skills.

There is a huge amount of activity there you would need to focus on if you were really saying that you wanted Jobcentre Plus to play the role that our members play.

Q395 Ms Morris: Realistically, you have the partnership agreement, which, as you say, works. It is good in parts and it does not work so well in other parts. What could be done going forward, either in terms of a move from DWP or a move from you and
your members, to try to look at trying to get this to work better? It seems to me that this is partly about the relationship between the private sector and the DWP, and it is partly about maybe beginning to segment different types of jobs and people in order to decide how much time it is worth spending on each category.

**Kevin Green:** Yes. Up and down the county, a lot of our members are spending time going in to run clinics and little sessions within Jobcentre Plus. They are doing that because they perceive there is some long-term value in the relationship—and it does help them get candidates for some of the jobs.

If we were really moving this to another level, we would need to make it much more contractual. There would need to be a commercial relationship between our members to provide some additional value that Jobcentre Plus could then provide to jobseekers, whether it is to help around CV building, interview practice or a whole range of different skills that are most probably required for people—particularly people who have fallen out of work.

For us, one of the issues about the funding of training and development you can access via Jobcentre Plus is that you have to wait until you have been unemployed six months. This is about prevention. The private sector can work with the public sector earlier to get the people who have perhaps just fallen out of the job market and are looking for a job into a job quickly. Let us put some investment into that part of the market to get those people back into work quickly, so they do not become a drain on the system.

**Q396 Ms Morris:** You are saying that the Government should put some more money up front to try to manage this matching better.

**Kevin Green:** They also have to recognise that it might be better to harness some of the private sector and get us to provide the bits they are not strong at, rather than try to invest tons of money to train benefit advisers and trying to turn them into recruitment consultants. That might be a long, hard and protracted process; it might be better to harness us and get us to provide things.

**Ms Morris:** It would be win-win, because we would spend less on benefits and people would feel fulfilled, because they would have jobs.

**Kevin Green:** Yes, absolutely.

**Ms Morris:** That is really useful.

**Q397 Glenda Jackson:** I wanted to refer back to the point you have expanded on in responding to Anne Marie, which is the issue of Jobcentre Plus in a way having split responsibilities, because it is also a benefit agency, as you have elucidated.

**Kevin Green:** It is.

**Glenda Jackson:** Hearing your replies, the success would seem to be with people who are easily employable, if you see what I mean. The Government is constantly telling us that the churn is such that the majority of people who fall out of jobs get back in again, but the whole thrust of the foundation of the changes that are coming down is for those people who have been unemployed for decades and who are patently not ready to work—and, also, the young.

We have heard from the representative of the CBI about the kind of soft issues at which our young people are currently failing. Your people cannot help tackle that fundamental issue. You are not in the business of training yourselves; you are not in the business of putting the unemployed with trainers. There is still this consistent split with what the Government tell us is the focus of their attention, namely to get the long-term unemployed into work and off the benefit system and also to assist young people.

There seems to be a mismatch both in what you have said, Mr Green, and what you have said, Ms Tochtermann, about the CBI, where people seem to be passing the buck all the time. “We would use them if they had these skills, but they do not have these skills and we do not have the time to give them to them.” How would you match that up?

**Lena Tochtermann:** We need to get better at assessing people when they come into Jobcentre Plus. There are diagnostic tools in Jobcentre Plus to do that, but the feedback we get from businesses is that they do not always work. Yet we are very much in favour of the Australian jobseeker’s classification instrument, which I know the Committee has looked at as well. This would help because, when people come into a Jobcentre Plus, you have a better understanding of the barriers they have and you can forward them to specialist charities, the third sector, the Work Programme or Work Choice to help them deal with some of that—and perhaps spend less resource on people who will find their way back into work earlier. This can then help tailor some of the interventions with businesses as well.

It will help strengthen the relationship with businesses, because it will reduce the amount of frustration we have at the moment from members. At the moment, people come in and, as Kevin said, very little time is spent with them. It is often not quite understood, perhaps, where the barriers are. There are very stringent off-flow targets in Jobcentre Plus. They have targets on how many interviews they are sending people to. The feedback we receive from our members is that they often see people forwarded to them by Jobcentre Plus who simply are not up to the job and who do not understand what the job is about, who will then often fail out of the process. If we can get that right, we will get employers more involved as well.

**Kevin Green:** With school leavers—people coming out of the education system—there is an absolute imperative to get them some work experience, whether that is through the different schemes the Government runs or getting them into a temporary job. However, employers are very clear that, when times are tough, they hire for experience rather than potential. What we have really have to do is help young people get some experience of being in the workplace. That will benefit them.

The other thing you have to recognise is that one of the things we have worked on really actively with Jobcentre Plus—Jobcentre Plus have done very well on this over the last few years—is recognising that temporary work is a stepping stone to full-time work. If we can get people into some kind of temporary work, 90% of employers take people on from
temporary work and make them permanent employees. It is a fantastic stepping stone into a full-time, permanent job. We have worked actively to promote that to Jobcentre Plus and they have certainly responded. It is working to some extent. For people who are really hardcore and have been out of work for more than two years, you do need some kind of intense training programme. There already are things like the Work Programme. It is a really tough challenge, because you are looking at self-esteem issues, confidence issues and skill issues. You are trying to work on all of those things at the same time so that someone is ready to be put in front of an employer. Some of the feedback we get about Jobcentre Plus suggests that one of the reasons why some employers do not use it after the first few experiences is that they get candidates who are simply not job-ready. You might be spending a day interviewing people, and six people are sent along. Two do not turn up and, after four or five minutes, you know the four who have turned up are not ready for the job. The employer’s perspective would be, “I have spent two days interviewing people and you have not put a realistic candidate in front of me. I am going to find another route to get someone to fill this job.”

Q398 Stephen Lloyd: Would it be an appropriate ask for Jobcentre Plus never to send anyone out who is not job-ready and, if someone is not job-ready, for it to take the steps to ensure that they are? Kevin Green: The problem is around how you are measured, is it not? They are running the benefits system; they want to see people actively looking for a job. One way claimants prove this—or the statistics by which this is measured—is by going out and putting themselves in front of employers. The problem from the employer’s perspective is that, “If they are not ready for this job and there is no way I am going to appoint them, I am wasting my time looking at people you are putting in front of me who I will never hire.”

You are right: in an ideal world, you would want them to ensure people have the skills and are job-ready, i.e. they have been through Government programmes and are ready, and you are not putting people out for interview who are clearly not capable of doing the job. Chair: I am going to interrupt there, because we have more questions on this issue; we will explore it in a bit more detail.

Q399 Ms Morris: I would quite like your views on the Youth Contract Wage Incentive programme. We started out with 160,000 of these Youth Contract Wage Incentive payments available and yet we have only had a take-up of 2,000 in the first 14 months. Why is the take-up so low and is there something we could do to make it more attractive? Lena, let us hear your view first and then, perhaps, we will come to Kevin.

Lena Tochtermann: Large employers have been telling us for a while that the real issue here is they are not looking for cash from Government to help them employ young people; what they are looking for is help with training, which reflects some of the things we have already talked about here today. This is what we called for when we did our Action for Jobs report in 2011. We called for a training subsidy for large employers who would take on somebody for 12 months to ensure sustainability as well. We were not that surprised to see a lower take-up of the incentive, from that perspective. That said, there were a number of other factors that have not helped. One of them was the context of the launch, when work experience was very much in the media, which led to some employers shying away from being involved—trying to do the right thing and then being in the media for being seen to be doing the wrong thing while trying to do the right thing.

We were trying to narrow it down too much by routing it through the Work Programme, which I know has been addressed. There has probably been an issue around raising awareness levels. The marketing freeze at DWP has not helped here at all and we still do not have a very good local delivery infrastructure. Some of the feedback we had from employers, after the scheme was announced, was that when they called the hotline and were routed through to the local Jobcentre Plus, they were told, “We do not know what you are talking about.” That does not help. This was what the DWP’s interim analysis found. We need to see real ownership in Jobcentre Plus to promote these schemes that are out there. We need to make it clear, working with employers, that to use the incentive for training purposes would help. That is what the 16–24 Alliance does, which Morrisons is involved in, for example. It seems to be working fairly well.

Q400 Ms Morris: What you are saying is we almost need a re-launch, in the sense that people need to know it is out there all over again and the different stakeholders need to engage with it all over again. You also made an interesting point about training, however, and the example of Morrisons and how they use it. Perhaps there is also a message about trying to rephrase what the money can be used for and maybe give case studies and examples of people using it in a different way.

Could there be any form of tweak in the way the money is provided within the scheme? We have to make it more attractive and more focused on your key point, which is “We want help with the training, not just a cash handout from the Government.” Lena Tochtermann: You could make it a training subsidy. The other thing we have seen from members is sheer confusion about the amount of initiatives that are out there. We did a mapping exercise about two years ago; a lot of those schemes are still out there. We did not finish, but we reached a figure of about 48 different schemes that could help an employer take on or train a young unemployed person.

Large employers find it easier than small employers to try to get their head around such things, because they have people employed to help them do that. Even then, however, it can be a waste of time. You will not get small employers to engage with that—and that is reflected in some of the figures the Chair cited around engagement of different sizes of employers as well.
We need to think about training, but we also need to think about how we can simplify the system and make it easier for employers, young people and also for Jobcentre Plus to understand, because some of the evidence shows that Jobcentre Plus does not always know what is out there or how to promote it.

Kevin Green: First, employers are completely unaware of the scheme. We did a survey recently of 600 employers. Not one was aware of the scheme—not even one. There is a huge issue in terms of the fact that we have a scheme and we have some money, but we are not making employers aware of it. The other issue is that, if you think about where jobs are being created in our economy at the moment, they are often with small and medium-sized companies. They do not use Jobcentre Plus; when they do use Jobcentre Plus, they perhaps do not have a great experience. If you think of SMEs as the target market, there is no marketing campaign. They do not use Jobcentre Plus. How are they ever going to be made aware of this?

That is a fundamental issue. Secondly, if they do find out about it and they phone up the helpline or they go to a Jobcentre, the Jobcentre Plus might say, “We are not aware of it. What are you talking about?” Even the ones that do find out about it and then try to link into Jobcentre Plus do not have a great experience. There are several building blocks in the way of raising awareness and making it easy for employers to find out about it. The incentive itself is not great. From a training perspective, employers think, “If this person is not employable, I am not likely to take them on with an incentive; is £2,200 enough for me to invest in training to get them to the standard where I would find them acceptable?” That is not a huge amount of money to train somebody. There are a lot of things about the scheme itself. From a conceptual point of view, it is a really good idea. It could work, but you have to think about the marketing and take-to-market strategy, which clearly has not been invested in.

Q403 Stephen Lloyd: Damian and Alan, this is about the Universal Jobmatch. One of the challenges we seem to be finding is that, because a key part of the mandatory requirement for job applicants is to send out applications to show they are actually doing the work, the CBI—and others, to be honest—have pinpointed possible concerns that the disadvantage of Universal Jobmatch is that applicants are told, “You need to send out 20 applications a week.” They are going to Universal Jobmatch and pinging out 20, which often, very often, are unsuitable. The consequence is that employers are getting flooded with completely unsuitable applicants, which is generally getting everyone bad-tempered about the whole thing. Do you accept that there are disadvantages to Universal Jobmatch having that dual function of both telling people where there are opportunities for jobs, but also then allowing people to flood the market? Do you recognise that as a challenge?

Damian Kenny: I do; it is not especially surprising, given the usage of the system we have seen. Part of it comes down to the quality of the data that is being used there. On the one hand, you have the policy intent from the DWP to encourage people to use the system: they want people to apply for jobs. If people are putting into their profiles a very broad range of skills they would like to match jobs against, it is going to throw up many more jobs than if they had put in a very specific requirement.

Given the pressure they are under from the Jobcentre advisers, who are encouraging them to use the system to apply for jobs, as a jobseeker they feel they have to do as much as they can with the system. Like I say, if they put a wide range of skills and experience in there, they may well have many applications they feel they are suited to.¹

Q404 Stephen Lloyd: In a sense, it is a question of which came first, the chicken or the egg? A consequence of the delivery mechanism of Universal Jobmatch is not that it is being abused, but that people are going to push a few buttons and just get out squillions of CVs so that they can go back to their JCP adviser and say they have done it. What would you do, if you were advising Jobcentre Plus, to try to deal in some way with that problem?

¹ Note by Witness: As of the week ending 1 November 2013, there had been 4.2 million jobs advertised on Universal Jobmatch and 33 million applications made against those jobs.
I will tell you why it is a problem. This is back to what Kevin was talking about. I was in business for many years before entering politics—in both the SME and corporate sectors. Unfortunately, it is a real frustration; we already have a problem of perception with JCP from the SME sector. If they are then getting 35 applications, of which 32 are unsuitable, you can fill in the dots. I appreciate that is a problem and I understand it is a challenge.

If I said to you, “I am the Secretary of State; advise Jobcentre Plus about some criteria that would reduce the number of these spam CVs,” what would you advise?

Damian Kenny: It comes down to the advisers giving advice and training to the jobseekers on how exactly they get the best from Universal Jobmatch. Like I said before, if they are putting in a very wide range of skills, it is going to open up the opportunities for potential applications much wider than before. It is about honing in on the real skills and experience that an applicant may have.

Equally, there is an education piece for the employers. If the employers are putting specifications on there that have a very wide brief or there is a wide range of skills they are looking for, equally, they are going to get lots more applications than if they had very specific requirements.

Q405 Stephen Lloyd: Is it Monster’s job to ensure the employers are also better briefed, so they put on more suitable posts or language or what have you? Is that part of Jobcentre Plus’s role?

Damian Kenny: It is to the extent that we can provide online FAQs on the system about how best to use it and how to get the most from it, but, at the end of the day, we need to work with DWP on their processes of engaging with the employers and how DWP get employers to use the system to get the best out of it. We can support that process, but it is not Monster’s role to be that interface.

Q406 Stephen Lloyd: Your job is to provide the platform. 

Damian Kenny: We provide the tool to support the policy aims.

Kevin Green: There is something about quality rather than quantity here. It is about the actual measurement itself. If you are going to be measured on sending out 20 applications, you will send out 20 applications. There might be something in saying that people must send out five or six high-quality applications, and seeing what the conversion rate is from application to being called in for an interview. We could be a bit cleverer around the metrics. If you send five off and on one of those, i.e. 20%, you get called for an interview, you most probably have a metric that means that employers are getting a better service—because they are actually calling people for interview—and, secondly, people are most probably spending more time on making sure they are putting in four or five good applications, rather than putting in 20. There is something here about looking at the metrics as a way of honing that down.

Q407 Stephen Lloyd: That is a really good idea. It is something we will put to JCP.

Alan Townsend: The difference, then, that we see in terms of a commercial job board—this is why employers tend to use the commercial job boards—is that on the commercial job boards, the job seekers are getting a lot more interaction and advice in terms of how to apply for a job in the right way; the advice is much more available to them. At the same time, part of the commercial world is that you work more with the employers to make sure the job adverts that are being placed are going to produce the right people for them. Again, this is where the difference probably is, from an employer’s perspective. They know, when they are interacting with a commercial job board, they are getting all of those assets as well. They are not going to get a number of applications that do not meet the job, which they are experiencing when they use the Jobcentre Plus connection.

Q408 Stephen Lloyd: I agree. I think that is a good point. Where I am picking up on Kevin’s suggestion is you have to find some way of systematising these things. The reason that large numbers of people are very successfully churning out tens of thousands of CVs, some of which are entirely unsuitable, is the system. The metric says you have to send out 20 a week. It cannot be beyond the wit of man to find out a way, linked with that, to have the requirement to get x number of interviews, because people will adjust accordingly.

I have one more question for Monster. Are there not some types of jobs—particularly, perhaps, the lower-skilled ones—for which a more traditional method of job search would be more appropriate rather than using Universal Jobmatch?

Damian Kenny: I suppose you are talking about matching and whether or not the lower skilled jobseekers out there necessarily have profiles and detailed CVs. The site and service does provide the ability to search as well. You can go in there and input the criteria you would like to search against and you do not necessarily have to have a fully built profile against that now.

Clearly, we would advise that having one would yield better results: the better quality data you put in, the better the output. However, it serves two functions to allow you to do those random searches, as opposed to having a very specific profile.

Q409 Stephen Lloyd: Do you have outcome measurements? I am sure you do, because the level of data you will be collecting must be really interesting. Do you know what percentage of people using Universal Jobmatch have actually found jobs? Is that something it is possible to store or is it too random?

Damian Kenny: I have no doubt that it is possible to store, but it is not something that Monster currently has access to. If you think about the process, we are all about getting people into the service, using the functions of the service and then the point of applying is effectively the boundary of Monster's involvement. If you want to look at the end-to-end view of whether they are getting into work, how long they are staying in work and what the quality of that work is, you are
looking at a triangle. Universal Jobmatch is one part of that triangle; the services that will be brought in by universal credit, i.e. the taper, would be another part of that triangle; and you then have HMRC services—when people start to contribute to PAYE. That should give you that full picture. At the moment, however, we are only one part of that.

Q410 Stephen Lloyd: I can see how we could do something even sooner. Is there any metric within the DWP or Jobcentre Plus to capture, “I got this job and I got the interview via Universal Jobmatch”? Is there any cross-tabbing there?

Damian Kenny: The only way to do that at the moment would be to conduct surveys. DWP have done some initial insight surveys into the service, how it is used and what people’s experiences are. They are also looking to roll out more representative surveys on its actual use. Until they have done that, it is difficult to get a true picture.

Stephen Lloyd: Certainly, I would want to ask the DWP to provide me some data to see how many people have actually got a job through Universal Jobmatch.

Damienny Kenny: I may well have put words into their mouths. They may well have that data.

Stephen Lloyd: I will ask them.

Q411 Teresa Pearce: The whole idea here is taking something from the private sector that works well and putting it into the DWP: for instance something like reed.co.uk, where there is a very good system where they match people to vacancies.

However, it works because they only get paid if they match the right person to the right vacancy. In this situation—I mean no offense—you are paid for providing the platform; people who work at the DWP get paid for coming in; the claimant is taking a financial risk and has to do these certain metrics to get their money; and the employer is nowhere in this. Is that not where this falls down? In the private sector it works, because the payment follows the result, whereas this is just a process.

Alan Townsend: Just to be clear, the payment does follow the result, necessarily.

Q412 Teresa Pearce: Do you mean in the private sector?

Alan Townsend: Yes. It is part of the process, but it does not work in terms of an online job board. There is a payment up front for advertising a job. It is more like an online media service.

Q413 Teresa Pearce: An agency such as Reed, however, will get paid for placing a person in a job; they will get a commission or they will provide somebody on an agency basis. If you are only going to get paid for doing the job properly, you will do the job properly. In this, however, people get paid when nothing happens, how good the links of a jobcentre Plus are at a local level. In Southampton, Jobcentre Plus did that with IKEA when they came in. They got a lot of people from the local labour market into work. A gain, it was down to individuals and the customer service.
Q415 Sheila Gilmore: I wanted to come back to the Universal Jobmatch. It may be no fault of yours, but it has been sold publicly as somehow being a solution. What exactly was your remit? Was it simply to create a kind of online version of the cards or did it go beyond that?

Damian Kenny: Yes, is the answer. If we go back to the original procurement of Universal Jobmatch, which began over three years ago, the conversations between Monster and the Department were about trying to leverage some of the capabilities that Monster had in its underlying technology, because it has been successful around the world for a number of years. That was where Monster was coming from. It goes back to part of Kevin’s point that, when it comes to deploying a DWP version of the Monster solution, that is only one part of a much more complex solution that Jobcentre Plus operates. We are one important—I would argue—part of that process, but Universal Jobmatch on its own is not a silver bullet that will suddenly find jobs for all our jobless in the UK. It should help people to get to a job quicker and in a much more streamlined way, working with employers we provide self service, which was one of the reasons the DWP wanted to introduce it: to give control to employers.

This was the remit for Monster: to introduce a tool that would help streamline the process and make it more effective.

Q416 Sheila Gilmore: I take it from that you have not been involved in the conditionality side of Universal Jobmatch, because what claimants are told is that they must use it and demonstrate they have made a certain number of applications—on pain of not fulfilling their commitment. You were not involved in that use of this at all, then?

Damian Kenny: The only thing the tool currently provides is that you are allowed to record your activity, whether it be actually on Universal Jobmatch itself or any other job-search work you are undertaking. There is free text that you can enter into the system.

There have been conversations with universal credit colleagues, for example, about how there could be integration between UJ and UC and how they may be able to include, within their data, support conditionality and in-work conditionality, but that has not come to fruition as yet.

Q417 Sheila Gilmore: However, can you see problems arising in terms of the reputation of this system? From the claimant’s point of view, it is becoming something they simply have to do, yet it is not necessarily all that relevant to whether it is a good or a bad match. If they do not demonstrate they have done this, they will be penalised. You have really have to do that. Is that really how you would like to see your system viewed?

Damian Kenny: No, not at all. I suppose there is always going to be a mixture of perceptions out there about the service and how it is used and why it has been introduced. From reading a lot of the online social media and comments about UJ, I know there is a lot of focus on the policy intent behind it and whether it is really a tool to beat jobseekers with. The intent behind the service is that DWP are looking to try to get people into sustained work—that is the underlying basis for the system, which people might not be aware of. Yes, they need to be able to provide data that supports their process, but that is not why the system was introduced in the first place.

Q418 Sheila Gilmore: One of the criticisms people have made is that even what gets thrown up if you go into it is not always that accurate. For instance, people have gone in for retail vacancies and it has come up with sous-chef. There are other examples of that. Is this something you are trying to improve, so that it is accurate?

Damian Kenny: Yes. We have also heard anecdotal evidence of people who have put in a particular search and have not received the results they were looking for. It helps to take a step back and understand what the underlying system is there to do and how it works. The Monster technology that underpins Universal Jobmatch has been built up over time and is used around the world. It uses a semantic search engine. We know from our experience over time that the tool, in its very essence, works—and it works well. It looks at the data you put in front of it and puts it into context. For example, if you were searching for “account manager” it would know the difference between an account manager and someone who was in the accounting profession, which might be different to a standard word-count that some job boards are based on.

There is that element to it and you also consider, as I said to Stephen before, the breadth of data that people are putting in there, either from a jobseeker’s perspective or from an employer’s perspective. If you put a very tightly defined specification in there as an employer, the expectation is you will get a quite a small pool of candidates to choose from. Equally, if you are a candidate who puts in a very tightly defined set of skills and experience, the matches you get should be a lot closer to that. However, if you go in there and put in a vast range of experience and skills, it suddenly exponentially increases the pool of things that will be thrown up. A good example is a plumber. You may put in your search against “plumber”. The system uses—a lan will correct me on this—a system called spidering, so it knows that a plumber has a similar skill set to someone who may be a gas-fitter. It then opens up all of those skills, and that may also then move into another set of skills for a pipe-fitter in a power station. What the system is trying to do is give the jobseeker more opportunities to define jobs. It is trying not to stifle that choice.

In answer to your final question, we are working closely with DWP, because we know it is not a perfect system. For example, we are looking at the taxonomy of the system at the moment, the underlying data and the rules that govern it, to make sure it is appropriate for the UK market. It is currently based on SOC2000. At the time of go-live, DWP were not in a position to move to SOC2010. We know there are some gaps there and we are working closely with them on how they can bridge those gaps.
Q419 Sheila Gilmore: Is there an issue with employers putting things on there? What guidance do they get in terms of how they should advertise their vacancy?
Damian Kenny: That is part of the issue. It is that engagement with employers across the UK. We know that there are national employer teams that work very closely with certain groups of employers, but when it comes to the smaller SME-type businesses, they will not necessarily be getting quite that level of support. Again, I am speaking on behalf of DWP here, so I would need them to comment, but there is certainly an education piece for the employer to help them get the best of the system, because it is meant to be for them to use as an online self service rather than always having to pick up the phone and ask for specific support.

Q420 Sheila Gilmore: Is any use made of the total numbers of jobs that are on there? Have you ever been asked to keep any records of that? I have spotted that there clearly are repetitions, with the same job appearing on a different page of the same list. It is not actually two jobs or three jobs; it would appear to be exactly the identical job. Is that something you have been asked to do—to use this as a tool for deciding how many vacancies there are, for example—or is it just simply for people to put on what they need?
Damian Kenny: It is the latter. In any given month, there are roughly a million active jobs. That differs around half a million jobs at any one point in time. There is clearly some repetition there. On Kevin’s point, over 50% of the users of the system are recruitment agencies. We know they will be scraping jobs, so we know there is some duplication. Next month, there is due to be a purge of various aspects of the data to try to clean up duplication.

Q421 Sheila Gilmore: Have the DWP asked you to carry out on any kinds of checks on the validity of the types of jobs? I keep raising this point, but it is important. I spent some time last night looking under retail for my area. I went through five pages, and 95 of the entries were for catalogue distributors. Six were for other sorts of self-employed opportunities—it was unclear what they were—and 21 were what I would call jobs: proper employee jobs, a mix of part-time, full-time, temporary and so on. It looks like an awful lot, but should they not be in a separate category? Why are they appearing there?
Damian Kenny: You have hit the nail on the head there. Part of the issue is employers’ categorisations of the jobs they are putting on there. This is where they need support from Jobcentre Plus advisers on how best to do that. Again, this is where there may be gaps we need to plug between the different operational codes that are in the system now to reflect the kinds of jobs that are on there.

Q422 Gienda Jackson: Is there a requirement upon employers to post those jobs? We are being led to believe that there will be a requirement on the jobseeker to use that system. Before we started, our Chair mentioned the idea of thousands of people having to pursue a job and the employer at the end being inundated with applications. They would presumably say, “I have had enough of this. I will go back to my old system or another system,” or “I am going to leave this entirely.” Is there a danger of that happening?
Kevin Green: There is danger for both parties. If employers are putting their jobs on and they are getting inundated with people making spurious or not serious applications, they will consider it. Employers do not have the time. If they get thousands of applications for a job, it is very labour intensive to filter those and decide whom to hire. Clearly, if it does not work for employers, they just will not use it in the long term. For the individuals who are putting in 20 applications per week, if there is conditionality that you have to apply for 20 jobs, and you are not getting called for any interview, you are then going to spend less time putting consideration into what you do. You are going to think, “This is one of the things I need to do to get my benefits. I have to send 20 applications and I will not spend any time on it.” You are then in a vicious cycle of employers not using it, because they are getting thousands of not-job-ready candidates, and individuals not spending any time really matching it, because they have to do it as it is conditional in terms of their benefit. You are in downward spiral. That is not criticism of the platform; the platform is there and can be a useful tool. This is about using criteria. There is a chance this will create a vortex and then potentially not deliver anyone with any benefit.

Q423 Chair: Does that mean extra work for your members, then? Employers will not go directly to Jobcentre Plus, because they will be deluged with applications. This will worsen as the claimant commitment rolls out and as more and more mandation comes in. They are going to come to your members to say, “Get me somebody for this job.” Your members are going to do all the work of screening, which, previously, an employer would have done themselves.
Kevin Green: This is why we did the partnership agreements, because we want Jobcentre Plus to work. There are differences in approaches, but by combining the two you actually give the individuals the best chance of getting into a job and you help employers find the people they need. We are not in competition. The value is in where you leverage off both sides to make it work. Using job-board technology—Monster are very good at—it is a great idea. However, it is often about the execution and how you go about it. Saying to people, “You have to make 20 applications using this system, regardless of whether you get called for an interview,” is clearly the wrong way of using the system.

Q424 Chair: You are saying that it is counter-productive for the Government to say, “We are going to encourage more people to apply for more jobs as part of the claimant commitment.” It will lead to fewer people getting jobs.
Kevin Green: It is about quality applications, where people have the chance to get a real job where they
Chair: The requirements of the DWP and Jobcentre Plus are placing on claimants have to change.

Kevin Green: It has to be a more sophisticated measure, as we talked about with Stephen earlier on. If you encourage people to make 20 random applications, employers are going to get frustrated with the system, because they will be inundated with non-specific applications for the jobs and they will not use Jobcentre Plus.

The objective is to get more employers to use it and get a higher quality service, but you are doing something that will take us in exactly the wrong direction.

Q425 Nigel Mills: I am just wondering whether this is an issue with this system or an issue generally with Jobcentre Plus. I am sure it is not a new complaint from employers that they have been sent dozens of CVs from unsuitable people, some of whom might really only want to get a letter signed to say they attended. Is it a problem with this system or is it a problem with how the DWP pushes people to do that?

Kevin Green: It is a problem with how DWP measure things and the conditionality. There should be high-quality applications. What is the conversion rate of application to interview? What is the conversion rate of interview to success? Those are the criteria you would normally use if you were running a recruitment business. Those are the criteria you would use: how many people do I put forward? How many get called for interview? How many get the job? How many are in the job after six months?

Q426 Nigel Mills: Would you agree that there might be some utility if this system could be reversed and give some feedback to the individual or Jobcentre? It might say, “He has applied for 100 jobs, but he is actually patently unsuited to all 100, because the skills do not match.” It might say, “You would never have got any job within a 50-mile radius with that CV as it is so poor.” Is that something you think should be there and is that something the system could do?

Damian Kenny: There is potential for the system to do that. Currently, for example, as an employer, when you go to put on a specification for a job, you are able to pull up an anonymised list of the top candidates. It will rank the candidates in terms of your specification and how close the match is with the skills and the experience, so they have that view of those candidates and, if they choose, they can invite those candidates to attend for interview.

That does not quite close the loop, because it does not stop anyone who sees an available advert out there applying to that advert, but it does give some control to the employer to invite the candidates they are really interested in speaking to and control that themselves—rather than be swamped, like you said, with inappropriate applications from a much wider source.

Kevin Green: The key thing is that the individuals need advice and guidance. This is the key issue. The system could say, “You have made 20 applications; you seem to be making this mistake.” Presumably, you could deliver some feedback to the individuals in that way. In terms of Jobcentre advisers, that is clearly one of the things they should be doing. “You are applying for 20 jobs a week. How many times are you getting called for interviews? What have you put in about your skills? Have you really got those skills? Are we going too wide?” Someone has to provide that advice and guidance—otherwise they will keep making the same mistake over and over again.

Q427 Ms Morris: I have a brief question about the technology itself. You say that it is tried and tested as a system. To what extent have you actually tested this particular application of it? There is anecdotal evidence that people have been challenged literally just logging on. There is one individual who claimed to have tried 25 times and did not quite make it. There is an issue about robustness and whether you have assessed this implementation, but there is also an issue about ease of use. Clearly, while this can be supported by training, an awful lot of people are not as computer literate as, perhaps, people who have used your other platforms.

To what extent have you done any testing or questioning to see whether you have made this as idiot-proof, if I can put it like that, as is possible, given the constraints you have from DWP, who are saying, “We want you to apply for at least three different types of job and please make the category descriptions broad, so you now have got four digits”?

Damian Kenny: Whilst the underlying technology is Monster’s, the actual process to bring in the service and implement it was very much done hand in hand with DWP. That testing of what is appropriate, what users will and will not be able to do, what kind of process flow and user journey there is was very much with the Department. It was not a case of Monster simply imposing a black-box solution on the Department. Yes, we provide the service, but it is done very closely with the involvement of DWP.

Q428 Ms Morris: Did they or you or anybody actually ask an end user, since this has been implemented, as to whether they find it easy to use?

Damian Kenny: Yes.

Kensuke. There have been some insight surveys into the user experience. There was work done before implementation with users on the design. The insight survey they have done is not quite statistically relevant; it gives a snapshot view of what the experience is. To your point about the login, we know that it is a complex process. We worked hard with DWP to look at the most appropriate process that was going to tick all the security boxes and we have to use the Government Gateway process currently. We know that is complex; there were issues with people forgetting their 12-character username and there have been thousands of password resets that have been done as a result. Until we can get to more streamlined access to the service, we are going to have to rely on support from the advisers in the Jobcentres.

Finally, to your point about whether people are equipped to use the tool if they are not necessarily used to using online and digital, again, it comes back to face-to-face support, supported by other agencies and online support that DWP can give. In the vast
In summary, what you are telling me is that more could be done on the technology side, but until you can find a way of dealing with the security issues, it is hard. It seems to me, however, this is something that is crucial, because in terms of best use of time and money, to simplify the system—rather than take up extra training time with individuals just on how to log on, never mind how to find a job—would be a good, sensible and probably cost-effective first step. Would you agree with that?

**Damian Kenny:** I would agree, yes.

**Q429 Ms Morris:** Local enterprise partnerships are disappointed that it does not appear at the moment that the labour market data—such as which sectors are growing and which skills areas they should be looking at in a particular region—can be accessed by looking at Universal Jobmatch. Was it part of your brief at DWP to provide a system that could be used in this way?

**Damian Kenny:** The brief was primarily about the job-matching functionality. Clearly, the focus at DWP is on getting those people into work and that engagement with employers. Yes, we are aware that, previously, people could access Jobcentre Plus data through Nomis and similar platforms, and we are aware that there are limitations in what they can get currently from Universal Jobmatch. However, we built the system to a specification that was agreed with DWP. To a certain extent, the data is all there; DWP is the data owner. It is potentially available for external third parties. In fact, we are working with DWP and CESI on a scoping discussion now with the DWP on how that data could be used?

**Damian Kenny:** Yes.

**Q430 Graham Evans:** As I was saying, the CBI and other witnesses believe that Jobcentre Plus should change its key performance measures, KPIs, which are currently focused on getting people off benefits. Jobcentre Plus staff could be incentivised to get people into sustained job outcomes. How should Jobcentre Plus performance be measured in order to encourage more successful outcomes?

**Damian Kenny:** I am not sure if that is a question for me.

**Kevin Green:** This is about people getting a job and staying in employment, which means staying off benefits for a period of time. If you are measuring people purely in terms of them coming off benefits, people come off benefits, the experience does not work out and they are back on benefits quite quickly, just measuring the first thing as a key metric does not work. It is about creating, rewarding and incentivising jobcentres that are good at getting people into jobs and people then remaining in employment for a period of time.

**Q431 Graham Evans:** What you have in Universal Jobmatch at the moment is a set of pre-defined reports. At the time of providing that information within every town. Is that what you are saying?

**Damian Kenny:** Yes, the data exists; it is a question of extracting it.

**Q432 Graham Evans:** Would there be additional costs for you to be able to put those nuts and bolts into a system that could provide that on a case-by-case basis?

**Damian Kenny:** Yes, there would. We provide a service that is currently based on a particular specification.

**Q433 Graham Evans:** Are you in discussion with DWP on that basis and the additional funding to be able to provide that information?

**Damian Kenny:** We are not into the funding discussions yet, but we are working with them on what data would actually be appropriate to release and which data would be most useful for the market.

**Q434 Graham Evans:** Just to be clear, you are doing a scoping discussion now with the DWP on how that data could be used?

**Damian Kenny:** Yes, we are doing that with DWP and CESI.

**Q435 Stephen Lloyd:** As I was saying, the CBI and other witnesses believe that Jobcentre Plus should change its key performance measures, KPIs, which are currently focused on getting people off benefits. Jobcentre Plus staff could be incentivised to get people into sustained job outcomes. How should Jobcentre Plus performance be measured in order to encourage more successful outcomes?

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**Q436 Graham Evans:** This is where the additional costs could be recouped, presumably.

**Damian Kenny:** Yes.

**Q437 Graham Evans:** All of the nuts and bolts are in there. The data is in there. It is the cost of you being able to get that out and put in report form, which could be used by an individual Jobcentre Plus or a LEP.

**Damian Kenny:** Yes.

**Q438 Graham Evans:** The LEPs are so important for getting the job markets right on a region-by-region basis.

**Damian Kenny:** Yes.

**Q439 Graham Evans:** As I was saying, the CBI and other witnesses believe that Jobcentre Plus should change its key performance measures, KPIs, which are currently focused on getting people off benefits. Jobcentre Plus staff could be incentivised to get people into sustained job outcomes. How should Jobcentre Plus performance be measured in order to encourage more successful outcomes?

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Kevin Green: The performance varies hugely. I do not have any data to support that, but in terms of anecdotal feedback from members about them working with Jobcentre Plus, they will say that some are fantastic and have great staff who are doing a wonderful job, while others do not seem to be very effective at all in terms of giving advice, getting people into jobs and even being open to the relationship. There is a very patchy delivery mechanism. There are some areas of high quality, where it seems work very well, and there are other areas where it is not working very well. Some of that is down to leadership, management and the skills of people involved.

Q441 Graham Evans: Based on your experience, anecdotal or otherwise, do you believe there could be changes the DWP could make to Jobcentre Plus’s key performance measures?

Kevin Green: Yes, absolutely. It should be more about how many people are still in work, after you have got them into work, after six weeks, after 13 weeks. That would be a much better measure. It then stops the churn of people into anything because it looks like a good statistic.

If they come off a benefit and six weeks later they are back on benefits because they do not have a real job, it does not work and it does not help the individual or the employer. It means that jobcentres are not delivering sustainable performance, which is what you want.

Lena Tochermann: We should probably scrap off-flow targets and think about a different measure about sustainable job outcomes. Finding that in the interim is probably more challenging. The move to universal credit will help here, because we will get the real-time data through RTI; we will get a better sense of where people are progressing. In the medium term, we might want to think about how long people have stayed in jobs, whether they are coming back to benefits and, possibly, feedback from employers.

A lot of this comes back to better understanding what employers are looking for and how that matches up with the candidates who are coming through the door. It is about getting that right.

Q442 Chair: One of the ways of tracking the sustained outcomes is to phone up employers, but DWP said that it annoyed employers when they used to do that. Kevin, you said that would be a better measure. How would employers feel about that? People have to be tracked in some way. If they are off benefit, there is no other way of tracking them other than contacting the employer.

Lena Tochermann: The universal credit will help avoid too much extra burden on employers when it comes in, because you have that real-time data and you see where people’s earnings are moving. In the interim, calling up the employer and saying, “Somebody I placed into work with you has come in; how are they doing?” is not a negative thing. It will help create some of that feedback on what helps people succeed in work, which DWP is looking to find out more about as part of their in-work progression.

Q443 Chair: On the variation in the performance of different jobcentres depending on where they are, is it more than the relationships and how well they are doing the job? Is it more reflective of the state of the local labour market? In my area, Aberdeen, it is quite easy to get people into sustainable jobs, because they are there.

Kevin Green: Clearly, the performance of a Jobcentre is going to be hugely affected by the labour market it is supporting. We have absolutely no doubt about that. However, the feedback we get from our members is just the level of interest, the level of outreach activity—the way that Jobcentres are going out to meet local employers and where they are bringing employers in.

Our members will say, "We have worked with this Jobcentre and they are doing a fantastic job. It encourages us to come in, we work with it well; it is a measure to have great outcomes. This one over here does not seem to do any of that activity."

Q444 Graham Evans: What is the difference in the reason why there is one that is embracing this and encouraging people to come in to the Jobcentre Plus and the other one is not?

Kevin Green: Some of it is about the leadership of whoever manages the office.

Q445 Graham Evans: It is about the management and leadership in Jobcentres. Have you come across anything to do with best practice? You described one example where the Jobcentre is inviting; do DWP learn from those leaders?

Kevin Green: They are working with us. My team are doing regional workshops, where we bring some of our members together with Jobcentres. Some it is about sharing ideas and talking about the local labour market, but it is also about sharing best practice. It is really good to see jobcentres that are working actively with us and delivering outcomes saying to their colleagues, “There is something you could potentially benefit from here.”

It is happening and we are keen to do more of it; DWP are also keen to promote the concept.

Q446 Graham Evans: At business breakfasts, I have noticed your members are always there sniffing around for the latest job opportunities. Would you encourage Jobcentre Plus managers to do something similar?

Kevin Green: You have to think about how you build your local relationships with employers. That is the key product of Jobcentre Plus, in reality. It is about building a relationship with employers and finding out where the jobs are, so that you can bring them to your candidates, in reality. The more effective jobcentres are very good at building relationships with national employers that have sites in a geographical area and SMEs in the area.

It is a key skill. Sometimes it is ignored; this is the point. It is not seen as a core part of the job, because the fundamental sets of measures are about dealing with people who are coming through the door.
Q447 Debbie Abrahams: I want to build on the points Graham has made about conditionality and the focus on off-flow. First of all, in relation to training, some jobseekers have said—these are personal experiences as well as documented experiences—the longer term training they want to do is being prevented in terms of the conditionality they have as a claimant. What are your views on that and how it could be overcome?

Lena Tochtermann: This is not something we have had a great deal of feedback on. If you are talking about some of the proposals we have seen through party conferences recently, one of the issues we see on our side is that people want to move into training, but when they train for more than 16 hours—I believe that is the number—they are seeing their benefit reduced.

We are seeing a slight disincentive to stay in training, whereas for some people training might be the right option to help them move into a sustainable job outcome. We would certainly support this being changed.

Kevin Green: We have not come across it as a major issue, but clearly if people are putting their hand up and saying, "I am not getting a job, because I do not have the skills; I want to do some skills training," we need to find a way of supporting them as best we can. That is absolutely right.

Q448 Debbie Abrahams: I do not know if you are aware of the Association of Colleges suggesting that the key performance measures could be more closely aligned to BIS’s targets around skills training and so on. I do not know whether you had a comment around that.

Kevin Green: One of the things that we do get feedback on from our members and employers is that, quite often, they will find that local colleges are providing training that does not match the local jobs that are available. Clearly, there is something here about trying to get good-quality labour market information at a local level, where people are looking not only at where the jobs are now, but where they are coming—and they are trying to make the training match those.

I went to see a Work Programme provider who is a member of ours. They are the best performing Work Programme provider. It is run by Staffline, who are one of our members, and it is the Work Programme provider. It is run by Staffline, who are one of our members, and it is the best performing Work Programme provider. It works on this principle of having flexible space in which it can create training. They look at the local labour market; they go and talk to employers and find out what they are looking for; they then make the training as applicable as they can for that labour market.

Q450 Graham Evans: It is quite a small building, so big classes, small classes?

Kevin Green: Yes, absolutely.

Q451 Debbie Abrahams: Just to be absolutely clear, among your members you have not come across a situation where DWP rules are preventing this more nuanced training that looks at labour force needs and so on? Have you come across that from your members’ experiences?

Kevin Green: No. The benefits trap at 16 hours has been there, but universal credit should help us resolve that. We have had people saying, "I do not want a job over 16 hours, because my benefits are going to be affected," even though it is a temporary job. You do not want that. It has existed in the jobs market—and I am sure it is the same with training.

Lena Tochtermann: Something we hear about the flexibility of training is that jobseekers are being advised to do longer courses, because often certain modules they might need are not available. There needs to be a bit more flexibility from the education colleges in what is on offer.

Q452 Debbie Abrahams: Moving on to think about the issues or opportunities of a more flexible labour market, we have been moving towards a more flexible labour market for the last 15-plus years, have we not? In terms of the opportunities that have enabled many businesses and so on in the short term over the period of the recession to survive, what has that meant, conversely, to jobseekers?

Kevin Green: It means there is a range of ways in which people can now work. If you look at the flexible labour market, employers are obviously under cost pressures, so they are trying to keep their skills and talent as high as they possibly can, but they are under pressure from their competitors to think about their cost price. That does mean employers offer work in a range of different ways. This means that people have what you can look at as opportunities: opportunities to work full-time, part-time, through a contract, via fixed-time working. It means that there are opportunities and people need to think about whether it suits their lifestyle and what they want.

One of the things we would say is that, if we had not had a flexible labour market, we would have had a lot more people unemployed. The CBI’s forecast is
500,000; most probably, that is a little bit cautious. It may well be up to 1 million people. Having a flexible labour market and trying to get people to work in a range of different ways is beneficial to employers, but it is also beneficial to individuals in the labour market.

Kevin Green: Yes. It must be a more agile response.

Debbie Abrahams: A absolutely, yes—otherwise we will have that mismatch in terms of the employment inequalities that exist.

Kevin Green: Yes.

Q453 Debbie Abrahams: Could you expand on that? It is beneficial to individuals. There is a spectrum, is there not? Hopefully, we will have a balance of benefits to the employer and benefits to employees.

Kevin Green: The key thing, as I mentioned earlier, is this whole concept of a stepping stone. We want people to demonstrate they want to work, that they will work, that they turn up on time and that they have the work ethic. As an employer, you will take people on through an agency or for casual work. 90% of employers say they take people who have come to work in a flexible way into permanent jobs. This is good news; it is a stepping stone.

What is the alternative? We may well have ended up with another million more people sitting at home on benefits, losing confidence, not keeping their skills fresh and not being active. I know there are instances where people say there is exploitative practice, but the vast majority of employers are trying to find people and want to treat them well, because it is actually about providing services to their customers. They do, however, need to do it in a flexible way.

Q454 Debbie Abrahams: I wonder if you would like to comment on the scenario that, as things stand at the moment, with more flexible short-term contracts, for example, there could be a tendency for some employees in lower skilled jobs to come in and out of the job market on a cyclical basis. Would you agree that is the case?

Kevin Green: There will be, yes. There are people who may do a short-term assignment for three months and then find there is not another opportunity and end up going back on benefits.

Q455 Debbie Abrahams: How do we ensure, within the offer that DWP has within JCP, that there is the potential for that person to go from a low-skilled and potentially low-quality job—certainly, it will be a low-paid job—and have some career progression and pay progression as well? How do we ensure, within the system that people are not stuck in minimum-wage, low-quality jobs with no prospects?

Kevin Green: Some of it is clearly about the ongoing advice to the individuals. Some of it is about saying, “If you keep coming back and doing the same short-term assignments, let us think about your skills and qualifications; let us think about things that will differentiate you in a competitive job.”

Q456 Debbie Abrahams: Can I come back to the previous point about the training side? It is a very important side.

Kevin Green: Yes, it is.

Q457 Debbie Abrahams: In terms of the limitations we currently see with how training is provided, would you agree that we need to have a more comprehensive approach to that?
I am taking you towards some Q464 Nigel Mills: Lena Tochtermann: Teresa Pearce: frequent contact. offers employers a good service, they will have more because they give a good service; if Jobcentre Plus employers are using Kevin’s members’ services It is the good service. Our Lena Tochtermann: right people into the right positions. comes back to what we said earlier about getting the employer, who would go back to that pool again. It cannot make it conditional on employers. Q462 Teresa Pearce: What Policy Exchange are saying is that they should ensure the positions are filled; is that just nonsense? Lena Tochtermann: Given the penetration of Jobcentre Plus in the market at the moment, employers will always look out for other options. That said, we have had some quite positive feedback from employers who have engaged with the Work Programme, for example, and then taken on somebody who was much further away from the labour market. They have often gone back to take on more. If you get the customer service right and encourage employers to engage, you will get positive feedback coming through—but any move to mandation or restricting choice is not a good idea, given the current level of service. Q463 Teresa Pearce: The way to achieve that is not to insist; it is to have a good experience for the employer, who would go back to that pool again. It comes back to what we said earlier about getting the right people into the right positions. Lena Tochtermann: It is the good service. Our employers are using Kevin’s members’ services because they give a good service; if Jobcentre Plus offers employers a good service, they will have more frequent contact. Teresa Pearce: Did he tell you to say that? Lena Tochtermann: No. Kevin Green: I am delighted. Q464 Nigel Mills: I am taking you towards some blue-sky thinking here. There has been a suggestion that Jobcentre Plus should just be a benefit processor or condition enforcer, and we should just move out of work support and leave it to the however many other contractors there are around. Do you have any thoughts as to whether we have the balance in the right place now or whether we should look for a different model? Kevin Green: What we are asking Jobcentre Plus to do—in some ways we are being a bit critical of it—with diminished resources, in a time of recession, with issues in the labour market, is pretty profound. “Do the benefits stuff; do the enforcement; make sure it works; make sure people get the money they are entitled to; and, by the way, find people jobs and facilitate all that process and work with employers.” It is a huge brief. It is quite difficult for any one organisation to do those two things. There is an opportunity to look at harnessing the private sector, certainly, to provide support on the job-seeking side. Whether you would want to contract it all out, I do not know. Some of our members would be quite keen, but it would be a huge undertaking. Supplementary and complementary activity is probably the right way to go in the short term, rather than saying that we will sweep away the job advice-giving. Lena Tochtermann: The Australian Centrelink model is definitely an option for the longer term. Our position at the moment is that there are a number of other things we need to concentrate on in a time in which quite a lot is changing. For us, it is about getting the customer service right and focusing on sustainable job outcomes and making sure we assess those people in the right way through a jobseekers’ classification instrument when they come through the door, and making sure Jobcentre Plus works better with the other services that are out there, which will help us do some of that in the intermediate term until we change the whole system again and think about how it is going to look in the future. Damian Kenny: I would echo Kevin’s view. From our perspective, it is about getting the right balance. There are obviously private sector providers out there—we would include ourselves in that—who have capabilities and skills that can supplement the process. The DWP does not know what it does not know. It is about educating them on what is out there, what the capabilities are and what is available, what we can use and how to best enhance the current service. Alan Townsend: As Kevin said, it is about harnessing the expertise that is already in the private sector, which is probably not being utilised to its fullest in terms of Jobcentre Plus at the moment, and finding a way of working in better partnership either as job boards or as recruitment consultants as well. Q465 Nigel Mills: There has been some question of whether this should be a national DWP setup or whether we should move to some more local or regional employment support and perhaps have different jobcentre services in different areas to suit local needs. Where are you on that argument? Kevin Green: You have to reflect the local labour markets. You do need to adapt services and the way you engage employers. Different parts of the labour market have different types of employers with different sizes of profile looking for different skills. You certainly need to respond to that and, building on the point we have just made, it is about local provision. Engaging with local training organisations such as colleges, dealing with the private sector—whether that is job boards or private agencies at a local level—is the right way to harness the best possible outcomes that we can give to jobseekers in a geographical area. We do need to do that. Though we are talking about helping people who are unemployed back into work, we do have a big issue in this country with emerging skill shortages. Our data shows it has grown exponentially over the last 18 months. 18 months ago we had 14 areas of skill shortage; we now have 47 and it is growing, even
while we have two and a half million people unemployed. There is something about this. It might be the Local Enterprise Partnerships looking at labour-market data and saying, "How do we create a journey or a pipeline of people to be able to fill the jobs that are available?"

It may take some time, but there is something here about bringing the key players together at a local level in terms of training and employers, because it is actually in their interest to find the skills and talent they want. There is something about creating some kind of activity at a local or regional level to do that.

**Lena Tochtermann:** We need more flexibility at the local level for managers, but for us accountability should remain central. This reflects some of the feedback on the varying offer that we have received.

**Q466 Nigel Mills:** If you had one suggestion for what JCP could change, what would that be? Imagine you have a magic wand that you can wave.

**Kevin Green:** It would be something about the skills of people who work there. You have to invest in the capability of the people who are doing the job. If you want them to produce better outcomes, you need to give them the tools to do the job. This is not one thing, but two things. Secondly, I would say that they should harness other organisations that are doing similar activity. Do not try to do everything yourself; do not believe the state is the best person to do all of this. There are people in the private sector that would want to work and could work with Jobcentre Plus.

**Q467 Graham Evans:** There is also the charitable sector.

**Kevin Green:** Yes. There is also the training sector. There are lots of people in local communities who are all trying to do similar things. They need to harness that as best they can.

**Lena Tochtermann:** Can I have two now as well? They should better assess people when they come in and, also, there should be a mental shift towards starting to see employers more like customers.

**Graham Evans:** The employer is the customer.

**Lena Tochtermann:** The employer is the customer, because the employer is the organisation out there that will help Jobcentre Plus achieve its aims. If it does not service the customer, there is no point.

**Alan Townsend:** From our perspective, there is even more that technology can do. We talked about one very small piece in terms of the Universal Jobmatch. There are many more services that could be provided through Jobcentre Plus to both employers and jobseekers, using virtual careers fairs and a lot more of the expertise that exists in the private sector, to help the Jobcentres become centres of excellence in terms of helping people not just to find a job but to develop a career as well.

**Damian Kenny:** I have very much the same view as Alan.

**Chair:** Unless there is anything that you desperately wanted to say this morning and our questions have not given you the opportunity to say it, I will call this evidence session to a close.

We have the Minister on 20 November; that will be our last evidence session. Your answers this morning have certainly helped us shape the questions we will be putting to the Minister. For that, thank you very much.
Wednesday 20 November 2013

Members present:

Debbie Abrahams
Graham Evans
Sheila Gilmore
Glenda Jackson
Kwasi Kwarteng
Nigel Mills
Anne Marie Morris
Teresa Pearce

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Examination of Witnesses

Witnesses: Esther McVey MP, Minister of State for Employment, and Neil Couling, Work Services Director, Department for Work and Pensions, gave evidence.

Q468 Chair: Can I thank the Minister for coming along this morning? It is the last oral session of our inquiry into Jobcentre Plus’s role in the reformed welfare system. Can I welcome the Minister to her relatively new position? It is a few weeks now, but at least this did not happen in the first week that she was in post. That would be a bit more daunting. I know that you have been the subject of much gossip and you are a bit of an unknown quantity from your previous ministerial position. Can I ask you to introduce yourself and your colleague, just for the record, please?

Esther McVey: Thank you, Chair, and thank you for your warm welcome. With me today is Neil Couling and he is the Work Services Director. He heads up Jobcentre Plus.

Chair: There seem to be strange moustaches appearing all over the place this month. I am assuming that that is part of that.

Neil Couling: This is not a new fashion move for me.

Chair: I could say that to some here. It is genuine; they have been trying to raise some money.

Esther McVey: It is sweeping the nation.

Q469 Chair: If I can begin, one of the things we have found as we have been doing this inquiry is that there is not one single proper classification or ability for Jobcentre Pluses to actually assess people as they come through the door, as to who needs the most help and who needs the least help. Each Jobcentre seems to take a different approach to the initial assessment process; therefore, there is no clear idea, in many cases, as to which claimant has the biggest barriers or not. I am just wondering whether that is something that is in your thinking, Minister: there should be an introduction and some kind of initial assessment process that will be applied consistently across all Jobcentre Pluses.

Esther McVey: I will try to paint the entire picture because, of course, we all want to understand the claimant as best as we possibly can, so we do have a diagnostic interview as soon as somebody comes in. This understanding, this segmentation of the claimant, is the Holy Grail in a way. We have been doing pilots for the last two years looking at the Australian model. Equally, at the same time, we have looked at our own success in the UK. We know, after 13 weeks, 58% of claimants would have flown off. We know that, by 26 weeks, 76% would have gone off and found a job. It really is understanding those who need the best support. Sometimes, and by some of the pilots that we have done and looking at the Australian model, by doing this diagnostic at the very beginning, it proved later on that two out of three of that was actually incorrect. What we are looking at is, yes, doing the interviews, supporting people as best we can, following them through and then knowing what is the best support that can be given, making sure the right person is following the right support at the right time, and getting it as accurate as possible. We do continue to look at this segmentation. Neil, do you want to add anything in?

Neil Couling: I just want to come back on the specific Australian tool. It is, as you said, Minister, the Holy Grail. It is very difficult to judge, in effect, who will be long-term unemployed after a year. When we trialled that back in 2010, we got two out of three cases wrong. Two out of the three cases we thought would be long-term unemployed actually got jobs before they became long-term unemployed.

Q470 Chair: That was not using the Australian tool. I do not think those are the figures. In Australia, they do say that it is generally accurate and does give a good prognosis of the individual who has the highest barriers. Part of the problem is that the initial interview includes a lot about conditionality and what the person must do, rather than analysing, looking at or even discussing the barriers that person might have to getting back into work. As a result, there is no coherent approach across Jobcentre Plus. It really is dependent on the individual personal adviser asking the right questions, but many will not be asking those questions because, in a 45-minute interview, they are too busy telling them what their obligations are on the claimant.

Neil Couling: We did take the Australian tool and adapt it for UK environments. For example, we took out the obvious questions you would take out like “Are you an aboriginal or a Torres Strait islander?” Clearly, there may be one or two in the country, but not very many. We did in essence test their tool, and it just did not work. We are still seeking to see whether we can use segmentation in a slightly different way in a UK context but, in general, it is very difficult at the start of their claim to assess somebody and whether they are going to be long-term unemployed. Getting a job is a mix of motivation and opportunity, as well as people’s confidence.
Q471 Chair: You have done quite a lot of work on this. You have actually spent a lot of time trying to work out a UK version. Is all that work wasted? Are you saying that none of it works?

Neil Couling: We are going to launch a new trial of a different kind of approach to segmentation in February. My own view is that this is extraordinarily difficult to do. It is the labour market equivalent of cold fusion, in my view. It would be wonderful if we could do it, but I am not sure it is actually practical. When you think we see 400,000 people make claims each month, we are talking at such a volume here that the costs and the tool have to be extraordinarily sophisticated to allocate resources at that point, if it is not to be wasteful.

Q472 Chair: You must be wasting a huge amount of resources by not identifying, at quite an early stage, the people who are going to need the most help. I understand you want to identify the dead weights, and the Minister gives the figures for the numbers who will get back into work, but you have to know the characteristics of that group of people in order to know that they perhaps do not need a lot of help at the beginning. However, you also need to know the characteristics of the group who do need a lot. They have been unemployed a year before they get any kind of help.

Neil Couling: I do not think you can say we are wasting a lot of resources. That is the hard thing here. With our off-flow rates being so strong, the fact is that 76% of people who claim have gone off benefits by six months. The cost of an upfront intervention on those 76% of people would be enormous compared with the benefit of identifying it.

Q473 Chair: That is not the question I am asking. We are not looking for an upfront intervention just by having a diagnostic tool as a first interview. The 45-minute interview should be a diagnostic interview, not “Here are your responsibilities. If you do not turn up every fortnight and sign on, we will take your benefit away from you.”

Neil Couling: If in that original diagnostic we identify somebody who, for example, may well be a repeat— somebody who is cycling through the system—they will get more intervention. What I was saying was more responding to the question of whether you can develop a philosophical construct that produces the right answer in every case. I do not think that is possible. Do we, in the diagnostic interviews, take the time to say, “This person has got specific needs or specific barriers”? Yes, we would if we identified them, but our system works on the basis that, in the initial phases of unemployment, where we can help people effectively sort themselves out, it encourages them to do that, because that is the most cost-effective way of dealing with what are some very large volumes.

Q474 Chair: You still do not know who these people are. That is the problem.

Neil Couling: We do not know who absolutely everybody is, but in Jobcentres for example they will red, green and amber people, on the grounds of their assessments of likelihood. If you use the red, amber and green approach to decide all of your interventions, that would be wrong as well, and that is what our work has done. It is very difficult to judge, if somebody is in front of you for the first time, exactly what their barriers are. Sometimes it will take a while for people to open up; it could be their second, third, fourth and fifth interviews, which is why in some offices we have been trialling intensive activity where we pull people in every day. Each day we take a different aspect of their claim or the process with them.

Q475 Chair: You are only doing that once they have been unemployed for at least three years.

Neil Couling: No, that is not true. We have been trialling intensive activity, for example in Hammersmith for the Universal Credit Pathfinder, from day one for individuals there.

Esther McVey: It is also fair to say that nobody in any part of the world has got this initial diagnosis right. We tried the Australian model and it is no better than what we are doing, but we do continue to look for this. If we developed it here in the UK, we would be cutting edge at getting this segmentation right.

Q476 Sheila Gilmore: A couple of things here: this is a big issue in the employability world. Policy Exchange produced a report recently that said quite a lot about this, as have a lot of other people. Why have you not reported on your outcomes and discussed it with other people? We seem to be having a dialogue here of the Department saying, “It does not work,” and other people saying, “This is what you should be doing.” We are hearing both sides. Would it not be helpful to have published these results?

I was very struck when the Secretary of State was introducing what was going to happen to people who had been right through the whole Work Programme and were coming out the other side. He said, “We are discovering that people have literacy problems.” It seemed to me to be very late to be discovering that people have literacy problems after they had been through various systems for three years. This business about people getting back into work quickly is not new. That is not new; you could go back. Even if you do not have a perfect assessment system, should we not at least be trying to pick out some of these people for intensive help early on? There are three or four questions there.

Esther McVey: When you have your first interview, yes, of course you will do the jobseeker’s contract or the Claimant Commitment, but there is an interview there as well. As you are drawing out your CV, what you can do, what your capabilities are, what your limitations are, what sort of job you would like to do, where we can put you, how we can get you on Universal Jobmatch, all of these things are coming out along that journey. Like with anything, sometimes it is about time with somebody; it is about trust of somebody, really understanding what people’s issues are. They might not immediately want to come out with all that information, but all of this probing is continually done, and that is obviously what we want...
Neil Couling: It is to misunderstand what we do to back in, but there is a whole tranche of people who get it right for some of the ones who are going to get furthest from the labour market. You are not going to stage to at least try to identify the ones who are because they are too ill to work. There needs to be turning up to their first interview and being sent away with a number of people who are on ESA, who are there are no interventions at all. That is happening they have not taken account of the initial barriers or person’s interventions are not going to work because they have not taken account of the initial barriers or there are no interventions at all. That is happening with a number of people who are on ESA, who are turning up to their first interview and being sent away because they are too ill to work. There needs to be some kind of consistent assessment tool at a very early stage to at least try to identify the ones who are furthest from the labour market. You are not going to get it right for some of the ones who are going to get back in, but there is a whole tranche of people who are being missed. Neil Couling: It is to misunderstand what we do to say that there is not a process involved to do that. What I am saying is that the idea that there could be a tool to do this is, as the Minister said, a bit of a Holy Grail here. I went to Germany this time last year, because it was reported to us that the Germans had invented something like this. When you went and investigated what they were doing, they are actually applying the same techniques that we do in the United Kingdom to German jobseekers. There is no foolproof tool. I know you will have people like Policy Exchange and others in front of you saying, “The Department should do this.” The Department is trying to do this. It is very difficult to do. Be under no misunderstanding: if you present with these kinds of problems in front of an adviser, then an adviser will try to get to that problem where the person will admit. Very often on literacy, they will not admit they have a literacy problem or a numeracy problem, because they have masked it for a long time. It is a bit of an art; this is not a science. A new system or process that we put in place to do this will miss some people. They will go through the system because we do not have perfect knowledge of the people coming to us. It is a process of investigation, exploration and also, for that individual, them accepting that they might have a problem here. They may not accept that they have a literacy or a numeracy problem, for example.

Neil Couling: It is to misunderstand what we do to say that there is not a process involved to do that. What I am saying is that the idea that there could be a tool to do this is, as the Minister said, a bit of a Holy Grail here. I went to Germany this time last year, because it was reported to us that the Germans had invented something like this. When you went and investigated what they were doing, they are actually applying the same techniques that we do in the United Kingdom to German jobseekers. There is no foolproof tool. I know you will have people like Policy Exchange and others in front of you saying, “The Department should do this.” The Department is trying to do this. It is very difficult to do. Be under no misunderstanding: if you present with these kinds of problems in front of an adviser, then an adviser will try to get to that problem where the person will admit. Very often on literacy, they will not admit they have a literacy problem or a numeracy problem, because they have masked it for a long time. It is a bit of an art; this is not a science. A new system or process that we put in place to do this will miss some people. They will go through the system because we do not have perfect knowledge of the people coming to us. It is a process of investigation, exploration and also, for that individual, them accepting that they might have a problem here. They may not accept that they have a literacy or a numeracy problem, for example.

Q478 Nigel Mills: Presumably the idea of the early intervention is that you get people into work who otherwise you spend a lot of money on later. Presumably, by spending the money earlier, they are still more motivated and they are still close to the job market, so I guess there is more chance of success. How much more refined does the tool need to be to break even? Is it a million miles off being break even in terms of cost versus advantages, or does it just need to be 20% better or something?

Neil Couling: That tool, in effect, would increase by two-thirds the cost of the Work Programme if you implemented it nationally. That is a sense of getting so many cases wrong, if you pulled that early intervention on those individuals wrongly forward. These are people who got jobs with the help of Jobcentre Plus at a rate that the tool did not expect them to do. The breakeven point is actually a very high threshold here. We are trying to identify that 8%.

Ester McVey: Looking at it another way, if you then put that money into those people who did not need it—look at the opposite side—then you have deprived the people who do need that money for more support, because you used it in supporting the wrong people. You have to view it from the other side as well: we need to make sure we put the most money with the people who need the most support.
and the diagnostic process, if not the diagnostic tool, is still very important?

Neil Couling: Yes, the initial diagnostic is extraordinarily important.

Ester McVey: Hang on a second. I would just delve into what the question said there, because regarding this notion of getting it right first time, as I said at the very beginning, nowhere in the world has got it right first time. We are exploring the best ways to do that segmentation here in the UK, and if it were possible and you could do it, that would be brilliant. As that is not the case, what we have to do is go through a process, which is what we do.

Q482 Debbie Abrahams: Thank you, Minister. What I think you are saying then is nowhere in the world, apart from Australia apparently has a process—

Ester McVey: No, that is not true either, because we have just tried it.

Q483 Debbie Abrahams: It has not worked here. It is not transferable to here but it works in Australia. The principle of having a tool that works in diagnosing the needs of somebody—

Ester McVey: Hang on. We asked for the actual—

Q484 Debbie Abrahams: It does not work here currently, but are you exploring a tool to ensure that we get it right for us, and not just in terms of getting people off register, but making sure that they are going into sustainable employment?

Ester McVey: There are two things there. We asked for the findings on this research that Australia is doing it so well. Actually, there is not that, as you keep giving, definitive information that this is the outcome from Australia, hence we took it on board and tried it. You are giving as fact something that is not a fact.

Q485 Debbie Abrahams: just a minute, Minister. That does not make any sense.

Neil Couling: Australia did not have a recession. Australia rode on the back of the commodities boom, in terms of exporting to China and so forth. If you look at the performance of the Australian labour market when we had similar rates of GDP growth, in the first part of the 2000s, the UK labour market outperformed the Australian one with them using this tool. Clearly, what Centrelink uses in Australia is a matter for them. I cannot comment on whether that is right or wrong for them; that is their choice. When we tried to put it here, it just did not work.

Q486 Debbie Abrahams: It is not transferable. That often happens when you use different tools that are developed in different settings. Would you accept, first of all, the principle that I think you are accepting and the fact that a diagnostic assessment that does not include whether somebody is homeless is a flawed process?

Neil Couling: I am not accepting that a diagnostic interview would not uncover the fact that somebody is homeless or not. They may not represent as homeless, so they may say, “I’m living at this person’s house,” and we may think that that is an arrangement that they have entered into. As I am saying, you do not get 100% disclosure at the first engagement anyway, between claimants and us.

Q487 Anne Marie Morris: Minister, clearly what we want to do is achieve sustainable outcomes for these individuals. Currently, the performance measures are very much focussed on off-benefit. You measure at different weeks as to how many individuals have actually come off benefit. How can you guard against, if you like, the creaming and parking? How can you ensure that Jobcentres are not therefore focussed more on those easy to get off benefit, rather than focusing on who we can really get into work, because that is not measured?

Ester McVey: It certainly is not set up as creaming and parking. As I said, somebody will come to you: they will need support; you will do the interview; you will find out what they need; you will support them as best as you can.

Q488 Anne Marie Morris: We are getting into talking about the measures now. We have heard all about that.

Ester McVey: The process is roughly as such. You want a different form of measurement is what you are saying.

Q489 Anne Marie Morris: I am asking you whether or not the form of measurement we have works, because my concern, and I think the concern of many of the witnesses that we have seen, is that it is focussed on measuring those who go off benefit, as opposed to measuring whether, in the future, they take on employment and how long that is sustained.

Ester McVey: That is your question then. Sorry, your question was not measuring the way we deal with off-flow but measuring going into a job. That was the question. To be fair, we have looked at both, looking at what are the pluses and what are the minuses. It is probably a simpler measure looking at off-flow. We can do it with certainty and we know what is happening there, and then, when you look at the sheer volumes going through, you have to say that reasonable to be chasing up those employers? Is that the best use of time? Can we do that?” A cross the two, it is not deemed that that is the best way forward. However, what I can say is, when you have a tenth of the numbers that are going through on the Work Programme, they are measured that way. Have they got an attachment? Have they got a job? How long have they been in there? Really, it is best uses of resources and how we engage employers most proactively. Is it to follow up if somebody is there? Is it going forward or really are we engaging with employers to ask if they have the opportunities for people? Measurements are being done either way and off-flow has been deemed, in this instance, for the numbers we are dealing in—400,000 people a month—the best way to do that measurement.

Q490 Anne Marie Morris: What is the justification for deeming it to be the best, if we exclude, for the moment, those who go on to the Work Programme?
Forget for a minute what you do, because you have explained that there is a different system once they get on to the Work Programme, but not everybody gets on to the Work Programme. In terms of the justification for the money we spend on Jobcentre Plus, looking at the measures we use, you are saying that, at the moment, it is deemed to be more cost-effective to measure off-benefit rather than sustainable employment.

Ester McVey: It is also the relationship with employers as well; if it is 400,000 people a month and you are checking them, calling up employers and following it, it is the work intensity for the individual as well as your engagement with employers. It has been deemed on many levels that is not our best way of engaging necessarily with employers. We want them to give people jobs, not to be monitoring what they are doing and where people are going. There are lots of reasons.

Neil Couling: We used to do this. We used to have thousands of people in the Department who would do follow-up, we used to call it, with employers with lists of claimants that we had to vacancies. “Did you take these people?” What it did was completely sour our relationships with most employers, because they were fed up taking the calls and they were fed up checking their admin records for this.

What we could do in the future and what we are exploring at the moment is using the real-time information feed that HMRC now has, which is supporting Universal Credit, to move us to a situation where you could measure jobs. Right now, running a big-volume business as I am, off-flow is the best measure we have of the kind of activity of Jobcentres. We know it is not perfect, but I need employers. My relationship with employers is extraordinarily important; and I would not want to compromise that by going back to a system where we basically bothered employers every day.

Q491 Anne Marie Morris: I understand that, but you mentioned RTI and the changes to the PAYE system; you are absolutely on the button there. Are you actively looking now, because RTI is not that far away, at the systems and processes that you would put in place and the new performance indicators that you would use, so that we get that information? I think you are validly saying that is more useful information, provided it is cost-effective, than just off-benefit.

Neil Couling: It is. I recognise that, when we are in Universal Credit, the nature of what you ask Jobcentre Plus to do changes as well. It does not just become about getting people into a job. It becomes about sustaining people in that job and it becomes about progressing them through. RTI is the way in which you can judge some of that. We do have a tactical choice to make about when you cut over to that. I do not want to cut over two or three times. I want to change the system of targets inside the organisation once because, every time you change the system of targets, it is quite a huge change inside the organisation on this as well.

Q492 Anne Marie Morris: What is your timeline on this? RTI has got a timeline, so we now have some certainty as to exactly what is happening when. What is the timeline that you are looking at to deal with using these measures in an effective way? We all agree they are better measures long term.

Neil Couling: The judgment we have to make is at what point Universal Credit reaches such a size that it makes sense to cut over to that kind of modelling and that approach. You will know ministers are considering what the next phase of Universal Credit looks like, and I think you have an evidence session with the Secretary of State and the Permanent Secretary coming later on in December. I cannot move in advance of some of that work.

In theory, yes, you can do all this. It will require some seriously clever people looking at how you manipulate the data to make this work, because what you want is active management information to drive behaviour in offices. I do not want to lose that. That is currently what I have with off-flow. I know essentially in order to meet targets who I have to off flow in any cohort or any jobcentre. If you go into a jobcentre, they can tell you the names of the people they are trying to place into work that week in order to hit some of these targets. Off-flow is a very active, very successful system at the moment. I want to be certain that, when we cut over, I am getting at least as good from the real-time information feed. That has not been developed yet. In theory, yes, but in practice there is a fair amount of ground to cover before you can cut the organisation over to that.

Q493 Anne Marie Morris: We have looked at the two measures. One is off-benefit and the other one is sustainable work outcomes. One of the things that I find curious at the moment is that, in terms of understanding why people are off benefit, only about 40% of the individuals off benefit seem to be people for whom you have information as to why. It seems to me, if we are going to move across from off-benefit to measuring sustainable outcomes, trying to understand the reasons why people are coming off benefit is relevant. Is there a reason why the question is not automatically asked?

Ester McVey: We do know that. We know that nearly 70% of people who come on the off-flow will go into work. We know 60% will go into full-time employment; 26% will go into part-time employment; and 13% will go into self-employment. We do have these figures of what people are doing and where the off-flow is.

Q494 Anne Marie Morris: Then why does the National Audit Office say that in 40% of cases claimants leaving benefit are not asked why they ended their claim?

Neil Couling: We did for a while some leaver surveys of those leaving benefits, and that was the National Audit Office questioning that, because different samples do show different outcomes here. They were as frustrated as others, as all of us are, that you cannot easily focus on people into jobs. The thing about off-flow I would just mention is there is some good off-flow as well. Some people who are actually working will get caught by the regime and just excuse
themselves from benefits. Not all non-into-jobs off-flow is a bad thing to have either.

Q495 Anne Marie Morris: What is the process now for getting the information as to why they leave? Is there an automatic question asked? You talked about that as a pilot, and yet the Minister talks about clear statistics about who goes where. That assumes there is a clear process for when you are off benefit.

Chair: Can I just update the statistics that you quoted from. Minister? My understanding is that the destination surveys are only done about every six years. The last one was 2011; the one before that was 2004.

Ester McVey: The one I have here I am assuming is the very latest, so it would be 2011.

Neil Couling: That is the destination survey from 2011.

Chair: 2011 is still quite a bit out of date. There are no current figures for the destinations.

Ester McVey: Except we do know we have got a million more people in jobs. What we do know is that the stats at the moment are far better than they were in 2011.

Q496 Chair: Anne Marie’s question was why Jobcentre Plus does not ask the question of why someone has come off benefit. That was her question, and you do not systematically ask everybody who stops claiming benefit why. It is an obvious question.

Neil Couling: One reason why is we have 14,000 people leaving JSA every day. I could ask everybody why they left JSA every day, but it is just managing that kind of information—that is 75,000 a week.

Q497 Chair: There could be an increase of people who are coming off JSA because they do not get any money and, with the various conditionalities now, they think it is just not worth signing on, because their contributory JSA has run out and they do not get any other money. You will not know that.

Neil Couling: That is why we use the destination survey rather than asking everybody, for example.

Q498 Chair: But it is six years apart, when government policy has so rapidly changed in the most recent years.

Neil Couling: It is not six years since we ran the survey but, yes, there was a six-year gap between the 2004 survey and 2011. There was a rather big recession in the middle of that period as well going on. To be frank, we were focussed on dealing with the recession.

Q499 Chair: That makes it even more important. It seems incredible that you do not ask the people who have come off benefit why, because you cannot make the assumption they have come off benefit and gone into work. You certainly cannot make the assumption they have gone off benefit and gone into sustained work.

Ester McVey: What we do have and what we do monitor in other ways are things like the labour force statistics, so I can say that 50,000 young people found a job in the last quarter. We do know what is happening and we do have figures from other statistics, which we can move in and add into those.

Glenda Jackson: The stats are unreliable for the whole Department. The National Audit Office has already laid that on the line.

Ester McVey: I do not agree with that.

Q500 Glenda Jackson: I would not expect you to. You spoke about targets and, in the past, we have been told there are no targets in Jobcentre Plus, but how do you decide, when someone has come off benefit permanently—they are not appearing at Jobcentre Plus and not meeting the requirements—some kind of penalty should be imposed on them, like taking their benefits away? How do you know? Somebody decides, “I’m not bothering with trying to claim benefits anymore. I don’t like the process; I’ll look after myself,” and they do not come in anymore. There will be a point when the people in Jobcentre Plus say, “Right, this individual has not turned up, so we are going to stop their benefit.” How do you know? When does that come into play and for how many people?

Neil Couling: Two points: we have never said there are no targets in Jobcentre Plus.

Glenda Jackson: Excuse me.

Neil Couling: What we have said is there are no targets for sanctions. The second thing is: what do we do when somebody fails to sign on, which is what you are asking about? If they cease to sign on every two weeks, we hold the claim open for five days, because there may have been some difficulty getting to the Jobcentre or something else may have happened. If we do not hear anything from them, we close the claim.

Chair: We have a couple of questions on sanctions coming up, so can I leave that?

Q501 Sheila Gilmore: Can I just follow up on the research issue? There was a piece of work done about people who had been found fit for work through the ESA process. That was published in 2011 and, rather alarmingly, it found that 43% of those people, after a year, were not in work or on any other benefit. In other words, they may have gone from ESA to JSA to running out of JSA to not getting a job, but 43% is an awful lot of people. Have you carried on any further? Has that research just stopped at that point? Has there been any further follow-through?

Neil Couling: I do not know about that particular research.

Q502 Sheila Gilmore: It was your research: it was published on your website.

Neil Couling: I do not know about every piece of research on the website, so I am sorry. We will hopefully get back to you.

Q503 Sheila Gilmore: It is quite important, because it may be that things are much better now, but that is a lot of people who, after a year, initially went on to another benefit, which would have been JSA but, after a year, 43% of that cohort were neither on one of those out-of-work benefits nor in a job.

Neil Couling: The things that we do know are that the employment rate for disabled people is rising. We...
Ester McVey: We do that. You have to separate out time to make sure it is delivered in the best way, at the right time. The Government should be doing everything it can to extend that flexible pot and, if you like, rebalance it. Many have said that, if you really want the training to be effective, one needs a more flexible approach. Have you considered looking at a more flexible approach and giving Jobcentre Plus the ability to really identify, for each individual, wherever they are in the system—whether it is under six months or over six months—what is appropriate for them? That might mean you waste less money and you get better outcomes.

Q505 Anne Marie Morris: Can we now move on to long-term training? Clearly training is key to some of these individuals and getting them back into work. Currently, you have a different provision, but it is a fairly fixed provision. I think it is two weeks if it is under six months, and they can have eight weeks if it is beyond that. Many have said that, if you really want the training to be effective, one needs a more flexible approach. Have you considered looking at a more flexible approach and giving Jobcentre Plus the ability to really identify, for each individual, wherever they are in the system—whether it is under six months or over six months—what is appropriate for them? That might mean you waste less money and you get better outcomes.

Ester McVey: We do. We have a flexible support package and that is entirely what we do. We take two-week traineeships. You get your training, yes, which everybody can do, but if somebody specifically needs it and they believe it is with a view to getting a job and it is key, then that money would be used from the flexible fund to support those people.

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Q507 Graham Evans: Just a quick question from me. Chairman, it is a topical question. It is Alcohol Awareness Week this week. What assessment do you do for those claimants, perhaps those harder-to-place claimants, for alcohol help or substance issues? How do you assess those people to help them away from the addiction and the problems that causes getting them into employment?

Ester McVey: That is a very key issue. Alcohol does bring about so many different problems in the immediacy and in the long term. Again, the person who is coming into claim might not necessarily believe they have the problem, so again it is about trust. It is about this two-way relationship and people maybe admitting where they need help and support as well. In that instance, there will be different avenues and different support to push them along. Equally, this would affect their conditionality. This would affect the
extra support that would be given there, and also leeway and good cause measures to them.

**Q508 Chair:** Can I just pick you up on your last answer to Anne Marie in terms of flexibility? When you are talking about flexible support with regard to training, are you not talking about being flexible with the set timescales that Anne Marie set out, are you?  
**Neil Couling:** In principle, I have no objections to looking at that, but understand that the fixed periods are there because of this allocative choice problem we have. What I was saying, as the Minister said, is that the Flexible Support Fund effectively allows people around that difficulty. If you have someone who is in the first six months and you think they need more than two weeks' training, you could use the Flexible Support Fund to buy an intervention, for example, for that individual.

**Chair:** It would still be two weeks.

**Neil Couling:** As I said, back to the question one answer, because you cannot necessarily spot who is going to off flow before six months, as well as who is going to off flow at 12 months, with absolute certainty, you run the risk of spending money on individuals who actually do not need it.

**Q509 Chair:** What are the colleges in their evidence suggested is that you have a lot of retreads. They have had people in earlier who could only do a fixed time of training, and then they get them back once they are on the Work Programme, mandated, to do exactly the stuff that they should have done in the first place, but they were not able to because of the time constraints.

**Neil Couling:** Luckily, they have perfect vision in hindsight, because that person has gone to them through the Work Programme. They are not seeing a bunch of people who would never have got to the Jobcentre Plus offer, which is why on the 28th or so the system is set up to achieve that. My slight dig at the NAO was that, when they looked at that and made comment in their report—in fact, I gave evidence to them—they used it in isolation. You have to see the totality of the system and what is going on, the whole Jobcentre Plus offer, which is why on the 28th or so we are publishing an evaluation on the whole of the process inside Jobcentres and not just taking isolated bits and saying, "You only spend four minutes there, Neil," or "You are only doing this here," or "You’re not doing that." You have to see the totality of what we are doing and the results we are getting from that, because we are getting results on off-flow that are well in excess of the kinds of targets we have been set.

**Sheila Gilmore:** That will show how long people actually spend with advisers.

**Neil Couling:** Yes.

**Q513 Sheila Gilmore:** Will it also say how many employment advisers you have in Jobcentres?  
**Neil Couling:** Employment advisers? I will just check. This may just be bureaucracy, but my employment advisers are the people who work with employers.

**Sheila Gilmore:** Sorry, I meant the ones who work with jobseekers.

**Neil Couling:** There are 1,500 people who work with employers and we have about 24,000 advisers and assistant advisers. In fact, we did produce some data for the NAO report you were looking at.

**Q514 Sheila Gilmore:** Has that number gone up or down in the last two years?  
**Neil Couling:** The number is going down but, then again, unemployment is going down.

**Q515 Sheila Gilmore:** The new Claimant Commitment is going to ask people to spend a full 35 hours per week jobseeking. How is that going to be judged? Presumably people are not going to be in the Jobcentre any more often. How are you going to judge whether somebody has spent 35 hours a week?
Ester McVey: There will be a combination. Yes, they will be looking at how many jobs you have applied for, how many interviews you have had, how many people you have gone to see. I guess there is an element of discretion in there. What we are trying to do is just make sure that people are doing as much as they possibly can do to get a job. That is what we are saying; view it as you are in a job to get a job. When you are claiming your Jobseeker’s Allowance, have that in your mindset. That is what we are wanting to do; we are wanting to support you to enable you to get a job and progress in life. It should be a very positive relationship.

Q516 Sheila Gilmore: You are looking then to people supplying some evidence that they have done that. Is it going to be, “You have not done enough. You have not done 10; you have not done 20”? Ester McVey: There is that. There is, “Have you done enough? Does that look like a reasonable amount?” That is when you will discuss it and say what you have done. Equally, should you have said, “Well, I went out, I met a person and had an interview,” that could be part of the claimant commitment to get there, an hour to meet with people and an hour to come home. You could justify that time and that would be reasonable.

Sheila Gilmore: Are people expected to keep a diary? Neil Couling: Yes. As part of the Claimant Commitment, there is this document called My Workbook, where they are expected to keep details of what they have been up to and what they have been doing. We are trying not to set minimum expectations, because we found, when we trialled this, that if you encourage the claimants themselves to set out what they are going to do, they will actually do more and feel more comfortable and more ownership of what they are being asked to do, rather than the adviser saying, “You must apply for six jobs,” or “You must do this or that.” It is much more of a discussion and it is using some behavioural science to try to encourage people to take ownership and have much more of a dialogue with us about just what is going on and what is getting in the way—so how some of this is going.

Q517 Sheila Gilmore: What I am having some difficulty with is working out how all of this is going to happen within the workforce that you have. A minister said that they were trialling having two 90-minute interviews within the first month of unemployment, which sounds very good. I do not know if that is happening everywhere, if it is just happening in some places or in how many places that is happening, plus we have this discussion with people over whether they have spent their 35 hours. Is all this actually going to happen in practice? Ester McVey: When you look at the journey that Jobcentre Plus has been on, particularly from 2007, and you see that between 2007 and 2010 the workload doubled during the recession, they dealt with that; they worked with that. They redeployed, to use that word, as best they could, and we are now finding we are moving away from those large volumes that fundamentally doubled in a short space of time to “How do we have more in-depth support with people as the number going to Jobcentre Pluses eases slightly?” That will not be an easy thing to move people around and reposition people around, but that is fundamentally what Neil and his team have been doing in the last couple of years.

Neil Couling: As of 4 November, we had Claimant Commitment rolled out in 74 Jobcentres. We will have half of them done by the end of the year and the rest done by April. We are on track to do that. It is a big change; it is a big cultural change. It is a change in the relationship between the claimants and the advisers. In fact, we are renaming the advisers “coaches” to try to get across that this is a change of relationship that is going on here. It is a big change but, as the Minister said, the falling volumes are presenting us with an opportunity to redeploy some resource in there. My resources are not falling as fast as the volumes are falling, because we recognise we have to invest here to help people. Coming out of the last two recessions, folk got left behind and we do not want that to happen this time.

Q518 Sheila Gilmore: Some of the announcements and statements do sound good. Two 90-minute interviews within the first month of unemployment does sound as if it is going to give people that sort of intensive help. Is that going to be done everywhere? Is there going to be a report on its effectiveness? You tell us about a lot of things you have tried, but I still have not heard from you if any of these things are reported on in a public way, so that we can hear about them.

Neil Couling: The Claimant Commitment will be rolled out by the end of April. We will be evaluating how that is going, because it is a key part of the Universal Credit reforms. Obviously, Universal Credit is rolling out at the same time and rolling out to different claimant groups. The Claimant Commitment is just about the flow of people on to Jobseeker’s Allowance and on to Universal Credit itself, and people who are returning from the Work Programme, so it will not be covering everybody on JSA.

We will be evaluating that, because we will not have got everything right. We trialled this in Essex. We also trialled it in a couple of other places across the country. What we are implementing is a hybrid of that Essex trial and the approach we trialled in Pathfinder sites in that part of Manchester. All I have asked people is, “Let me just roll that out and see what that does before we start playing with it, and start using the evaluation from it and experience.” I am sure we will be improving it. That is what we did with the JSA regime from 1996. It has been through a number of changes and modifications. At its core, it is still the same as what we had in 1996, but we have modified it in the light of experience. I am sure, if the Committee is interested, we can come and tell you about how Claimant Commitment is going.

Q519 Sheila Gilmore: Are the two 90-minute interviews part and parcel of that or is that a separate initiative? Neil Couling: You are referring to some announcements that were made in and around the Spending Review. It is a measure of flow and people coming on to benefit. Obviously, that gets wrapped
into the new Claimant Commitment regime. Yes, it is part of that process, but that is not currently rolling out right now as part of Claimant Commitment. It will come later when the funding for that is deployed within Jobcentre Plus.

Sheila Gilmore: It is not happening anywhere yet.

Neil Couling: The extra 90-minute interviews are not. That is part of the Spending Review package, I think.

Q520 Teresa Pearce: Regarding the Essex trial you just mentioned, you said before that, when people come off benefit, you do not track them because it is too big a job. Are you tracking people in that trial when they come off benefit?

Neil Couling: Not as part of the work for Claimant Commitment, no, and that trial has ended. It ended five or six months ago.

Q521 Teresa Pearce: You do not know, but there is a presumption that there is a reduced number of people on benefit because of the trial. There is a presumption that it is because they have gone into work. You do not know that they have gone into work, but you go on the basis of presumption.

Neil Couling: What we are tracking and what we are using is our off-flow data.

Teresa Pearce: They are off benefit but not necessarily into work. They could be dead.

Ester McVey: This is a different trial. This is a trial for Claimant Commitment to check that the Claimant Commitment is working and that people are engaging it and doing it. We were not analysing that in the data you were requesting there; we were doing it for buy-in and how the Claimant Commitment was working.

Q522 Teresa Pearce: How will you tell if the Claimant Commitment is working if you are not tracking the people who actually come off benefit and go into work?

Neil Couling: Off-flow.

Q523 Teresa Pearce: That is exactly the question I just asked. You are looking at the trial and you are thinking there are people coming off benefit, so therefor I say, success, but unless you track why they come off benefit, it is a possibility it is a success, but you cannot prove that, yet you are rolling it out on a presumption.

Neil Couling: Off-flow, as a measure, measures some things that you might think are a good outcome, like getting a job; some things that you might think are not a good outcome—

Teresa Pearce: Like going to gaol.

Neil Couling: Yes, like going to gaol. It also measures some people who were working and who, because of the regime we have applied, have decided they have not, which in my book is good off-flow as well.

Teresa Pearce: That is one of the reasons for more intervention, so that people who were working and claiming no longer can do that. I understand that.

Neil Couling: As I said, we are now rolling this out nationally so, for the same reasons I gave—the volume numbers of people leaving benefits—it is not easy without bothering an awful lot of employers to chase up the employment outcomes of individuals.

Q524 Teresa Pearce: You could bother the person who has come off claiming. There is no problem about bothering them all the way through the claim.

Neil Couling: Yes, I could run another destination survey.

Teresa Pearce: Would it not be good for your Department to be able to show that you actually had a successful outcome, rather than just people stopping claiming, unless that is the desired outcome—just to stop claiming rather than get people into work? It is a suggestion.

Chair: That is just repeating the questions we asked earlier. Claimant Commitment might put people off from claiming, especially if their contributory JSA has run out and they get no money. There is nothing in it for them, apart from obviously a job, but there is no guarantee. Is it something different, Glenda?

Q525 Glenda Jackson: It was actually still on Claimant Commitment and whether there is any assistance. The Minister gave what I thought was a quite realistic journey time for going to an interview, particularly for people who live in rural areas—an hour there on the bus, an hour for the interview and an hour back. My question was going to be: is there going to be any kind of financial support for those people who have to pursue work physically by taking buses or trains, moving outside their own immediate area?

Ester McVey: Yes, if somebody needed support, that would be where they could get assistance from the flexible fund, if the think there could be a job outcome and they are really trying hard and doing an interview. Yes, they could apply for money from the flexible fund.

Q526 Glenda Jackson: Does that mean that Jobcentre Plus makes the choice amongst those claimants who have already signed up for Claimant Commitment or is it universal for all people who agree to the Claimant Commitment? The flexible fund as we know it in other areas does not work.

Ester McVey: If it was deemed that you needed money to do this—maybe it is exceptional for the circumstances or you could not do it within your budget—then it would be looked upon favourably, I am right in saying, so they would get support.

Neil Couling: I have seen some claims for travel turned down, but that tends to be where we have some doubts that there is actually a job involved in that travel. In general, you will see travel claims met, particularly when they are within the travel-to-work area.

Q527 Glenda Jackson: The Claimant Commitment then, if they were granted that money, would mean they would be expected to produce the bus ticket and the details of the interview they had been to. Is the working week five days or six days? You are not going to get a lot of interviews in a normal working day.

Ester McVey: It is whichever company realistically gives you that job interview. I do not know what job somebody is going for but, if it is the leisure industry, it might have been maybe a weekend interview. If it was in an office, it could be a daytime interview. Most
of the interviews I have ever done have been during Monday to Friday.

Q528 Glenda Jackson: This is what I am saying to you. The requirement on the Claimant Commitment is 35 hours a week. What is that working week for the claimant? Is it Monday to Friday, or is it Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday?

Nigel Mills: We are not going to say to them, “Oh, I see you were looking for work on Saturday; that doesn’t count,” if that is your concern.

Q529 Glenda Jackson: No, that was not my question. I will try again. The point I am trying to make to you is, if it is a five-day week that the hours are going to be spread through, then the capacity for getting enough interviews during that five-day week is fairly rare. Presumably it could be a six- or a seven-day week.

Ester McVey: You are looking at the time. It is up to an individual to—

Glenda Jackson: You have set the time at 35 hours.

Ester McVey: It would be up to the individual to choose that time whenever it fitted within their life, the job they were going for and what they are wanting to do. Again, there is flexibility within that.

Chair: I think we are getting away from the subject, so we will move on. Nigel, on to Universal Jobmatch.

Q530 Nigel Mills: Can I take you to Universal Jobmatch? Perhaps you could just set out your assessment of how that is going and what plans you have to take it forward.

Ester McVey: Universal Jobmatch has been a major step forward in a way to help people look for a job online and to connect more employers with the whole Jobcentre Plus and engaging with individuals. I know at the moment we have about half a million companies that are engaging with Universal Jobmatch, 12,000 new ones per week, and at any given one time over 60,000. This is not a solution in its entirety—not every business is on there—but it is an extra tool and extra support for people looking for work. People who I have spoken to have said they found it very helpful. It is the fact that it is constantly looking for people. It is quite well. Where we need to support people, we will get to people so they can better use the system when they want to use Universal Jobmatch. We are living with some of that.

Are there some rough edges around the system I would like to change? Yes, there are. We have plans with Monster to do something about the fact that the registration process is quite cumbersome for individuals. If you forget your password, you have to re-register, and we think we have a technical solution around that that will help jobseekers.

Q531 Nigel Mills: You will be aware that there has been some concern that some of the jobs on UJ are a bit dubious—all those duplicates, and things are pretty poorly categorised. Do you have plans to try to smooth out those issues in the system?

Neil Couling: There is a dilemma here about what you want to do with this as a tool. We could rigorously police it down to the point at which it shrank in size, but the clue is in the name: we wanted it to be universal. When you do that, you buy the fact that there are some duplicates. If you are a jobseeker, you do not just look on Universal Jobmatch. They use it...
Neil Couling: There is a question of putting the system in. The thing with getting 41 million searches is it is a much bigger system than Monster thought they would be taking on. We thought it would be this size, and we have really driven it through; in terms of the number of jobseekers now not using Universal Jobmatch, it is very small. I think it has been coping with that and coping with the implementation, and then us realising what we can use it for as well. Quite a lot of advisers are now using Universal Jobmatch to send jobs out and ping alerts to people, and do some things like that. There is a question of a learning for us from both sides. A lot of the data requires a bit of mining, so you have to set your miners at work to pull it out.

Q535 Nigel Mills: Can you envisage Jobcentre Plus being able to use UJ information to help claimants? Presumably, the CV analyser and matcher could feed out a report that says, “This CV matches very few jobs within a 10-mile radius.” Is that a functionality you are going be looking at, to use that as a diagnostic tool, rather than just counting how many jobs they are applying for?

Neil Couling: Some of the other countries have been using this. I will not attempt the pronunciation, but the Flemish agency—VDAB is probably the safest thing I could call them—is using it to understand their skills position in the Flemish part of Belgium. They are sending that information back to their education providers about where they have gaps, so people coming through with skills gaps, and then what their education system, and in particular adult education system, needs to produce. We have just scratched the top 10% of this now as we develop this, so I am in discussions, because we are effectively all using a similar sort of thing now across the advanced labour markets in Europe, using the same sorts of systems. How are they exploiting theirs and how could we exploit ours in the UK?

Q536 Nigel Mills: That sounds very interesting, but the question I was looking at was, for an employer, the system will tell you who the top 50 or 100 are. Presumably, there is a reverse analysis that could say, for each jobseeker, “Actually you were not in the top 100 for any of the jobs you applied for.” Is that a report that could be made available to the jobseeker or to the JCP adviser to try to say, “Actually this guy is just applying for completely the wrong jobs or his CV is completely inappropriate”?

Neil Couling: I would hope the adviser was aware of what they were applying for and watching some of that, but, in theory, yes; you could use that to say, “You have had no responses from employers from so many applications you have made with this CV. What is wrong with that CV or are you aiming at some jobs that you just do not have the skills match for?”

Q537 Kwasii Kwarteng: I want to ask a question about the Youth Contract trying to get young people back to work. As far as we understand it, there are 160,000 wage incentives available over three years to employers, and just 2,000 of these payments have been made in the first 14 months of the scheme. As far as the employers are concerned, the Recruitment & Employment Federation said there was a “complete lack of awareness” of wage incentives amongst employers. What is the Department doing to raise awareness of this scheme?

Ester McVey: The Youth Contract has got various component parts to it. You are right there is the wage incentive. There is also the incentive now for apprenticeships. There is also work experience and the sector-based academies. When it started brand new, you thought, “How many would go into each?” It was interesting that work experience is the one that has fundamentally doubled, up to 113,000, and done very well, but you are quite right that the wage incentive had a slow start. What you saw was 1,000 a month originally coming forward and 21,000 by the first year of people using the incentive payments. However, through extra work, through telling employers more about this, we are now seeing 4,000-plus people a month coming forward for the wage incentive. Yes, it was a slow start. Coming forward, it is 21,000, but I have some numbers a little bit later than the numbers you were talking about, but they are processed amounts already. Of course, you do not get the processed amount until you have been in work for a certain amount of time.

Q538 Kwasii Kwarteng: With regard to my specific question, is there anything specific that you are doing to try to raise awareness of the incentives?

Ester McVey: Yes. We are pushing it out through Jobcentre Plus. Equally, as employers understand that it is working, it is being taken on board. We have done surveys, and now employers are saying, “We would be 86% more likely to use it again because we see that it has worked.” Yes, we are doing that.

Q539 Kwasii Kwarteng: Essentially, what you are saying is that it was a slow roll-out, but you feel that you are doing the right thing, in terms of getting awareness.

Neil Couling: At the start, it was just being done through Work Programme providers and then, in January, Jobcentre Pluses were asked to get involved and asked to do 3,000 a month, pushing these out. About four months ago, we hit 3,000 a month; we are now up to 4,000 a month. The fact that we had as much engagement with young people and employers as the Work Programme was having—we had our big battalions on it—is what is making the difference on it now.

Q540 Teresa Pearce: Mr Couling, you might not be able to answer this off the top of your head. If you cannot, I would be grateful if you could provide it to the Committee. It is about the procurement for Jobmatch. Regarding the original Department procurement, a freedom of information request showed Monster was neither first nor second on the original procurement. There was a problem with the procurement, it was re-run and then they won. I would like to know whether or not they were in the running in the first procurement and whether they changed their bid in any way. The reason I ask that is because
you have mentioned that there are things that need refining, and I would want to know whether or not you are going to have to pay them more for those refinements or if it was in the original bid. I understand you might not have that information to hand.

**Neil Couling:** I have not got the full information to hand. I do know that the specification for what became Universal Jobmatch changed and it was a very long procurement. It went over a number of years. It was originally designed to replace the Job Points that you will have seen whenever you have been in Jobcentres. It changed in that process, but let me get you some detail on that.

**Q541 Teresa Pearce:** It is just to know because, as we have seen with other providers of different types of IT, quite often they will, in procurement, promise it will do certain things, and then, when it does not, the Department has to pay more for what they originally thought they were going to get.

**Neil Couling:** In essence, what I bought from Universal Jobmatch was a managed service. For example, regarding the questions from Mr Mills about data and so forth, that should be part of that managed service. If I want to change the functionality of the system, then I will be in some kind of contractual negotiation with them about whether that was within the contract or not.

**Teresa Pearce:** Just some clarity about that would be good.

**Neil Couling:** Let me get you a note on that.

**Q542 Nigel Mills:** Can we switch to the Universal Credit roll-out and particularly the Local Support Services Framework? I think we got the broad outline framework some nine months ago, but there are still a lot of questions out there about exactly how the support for vulnerable claimants to deal with the transition to Universal Credit is going to happen. Is there any update you can give us on how this is going to work and when we might see some further action?

**Ester McVey:** We have done the first set of Pathfinders, which was in the Ashton-under-Lyne area, so we know we are monitoring that. We are now set on a second set within the Hammersmith, London, area and we are rolling that out. A slightly different set on a second set within the Hammersmith, London, area, so we know we are monitoring that. We are now set on a second set within the Hammersmith, London, area and we are rolling that out. A slightly different set of people are going to be using the Universal Credit and, as each bit of information comes in, what we have always said is we will do it slowly to make sure that we have gathered all of the information we need to and ensure that it is working properly.

**Q543 Nigel Mills:** In terms of how everyone is working together to support those vulnerable claimants who perhaps will not be used to managing monthly budgets or having all the money directed straight to them, how is the work progressing on that framework, engaging the local authorities and the charities, etc., to provide that help to people?

**Neil Couling:** What we have for the Pathfinder jobcentres is effectively proto-LSSF arrangements there going on. For example, in Ashton, the local council has subcontracted the Citizens Advice Bureau to provide those kinds of services for them, and we are funding some of that. We are obviously in discussion with the LGA for England, COSLA for Scotland and I forget the equivalent body in Wales about what the arrangements should be as Universal Credit rolls out across the country, and learning from the Pathfinder experience just what it is we need to do. The thing about the Pathfinder experience, as I do not need to tell this Committee, is that it is a narrower range of claimants than the full thing, so it would be a bit risky to determine your actual LSSF—I can hardly say it; it is probably this moustache—needs from that experience. We are trying to learn. We are still in discussions with the local authorities. I was with a number of local authority chief executives a couple of weeks ago. They were saying how well they thought these discussions were now going: us specifying clearly what it is we need from them, and then them working out how they provide those services. Some like Ashton will subcontract and some will try to use their own services to provide, I suspect.

**Q544 Nigel Mills:** Your discussions will have all this in place in time for funding rounds and planning a year ahead. It will not just be, “Can you start this in six weeks’ time and here is a bit of money? Get on with it.”

**Neil Couling:** With the Pathfinders, it is patched into live running. We launched in Hammersmith. We talked to Hammersmith Council about what we needed for many months before then, and have been with Rugby and Inverness, which go live next week, in fact next Monday. We have had discussions with the local authorities there. We are doing it quite pragmatically while we are constructing an overall plan for roll-out.

**Q545 Nigel Mills:** The framework document suggested that perhaps some or all of the payments for this help and support were on an outcome basis. It is not immediately clear how you can link an outcome to the fact I have given some budgeting support or I have given some IT training to use the system support. How can you link outcome payments to that discrete support?

**Neil Couling:** This is quite a tricky thing to do, because what we are trying to do, through the policy in total, is build us much self-sufficiency as possible into the system. We do not want people using extra support services unless they actually need the extra support services. We are trying to ensure that the payment regime does not incentivise parties to seek out more volume because more cash follows from it. That is what those words are about in terms of the
discussions we are having. We are trying to construct a mechanism that does not incentivise the expansion of help, but focuses it on those who actually need it. It is not easy.

**Nigel Mills:** The outcome is helping someone who needed help.

**Neil Couling:** Rather than getting everybody on to weekly payments in a particular locality.

**Nigel Mills:** It is not a case of saying, “This person got a job; therefore, you now get paid for the budgeting help you gave them three months ago.” It is not that.

**Neil Couling:** No, I do not think it is that arrangement.

**Q546 Chair:** We had local authorities in front of us. They were actually quite vague about what specifically was going to happen under the Local Support Services Framework. I have to say that you sound equally vague. I know that the roll-out of Universal Credit has been slowed down, and you are absolutely right it is a very narrow group, but it seems as though it is still not clear which organisations, whether it is local authorities, you, or advisers, are going to do which function in each area. Is that a fair criticism?

**Neil Couling:** I do not think it is a fair criticism, but it is a fact that we have not defined the service to a level of complete clarity yet, partly because we have had a series of pilots running that we are attempting to learn from. If you think about the direct payment pilots on housing benefit, they are coming to fruition. I was at one about 12 months ago up in Edinburgh, and it is about the learning from that. We are trying to dock our aspiration, which is to use, in the first phase of this, local authorities to contract with and provide these services, with the actual services we think we need.

One of the things coming out of the direct-payment pilots was that people were coping with direct payments much better than the housing associations thought people would. One of the things housing associations said to me was that they had no idea people had bank accounts. These were their own tenants, and they could see opportunities for themselves knowing that people had bank accounts. Give us some credit here.

**Chair:** The rate of arrears is still much higher than it was. Maybe it was not as high as they anticipated, but it is still pretty high. We are talking about vulnerable claimants. In the Edinburgh pilot, they had to take the vulnerable claimants out of the pilot.

**Neil Couling:** Given money is tight, you can forgive us, I would hope, if we do not want to pay for things that we do not actually need. That is where the debate is, and it is a good and healthy tension, because local authorities are realising now just how important Universal Credit will be for their own locale, so they actually want a footprint on UC as well. You can run a criticism that we should have this all defined and so forth, but I think there is an advantage in not having it so, because we want to make sure that the limited amount of money we have is going in the right way here.

**Q547 Chair:** The Secretary of State keeps insisting that the ultimate timescales for UC are still in place. There may have been a slow roll-out this year but, from next year, things should speed up. It still does not sound as though you are ready to make these kinds of decisions, if you are still analysing the various pilots.

**Neil Couling:** There are some serious discussions going on with the LGA and other local authority representatives about what should be in here and how the funding arrangements would work; will it be jointly commissioned, or will it be singly commissioned by Jobcentre Plus district managers? That is what the negotiations are around.

**Q548 Chair:** Local authorities are going to have to set their budgets in March, so they are going to really need to know what it is they are being expected to deliver. I know, both in Scotland and in England, their budgets are frozen. Council tax is frozen. They really do need to know what is going to be expected of them.

**Neil Couling:** There is some good news, though. The work we have done around the benefit cap has put Jobcentres and local authorities much closer together. There is an awful lot of learning out of that. I do not think this is a bad story. It is just both of us trying to make sure that we do not waste council-tax payer’s money or central government money where it is not needed.

**Chair:** Graham has got some questions on resource implications for Jobcentre Plus.

**Q549 Graham Evans:** Next April, there will be changes to those post-Work Programme people who have unfortunately been unsuccessful getting themselves into work. They will be required to sign on weekly; there will be community work placements and the addressing of barriers to employment—numacy, literacy, etc. What are the resource implications for Jobcentre Plus to successfully implement this policy?

**Esther McVey:** In the Spending Round 2013, an extra £345 million was put in place to help with the budget there. Moving forward, as more people flow off benefit, some of that money can remain within the system. Therefore, it will become cost-neutral going forward, but extra money has been put there, and the final funding will come through in the Autumn Statement for that. It is working with and getting the numbers right on who is going to go forward for the extra mandatory support. I was looking at, when you have daily sign-ons, what that really means for a third of those people coming off. It actually means 35 extra sign-ons per day, per Jobcentre. How do we absorb that? How do we cost that? How can we deal with that? We are confident we can.

**Q550 Graham Evans:** How will Jobcentre Plus decide which is the best option for that hard-to-place group of people?

**Esther McVey:** That will be a combination of things. It will be to determine from the information coming off the Work Programme whether this person, although they might have done two years, with a little bit more support would be really quite close to the labour
market now. Would they benefit from a little bit of community work or would they be helped with a little bit more intensive support? Really, it will be getting that information after the two years’ support they have been on: how close or how far away they are still from the marketplace. Some of them will possibly be quite close.

**Q551 Graham Evans:** In terms of those who successfully get into work, you are still formulating plans for in-work conditionality. Will this involve people who are in work on universal benefit going into the Jobcentre on a weekly basis?

**Esther McVey:** What we are looking at there—because most people would say this—is that a job is one thing but, actually, what we want to do now is have progression within the workplace. Where do we go from there? We are helping people with that and have 11 pilots working on that. How do we help people do the next step? How do we help them get more money, a higher hourly rate and work forward on promotion? That is what that is for.

**Q552 Graham Evans:** They will be required to go into Jobcentre Plus.

**Esther McVey:** They will be supported with that, yes.

**Neil Couling:** We are currently running about 10 pilots across the country, trialling different things with people who we have got into work and then, effectively, we are testing how we sustain somebody in work. We are looking at using follow-up interviews. We are not actually calling very many of them into Jobcentres. Some of them are being asked to come in. It is something that we actually did under the New Deal for Lone Parents many years ago; many of the personal advisers there would follow up with the lone parents and keep them in work. We are trying to rediscove in that bit of that and pilot a bit in advance of Universal Credit rolling out in big numbers, so it is working with people who are on tax credits now, for example, and things like that. I would not envisage a large number of people coming into Jobcentres, but I would not rule it out either, if that is what is needed.

**Graham Evans:** There will be some additional workload with people coming in.

**Esther McVey:** What I have noticed in the Work Programme is that, when you are making sure people have a job, keep it and go forward, some of that is like a soft place to speak to somebody. It could be a phone call. It might be speaking after hours: “How was today? How could you go forward? How are you going to deal with your boss?” It could be a light touch like that rather than intensive.

**Q553 Graham Evans:** With the reform in welfare and Jobcentre Plus’s role in this, the PCS Union says that there is simply not the capacity within Jobcentre Plus to be able to cope with all these changes going on—the policy initiatives, the pilot schemes, etc.—once that is rolled out. What is your view on the PCS Union’s view?

**Esther McVey:** I said it a little bit earlier on. Actually, the workload doubled between 2007 and 2010, with the increase of people coming through the Jobcentre because of the recession. What we are seeing now is, as that inflow of people goes down, we can redeploy people. Neil is confident there with what he is doing moving around over 4,000 people. 5,000 people, to take up the jobs that they would have been doing before to focus on the extra support for people who are long-term unemployed, so shifting the focus.

**Neil Couling:** At this point in the cycle, I would normally be closing Jobcentres and shifting people out, but the £345 million allows me to keep the Jobcentres open. There is a little bit of money there to actually expand the size where we need to—where we know we are going to have some footfall pressures—and then effectively retain 4,000 staff who we would otherwise have to exit from the organisation.

**Q554 Graham Evans:** When you say “expand”, what do you mean?

**Neil Couling:** Essentially, in some Jobcentres now, we have got some screened areas for the Social Fund. We do not do the Social Fund anymore, so I am looking at the possibility of effectively removing some of the screens and so forth that are there for the Social Fund to create more front-of-house capacity to receive the increase in footfall we think we will get, because daily sign-on will increase the footfall in some Jobcentres. Some will be able to cope; some will not be. Some of them are quite tightly fitted now.

**Q555 Graham Evans:** Can I ask a question on the scrutiny and performance of Jobcentre Plus? There are concerns about the introduction of the welfare reform in Jobcentre Plus. Is it possible to have an annual report of the performance of the whole of the Jobcentre Plus? Are there about 400 in the UK?

**Neil Couling:** 719.

**Q556 Graham Evans:** 790, okay. Is it possible to have a look at the best performance: where we have got the pilot schemes, those Jobcentre Pluses that appear to be performing well, taking on the challenges and the changes that are going on, and comparing and contrasting those with underperforming Jobcentre Pluses? Is it possible to have an annual report with best practice, to promote and highlight outstanding performance in one area so that you can improve performance in other areas?

**Esther McVey:** You will be pleased to know that we do know the ones that are performing well in different areas. It is not as simple as just one area; there will be multiple measures by which people are performing, how they are helping. It will be different geographically. It is key that we know who is working and supporting people the best, and who maybe is not performing as well, and what the training is that needs to go into there and how you, as I said, share best practice. Equally, the people working within the industry come forward and will say, “We have got this good idea. You could use it here,” and that is shared across as well, but I do think that is really important. It is a lot of people and a lot of centres, and we need to make sure that we are doing the best for the people who come through the door.
Q557 Graham Evans: Just to come back to Neil, you mentioned the estate and possibly expanding the front of house. The whole point of the Government policy is to get people into work. Jobcentre Plus, in my area, are at the heart of the business community, where jobs are and where opportunities are going to be. Is it possible to have an audit of the estate, the 790 properties, to see if there is a possibility of opening up the Jobcentre Plus to job fairs, breakfast meetings and that sort of thing to make sure Jobcentre Plus is at the heart of the business community, and therefore any job opportunities, skills and so on and so forth could be utilised within Jobcentre Plus itself?

Neil Couling: For the purposes of the Hansard writers, I said 719, but my moustache may have made it 790. I do apologise. Would it be possible to have an audit of the estate? It would be possible to have an audit. Whether it would tell you anything more than your own eyes going around a Jobcentre would tell you is a different question. I am in the 16th year of a 20-year contract with the people who provide our estate. We do not own any of our estate; we privatised it back in 1998. I do not own the buildings that I am in. I am tied into a long-term contract, so I make use of the space in the estate as best I can. Some Jobcentres have lots of space and can deal with employers; in others, it is really difficult to do.

Q558 Chair: Building on the questions that Graham has asked about capacity, you mentioned the fact that, with more people back in work, there is less footfall, but there is not necessarily a million extra within work conditionality. Of course, a lot of the people who will not be needed in your organisation will be in benefits processing, but they actually will be needed in helping as job advisers and things. Have you got any programme of retraining of your existing staff so that they can move around the Department more easily, or are you envisaging laying people off and bringing new people on?

Neil Couling: I will give you a very good example of that. When the Social Fund moved over to local authorities in April, there were 3,000 people within our organisation who were without work. We managed to redeploy them, some into Jobcentres and others into different bits, like benefits-processing opportunities. Clearly, we run pensions. We have got child maintenance; at the moment, our child maintenance function is actually growing as it takes on people to deal with the new scheme that we are dealing with, the Jobcentre structure. We have got a long track record of redeploying people, and quite a proud track record of having only a handful of compulsory redundancies through lots of very big changes. We are now down to under 80,000 people; at the peak of the recession we were at about 110,000, I think, and we have done that without the need for vast numbers of compulsory redundancies.

Ester McVey: You constantly see training. What was it? 2,000 two-day training just to do the Claimant Commitment, and then you look at how many five days a year are needed for people, and you look at whether it is 60 hours of foundation training, 160 hours of entry-level training, or 64 hours of established training. This notion of constant training, and, equally, what you would like to do in your progression—Would I like to be a DEA? Could I have more support there?—constantly goes on.

Q559 Sheila Gilmore: Can I take you back to the question of the postWork Programme people? This programme is not kicking in until April, but there have been people coming back from the Work Programme since last June. What is happening to them at the moment, and could you not have foreseen that there would be people coming back and get this set up earlier?

Ester McVey: They are getting support now, but what we have said is, “Okay, how will we deal with everybody in a more consistent way going forward?” What are we going to do? What could we put in place? and, equally, What have we now got the money to do going further forward, with this extra pot of money, and equally, how have we analysed what has been going on at the Work Programme? Those people are getting their support now.

Neil Couling: The good news is that we had 165,000 people back from the Work Programme so far. Of those, 7% have moved on to a different benefit, probably Employment Support Allowance, but about 16% have either got jobs or—on the measure that Ms Pearce was saying—have off-flowed, so we are having really rather a big success with Work Programme returners. Of that 165,000, 23% are no longer with us on Jobseeker’s Allowance. We did have a plan for people coming back from the Work Programme. It is called the Mandatory Intervention Regime; we put it into all of the Jobcentres, and Jobcentres are really doing very well on this at the moment. There are some really quite tough discussions going on there, because some of the people coming back were the people we moved over to the Work Programme back in 2011, who had been with us for a number of years. There are people with some very long durations on benefit who we are actually finding work for, which is fantastic.

Q560 Chair: What were you doing wrong all those years before?

Neil Couling: That is the question I have asked my team. One of the things we have said to the claimants coming back is that this is not the Jobcentre Plus they left in 2011. This is a different regime; we are doing different things now, and they are more effective. This is not the Work Programme failing. It is the fact that, probably, our work with them prior to 2011 was not very successful. One of you raised the point that people have had literacy problems for a long, long time— “Why was that not picked up?” and so forth. This is not us crowing about this. I am very pleased with how things are going, but you can ask the questions like, “How did you get here?” However, the point is we are here, and we are doing well now, and that is what we have come to focus on.

Q561 Sheila Gilmore: Is that going to be published in some form?

Neil Couling: I think we could publish that. I do not think I have shared any secret information with you.
That is just me tracking what is going on, and the numbers coming to us.

**Q562 Kwasi Kwarteng:** I was just wondering, if I may, about ESA and the pilot schemes that are being run on that. We understand that there are three separate pilots that have begun this month related to the ESA claimants, and I was just wondering what sort of support these pilots will provide. What are you, in a sense, trying to achieve with these new pilots?

**Ester McVey:** These are the hardest-to-help people. Yes, we are dealing with them; we are learning about them a little bit more, seeing all the complexities of the issues, and for some of them the question is: “Would it be better if there was more health support in there as well?” It is not just about getting the job here; that could be somewhere along the line, somewhere along the journey, for these people. It might actually be more health help in there, and then what we are doing is running trials, whether done by us in the Jobcentre Plus or by some of the work providers. Basically, it is just to see what the combination of support is, and how much health is in there, before the job outcome.

**Neil Couling:** There are three things. We are trialling time with healthcare professionals in one location; we are trialling extra personal adviser support in a Jobcentre; and we are trialling extra activity and extra resources going into the Work Programme, to see what the best outcomes of those three are.

**Q563 Chair:** Are you segmenting the group even further, or is it just that you are giving more money to the providers who finally get people into work?

**Neil Couling:** Effectively, we are drawing a ring around the Work Programme provider and saying, “Now we know what kind of outcomes we get from a normal Work Programme provider, do we get extra outcomes for the investment that we are putting in there?” It is similar for the Jobcentre, and the work we are doing with sending them, effectively, to the NHS.

**Q564 Chair:** In the pilots, are you seeing a greater move towards using subcontractors? One of our criticisms of the original Work Programme design was that the specialist subcontractors seemed to be getting squeezed out, and they were the ones who previously had the track record. Are they coming back into frame in the pilots?

**Ester McVey:** All of that has definitely to be explored: “Are we using all of the various groups at our disposal?” Equally, it is understanding the multiple complexities in these people’s lives, and just how we support them on their way pre-work.

**Chair:** As I said, we are going to come back to conditionality and sanctions.

**Q565 Debbie Abrahams:** Minister, since the new sanction regime was introduced at the end of last year, how many people have been sanctioned on this new regime between October 2012 and June 2013, on JSA and then on ESA?

**Ester McVey:** I can say that there has been an increase in the use of sanctions. I think it is 11% across the board, so there has been an increase, but what we are seeing is that we are supporting people. You have got to have a sanction in place there, just to make sure that people are doing what they are meant to be doing, and that is us helping them get a job. Looking even more closely, are sanctions important? Do they work as an outcome? I was interested to find that that Germany had looked at what we have done, and is now using sanctions. It has had a doubling of effect of people going into work, so it is something that is needed, but what we have got to do is make sure that we are doing it in a commensurate way, so people are getting the right sanction.

**Q566 Debbie Abrahams:** In terms of the number of people who have been sanctioned, you said that there has been an increase of approximately 11%. Do you know the actual figure of people that have sanctioned?

**Ester McVey:** I do. I have got it written down here. It is a total of 223,000 who have received the lower sanction, 167,000 individuals had the intermediate sanction, and 48,000 received the highest-level sanction. In fact, highest-level sanctions have actually gone down significantly and, in the ESA group, 173,000 sanction decisions have been made.

**Debbie Abrahams:** I think you will find that that is a figure for a month. I was asking for the October to May figure. I think you will find, from your own report that was published a couple of weeks ago, that 1.35 million people have been sanctioned in that period.

**Ester McVey:** Yes, and 0.58 million were adverse decisions.

**Debbie Abrahams:** Absolutely. So, even on the lowest sanction, people are still off-flow, off-benefit, off-register, and off the national figures for a month.

**Ester McVey:** No, that is not right. So long as you continue signing on, you are not taken off the claimant count. All you have got is a sanction, so you are not taken off the claimant count, but what you have got to do is carry on signing on. That is how it works.

**Q567 Debbie Abrahams:** I asked you a question on Monday at Work and Pensions Questions about the inappropriateness of sanctions and, Mr Couling, we have corresponded on a number of occasions around this. Certainly, within my own constituency, I have instances of totally inappropriate sanctioning. I know I am not alone, and since my question to you on Monday, I have had correspondence from advisers who have said, quite clearly, that there is a culture of not targets but what they are calling “expectations” around sanctions. I know that we have corresponded, as I say, Mr Couling, and you have said that if there is any untoward sanctioning, you wanted to hear about that. Given that this is not just my own personal experience—we had evidence to the Committee a few months ago that was saying there is an expectation culture around sanctioning—is it not time that we had an independent review? We have had the internal investigation of sanctioning. We have this mismatch of what is happening around sanctioning. Do we not need to get to the bottom of this? These are people who have no money to live. They are really, really struggling. It is a bit different from the previous
Debbie Abrahams: Legislation that there would be an independent review. Agreement made as part of the passage of that bit of Allowance Act, earlier this year, there was an independent review starting and ongoing. You are quite right: it is important to get that right, and then I will give you the timings on that when it goes into place.

Q570 Debbie Abrahams: That would be very helpful indeed. Two things, then: could we have terms of reference for the review that is going on currently, and the date of publication? The Minister has just committed to do a follow-up to that review, with a more in-depth analysis.

Ester McVey: I have not only committed; I have already started work on that. For me, it is important to get that right, and then I will give you the timings on that when it goes into place.

Q571 Debbie Abrahams: Thank you. Can I have one final question—I beg your pardon—around food banks and referrals to food banks? Again, we are having a lot of information from the CAB, the Trussell Trust, and other food banks on the relationship between those who are claiming food banks and those who have been sanctioned. It would be useful to see how that marries with the figures that DWP will be collecting as well. Minister, I think you have already said that it is appropriate for claimants to be referred to food banks; so could we have some data on that, please?

Ester McVey: I think that what we have always said is that the food bank journey is very interesting. I think it started off, as you would know, in 2002 with the Trussell Trust. They went up tenfold under the previous Labour government.

Sheila Gilmore: They went up from 4,000 to 40,000.

Ester McVey: That is tenfold by anybody’s maths. Sheila Gilmore: It is tenfold, but 10 times a small number is still a very small number, whereas the number now has gone up tenfold in three years.

Ester McVey: Hang on a second. Let me finish the journey, and what was happening there. At the time, as well, the previous administration said they would not do any signposting to food banks. We changed that, and said yes, we would, and we have done and supported people.

I like to think that it is important that we look in the context of what has gone on in the last few years. You have seen the worst recession in living memory for most people—yes, it is. What you have seen is businesses doing as much as they can do to keep people employed, with the way they have redeployed their services and what they have done. You are actually seeing levels of unemployment much lower than the recessions of the 1980s and 1990s. At the same time, you have seen government put a lot in...
Ester McVey: I am saying what has happened has happened. The recession we have had has happened. Debbie Abrahams: Minister, you are now in Government. Our job as a Select Committee is to scrutinise Government policy. Our job is to do that; it is not to make this a political forum for the Government.

Q573 Chair: I am going to bring Graham in just a minute. Can I just be a bit clearer about the Matthew Oakley review of sanctions? I have just had a look at the terms of reference, and it is all about clarity of communications. There is nothing in his remit to look at the appropriateness of the sanctions. I think that was the wider question that was being put to you: should there not be an independent review that would cover all of that: not just whether people have been told that they are being sanctioned, but whether the sanction and the sanction regime were actually appropriate?

Ester McVey: I said it was communications and process, and I personally had said that I wanted to make sure that it was proportionate. That would be a secondary one, so they are separate, yes.

Q574 Graham Evans: My other experience is that my prime provider for the Work Programme said that sanctioning is indefensible. As a constituency MP, if that happened to me, I would be on the phone to the Jobcentre Plus and to the management to say, “There is a mistake being made. Can we look into why it is being made, and stop it happening again?” I allude to the point I made earlier about best practice, and about the leadership and management of Jobcentre Plus when it comes to sanctioning to make sure the rules and appropriate behaviour are observed by Jobcentre Plus. Do you agree with that?

Ester McVey: Oh, absolutely. That is what they are there for. The ultimate end point of sanctions is that you would not be using them. People would be following the path that is there. We would be helping somebody into a job, and it would all flow very smoothly. That is where you ultimately want it to be.

Q575 Graham Evans: My other experience is that my prime provider for the Work Programme said that sanctioning is one of the best things that happened in terms of helping them get people into work. Have you got the figures for how much sanctioning went on under the previous Government? There is nothing new about sanctioning; sanctioning has always been there. Have you got the figures for pre-2010, for example?

Neil Couling: I can help. There were 12.22 million sanctions on JSA between April 2000 and June 2013, so I have not got it broken down for the last Government, but you are quite right; sanctioning has actually been in the system since 1911, when Unemployment Benefit was created by Lloyd George.

Q576 Chair: Can I just ask about the accuracy of the sanctioning decision? The majority of sanction referrals made by JCP advisers do not result in adverse decisions in which claimants have their benefits stopped. For example, of the 164,200 total JSA sanction decisions made in June 2013, only 68,710 actually resulted in the claimant’s benefit being stopped. In the remainder of the cases, the referral was...
cancelled by the decision maker. The adviser is saying they are going to be sanctioned; it goes to the decision-maker, and the decision maker says, “No, they should not, because the evidence is too weak.” That would suggest that perhaps the frontline adviser has been a bit gung-ho in saying that somebody is going to be sanctioned, when in fact the decision-maker then looks at the case and says, “Actually, there is not enough evidence here.” Is that part of the culture of not targets but making sure that people are—

Neil Couling: Part of an answer to Ms Abrahams’ questions would be in that very system: the adviser does not make the sanction decision. What they do is refer a doubt to an independent decision-maker. The figures vary each month, but in roughly seven out of 10 cases, the decision-maker upholds that referral and commits to a sanction on that individual claimant. There are some checks and balances in the system. I think, when this was being put round, this expectations point—which we might come to in a second—was based on the misunderstanding that somehow advisers were making the decisions here, and they were not. It is done independently of that, with somebody looking at the evidence and maybe asking the claimant for their side of the story. The second thing is that some of the sanctions are automatically referred to decision-makers, so there is no jobseeker input. For example, if you are thought to have left work voluntarily, that goes to a decision maker for them to research the situation with the claimant. That person would be under sanction, as it were, but actually has not been sanctioned. This expectation point, I think, is really important. I have put an expectation into Jobcentre Plus that people will be sanctioned. Why have I done that? Because that is the law. Public servants are meant to follow the law, and my worry—funnily enough, this has not come out in the Committee—is the variation I have got across sites between the level of sanctioning that is, or is not, going on. I know that I have been to Jobcentres recently where they have freely admitted that they were not doing that. They have been decently honest about that, and said that they had, but they are not actually getting some really good outcomes from it as well, in terms of getting people into work.

Q578 Chair: But if you found an adviser who had put on to a decision maker 100 sanctions, and 99 of them were inappropriate, would you take action against that?

Neil Couling: Yes, absolutely. That is the whole point about the performance regime we work here, which is why we do have data on what is going on with individuals and track what individuals are up to. It is not to create some sort of oppressive regime on them, but to find out whether we have got rogue decisions going on here, or rogue referrals. That is in nobody’s interest. In nobody’s interest is the sanctioning regime falling into disrepute, which is why we have been very open about what is going on in our offices. When members of Parliament have come to me and said “I have got a problem,” I have said, “Evidence this.” I have encouraged the kind of people Ms Abrahams was talking about to come to me and talk to me about this.

What it often is, I am afraid, is that there is a small number of advisers in my organisation who do not believe in sanctions and who do not want to use them. Now, I respect that opinion, but their opinion has to stop at the door of the office. They cannot bring that opinion into work and use it in that environment, and I make no apologies for challenging that sort of behaviour. Our job as public servants is to administer the law that Parliament passes.

Q579 Graham Evans: The PCS union representative here said that they were ideologically opposed to sanctions. Does that cause you problems when you are trying to execute them?

Neil Couling: I have had a number of robust conversations with the PCS about this matter, and I make it very plain that their members in our offices do not have any choices about which bits of the law they implement and which they do not. They do accept that, and they have said that they will politically campaign—which they do—but in the offices themselves, they understand that that is a dangerous thing to do for their members. I could put them in breach of their employment contracts, and everything, and I do not want that to happen, either. Yes, we have some good discussions.

Chair: Nigel has got what we are calling the “blue sky” question.

Nigel Mills: We like to save the easy question for last, Minister.

Chair: He says it is an easy question; do not believe him.

Q580 Nigel Mills: The purpose of the inquiry is to look at the future role of Jobcentre Plus. What is your vision for how Jobcentre Plus will develop going forward? There has been some suggestion that all the out-of-work support should be outsourced and we should beef up the Work Programme, and leave the Jobcentre as a benefit processor and not a source of out-to-work support, splitting the two roles. How do you see this area progressing?

Ester McVey: I think it should be, like its name suggests, helping jobseekers and helping people to find a job. That is key. What I have seen, by looking around the various Jobcentres, is that we need to make sure that things move with the times. We are seeing an extra six,000 computers go into Jobcentres, because everybody now is on the Internet, so you do not want to be left behind. That is a tool to use when looking for work. I believe it is important that people still have a face-to-face form of contact. I think most human beings relate better to people, especially, maybe, when they are in a time of need, than just a computer screen—although I believe it is important that you are on a computer screen, especially when you hear it is 41 million hits or job searches that are going on there. What I have been imposed on is the ability of the Jobcentre and the people within there to shape-shift. It is a bit like an A&E ward. They have a call; they have a redundancy; they have something happening with Remploy, and they can put a package in place immediately. There are 24,000 people
deployed there to support people. You have seen how it has moved from lots of people coming through the door in 2007 to 2010 to, now, us looking to put a lot more support into people who have been unemployed for a long period of time. It is a matter of allowing that ability to shift towards what is needed on the ground at the time, and we do not necessarily know what is going to happen out there in the jobs market in the current job situation. For me, it is having it on the street, embedded in communities, and allowing it to do what is needed at the time.

Q581 Nigel Mills: Do you think it works, then, to the street, embedded in communities, and allowing it in the current job situation. For me, it is having it on what is going to happen out there in the jobs market ground at the time, and we do not necessarily know that ability to shift towards what is needed on the more support into people who have been unemployed door in 2007 to 2010 to, now, us looking to put a lot it has moved from lots of people coming through the deployed there to support people. You have seen how

Q582 Nigel Mills: Yet, when somebody has been unemployed for a year and we start trying to intervene with them, we then move them out to an outsourced provider and a payment-by-results process. It is kind of like you do great work until it gets a bit tough, and then we get somebody else to do it. How do you mesh that strategy with what you have just set out?

Q583 Nigel Mills: If we gave you a blank cheque from the Chancellor in the Autumn Statement, there is nothing dramatic you would buy? You are not saying, “if only we could do X, Y, or Z, we could really make a massive improvement”; you are quite happy with the structure you have got?

Q584 Nigel Mills: Mr Couling, anything you could do with a blank cheque? Legally would be preferable. Neil Couling: We could clearly do more, but the question would be whether that would be a worthwhile investment. I am very conscious that, as a Government as a whole at the moment, money is tight, and the additionality you would get from an extra pound of spend I would question. We know activation worthwhile investment. I am very conscious that, as a question would be whether that would be a blank cheque? Legally would be preferable. Neil Couling: We could clearly do more, but the question would be whether that would be a worthwhile investment. I am very conscious that, as a Government as a whole at the moment, money is tight, and the additionality you would get from an extra pound of spend I would question. We know activation works. We do face a new challenge now: as the volumes are falling off among the harder-to-help groups, are we getting those interventions right? That is what my next 24 months is going to be about, because we are determined that this time, coming out of this economic downturn, people do not get left behind in the way in which they were in the previous two exits from big recessions. That will probably involve better joint working with local authorities. It will involve better joint working with training providers, and so forth, but I do not feel that money is the problem right now.

Chair: Thank you very much for coming along this morning. Thank you for your time. We have gone a wee bit over our allocated time—which explains why Members have left, because the House is now sitting—but we really appreciate the evidence you have given this morning. We will now construct our report, and we hope to publish some time in the New Year. Thank you again.
Written evidence

**Written evidence submitted by the Association of Employment and Learning Providers**

This is a submission from the Association of Employment and Learning Providers to the Work and Pensions Select Committee inquiry into Jobcentre Plus (JCP).

**Executive Summary**

(a) The Flexible Support Fund (FSF) can be effective, but it is not always easy to access and there are problems with bureaucracy and a lack of a coherent policy in utilising the fund in some offices. Partnership working is a key factor in successful delivery. (Paragraphs 2-7)

(b) There needs to be a national evaluation of the effectiveness of FSF and how impact is measured. There should be sharing of good practice. (Paragraph 8)

(c) Local JCP offices operate with a high degree of autonomy which does mean that there is sometimes a lack of a coherent national approach to skills development. This also affects local partnership development. We strongly recommend that all JCP offices work closely with local skills providers. (Paragraphs 9-11)

(d) JCP currently operates with a dual role of a benefits agency and an employment service. This can sometimes lead to confusion in operations. If JCP’s focus is on benefits management then it should consider privatising more of the employment agency functions. If it retains its employment service function its staff must be appropriately trained and qualified. (Paragraphs 12-13)

(e) The needs of unemployed people must be clearly identified and an appropriate, individualised support programme aimed at getting them into sustainable employment agreed and delivered. (Paragraphs 15-16)

(f) Data protection rules need to be revisited to allow greater sharing of data. (Paragraph 17)

**Introduction**

1. The Association of Employment and Learning Providers (AELP) represents the interests of a range of organisations delivering state-funded vocational learning—our members deliver in excess of 70% of all Apprenticeships. The majority of our 640 member organisations are independent providers (from both the private and the third sectors) holding contracts with the Skills Funding Agency, but many also deliver Department of Work and Pensions (DWP) provision. In addition to these we have a number of colleges in membership, as well as non-delivery organisations such as Sectors Skills Councils (SSCs) and awarding bodies as Associate Members, which means that AELP offers a well rounded and comprehensive perspective and insight on matters relating to its remit.

**AELP’s View on the Issues being Considered by this Inquiry into JCP**

Flexible Support Fund

2. The Flexible Support Fund has proved useful to some providers, eg filling gaps in provision including where Skills Funding Agency funding was not available, offering pre-employment training for employers and helping younger cohorts access employment opportunities, but others have reported problems working with JCP to identify the opportunities it allows and then access it.

3. In some cases providers were very positive about the fund and its potential to make a difference to their clients. One provider, John Laing Training Ltd (JLT), had run a very successful three week construction programme, in collaboration with housing associations, local authorities and JCP, which had resulted in 12 clients completing their qualification and all passing the Construction Skills Certification Scheme (CSCS) test and gaining the card they needed to work on a building site. JLT were clear that good partnership working had been a key factor in the success of the programme and a second course is to being arranged.

4. Although when it worked well FSF had the flexibility to focus provision on local labour market needs, allowing providers to quickly target the right provision where it was needed, JCP’s response times to contract variation authorisation did impact on provision, delaying their ability to respond to clients’ needs. Members suggested an improved contract variation authorisation process was needed. We also recommend that JCP review the effectiveness of the time and money spent on procurement.

5. FSF has been very effective in some locations but providers are concerned that this is not the case in all locations. One problem reported by providers is that in some areas the entire FSF appeared to have been committed at an early stage and nothing was left for other providers and employers coming with proposals to meet newly identified needs.

6. Variability in understanding of the FSF offer by JCP staff in different areas has affected their ability to reach, refer and engage the FSF customer group. Issues with JCP advisers not using the provision for which it was designed have also been cited, in particular using it for clients that were too far from the labour market to be able to go into jobs, which then causes performance issues for the contractor. Regular reviews of delivery
are needed and a JCP single point of contact should be appointed for each "split district" so that over/under referral can be discussed and action taken as quickly as possible.

7. A lack of referrals had affected some FSF contracts—something that surprised members as the provision had been specifically designed and requested by JCP. The SL2 referral system is very bureaucratic and continues to create problems for some members.

8. Members could not understand why no-one seemed to be monitoring FSF activities and assessing the programme's impact. There needs to be a national evaluation of the effectiveness of FSF and sharing of good practice.

Other issues

9. JCP offices operate with a great deal of local autonomy. This can lead to inconsistencies of practice and interpretation of policy that prevent providers from working as effectively as they might, as they have to establish the culture and focus of each JCP area they work in, eg some offices are driven by the need to get their clients off benefits; others are more focused on finding them long term sustainable jobs. The offer the provider makes needs to be tailored to reflect the approach taken in each area.

10. Although providers accept that services need to be adapted to local conditions the constant restructuring of provision is not cost effective. Providers have to re-educate Jobcentre staff as they change roles and move around in the system, which is very labour intensive but essential if they are to build and retain the working relationships that will allow appropriate solutions and services to be developed.

11. The attitude and approach of JCP to partnership with providers also varies by location. Many are happy to work with providers, even encouraging them to operate from within the Jobcentre itself, but others are less willing to co-operate and work in partnership. It would be helpful if all areas involved providers in the development and delivery of their provision.

12. JCP currently operates with a dual role of a benefits agency and an employment service. This can sometimes lead to a confusion in operations. If JCP's focus is on benefits management then it should consider privatising more of the employment agency functions.

13. If JCP retains its job finding activities it needs to offer a service that meets the needs of both employers and clients. It should follow the same codes of practice, etc, as it expects of its providers, and its staff should be appropriately trained and qualified, perhaps using the qualifications developed by the Institute of Employability Professionals.

14. JCP should also give more national direction on policy to avoid any differences of interpretation locally that can prevent the best and most effective use of the resources available. Clarity on policy objectives would not prevent appropriate provision being developed in response to locally identified needs.

15. Providers need to be able to identify the needs of the unemployed person—are they simply looking to get off benefits, are they wanting any job, or do they really want sustainable employment and a long term career? It is important that JCP's systems allow the unemployed person to make an informed choice on the best route to meet those needs and the provider to deliver the appropriate, individualised support programme to achieve their goal.

16. Unemployed people must not be put under pressure to come off a programme in order to get them off benefits and into any job, however short term. The longer term aim of assisting clients to enter sustainable, long term employment should be a higher priority than reducing the numbers claiming benefits.

17. At present, JCP's effectiveness is hampered by their inability to store some basic information about them (eg CVs) because of data protection rules. This leads to considerable time being wasted in simply reconfirming the same data. It would be helpful if the current data management processes are reviewed.

18. AELP is keen input to this Select Committee inquiry and welcomes the opportunity for our chief executive, Stewart Segal, to come and give oral evidence in September 2013.

8 August 2013

1 Our 2007 policy paper, Getting the non-employed back into work: a revised role for Jobcentre Plus, playing to everyone’s strengths, proposed that JCP might consider contracting the whole of its job finding service to the independent sector and concentrating on its benefits payments responsibilities.
**Written evidence submitted by The Association of Colleges**

**Introduction**

The Association of Colleges ( AoC ) represents and promotes the 341 Colleges in England incorporated under the Further and Higher Education Act 1992. Colleges educate 853,000 people aged 16-18, almost twice as many as school sixth forms, and train over one quarter of the total 240,000 apprentices aged 16-18. The average College provides training for 1,003 unemployed people every year. Virtually every College (97%) recruits unemployed people via Jobcentre Plus ( JCP ) and 77% of Colleges actively recruit unemployed people to their courses. The responses in this submission are based on the experiences of Colleges and their learners with JCP.

**Summary**

- The relationship between Colleges and JCP is improving and they are increasingly developing effective working relationships to help people find and stay in work.
- Despite local variations, where there is greater co-operation and understanding, claimants have better outcomes and the community benefits from the joined up approach to tackling unemployment.
- The Department of Work and Pensions ( DWP ) need to insist that JCPs work closely with Colleges in order to more effectively support the development of quality relationships.
- If JCP, Work Programme prime contractors and other organisations who have a role in supporting young people into employment worked together, this would only further benefit unemployed people.

Question 1: JCP’s employment services, including: approaches to identifying jobseekers’ needs and barriers to employment; the effectiveness of the “Get Britain Working” measures; JCP’s role as a gateway to contracted-out services such as Work Choice and the Work Programme, including processes for referral and handover; JCP’s use of the Flexible Support Fund, including how spending decisions are made and evaluated; and the effectiveness of JCP’s relationships with other key stakeholders, particularly local authorities.

Colleges have for many years been providing people of all backgrounds with the skills and training needed to find—and keep—sustainable employment and many are involved in a range of JCP initiatives to get people back to work including the Work Programme and Youth Contract. It is their core business and drives their values. Colleges are keen to ensure that they continue to be supported as key players in bringing the UK out of recession and getting people back to work.

Historically, there is a limited level of understanding within DWP of the range of ways in which Colleges engage with their economic and social communities. This is mostly due to the misapprehension that Colleges are either schools or universities, as opposed to offering skills and training that has elements of both of these institutions as well as offering GCSEs, A-levels, degree level studies, basic skills and a wide range of services to support the unemployed.

Colleges are well placed in the community to develop links with smaller organisations and tailor local programmes to help the unemployed and “harder to reach” people. With this in mind, Colleges across all English regions bid as consortia to become prime contractors within the Work Programme. With the exception of Newcastle College (which is a very large national provider who acquired an established Welfare to Work business prior to tendering), none of these bids were successful. Instead, contracts were awarded to large prime contractors who lacked the local knowledge that is so crucial to understanding the local labour market and knowing where to find employment. Over 200 Colleges were named in prime contractor bids, yet in a recent AoC survey 79% said they had not received referrals from the Work Programme.

The relationship between Colleges and JCP is absolutely crucial if together they are to assist the maximum number of unemployed people back into work and 44% of Colleges feel that their relationship with JCP is “excellent,” but the lack of national consistency has created a fragmented approach to addressing unemployment.

Question 2: JCP’s role in relation to the rights and responsibilities of benefit claimants, including: the effectiveness of benefit conditionality, particularly job-seeking conditionality and the mandatory “work-focused interview”; and the level and appropriateness of JCP’s use of benefit sanctions, including differences of approach between JCP Districts.

Colleges remain concerned that conditionality and other processes used to determine the training a claimant will receive is not as effective as it could be. AoC believes that a more collaborative approach to initial...
diagnosis and assessment of claimants would result in a better matching to the provision available. This collective diagnosis would ensure that the claimant is placed on a programme most suited to their needs.

Too often, claimants are taken off a meaningful course at a College that would lead to sustainable employment in the long term, to be put onto the Work Programme to undertake a job they drop out of, creating a revolving door of worklessness or temporary employment. Many claimants drop out of training due to fear of losing their benefits because of JCP pressure and sanctions because their training exceeds 16 hours. A recent AoC survey shows that 48% of Colleges report that their local JCP has not offered greater flexibility in this regard in the last 12 months. JCP services would be better focused on the achievement of long term, sustainable employment rather than the current approach which tends to focus on short term targets to get claimants off benefits and into "any job".

Where College/JCP collaboration has been a success, examples of best practice include holding a range of activities and events in the community and online, focused on getting people into work, "shop fronts" situated in the heart of communities (e.g. opposite the local train station or in the town centre) staffed by JCP and College representatives and leading to greater interest, access and take up of training or employment. In such partnerships, the College and JCP have worked together to promote and develop aspirational jobs to transform the local community. It is essential to have both organisations working together to ensure success.

However, the lack of consistency across JCPs where some are not minded to invest in a relationship with a College can make it difficult to develop effective solutions. Colleges seek to establish relationships with JCP that allow both to focus on addressing the needs of the claimant rather than adhering to protocol and process. Such a partnership, where effective, recognises and plays to the strengths and expertise in both organisations and combines limited resource to best effect.

Question 3: Supporting a flexible labour market, including: JCP’s effectiveness in matching jobseekers to suitable job vacancies, including through the introduction of Universal Jobmatch; whether JCP is sufficiently focused on sustained job outcomes as well as off-benefit flows and how this is, or should be, measured; and employers’ assessment of the effectiveness of JCP as a recruitment partner.

Colleges report that sector based work academies, originally part of the "Get Britain Working" initiative, are working very well and should be rolled out further. The programme includes pre-employment training (identified by the College and relevant to the needs of the business and sector), a work experience placement (of great benefit to both the individual and a business) and a guaranteed job interview. Colleges have seen strong levels of success using this model that combines elements of the Traineeships being introduced for 16-19 year olds.

As previously outlined, JCP is too focused on "any job" outcomes and are therefore often not matching people to suitable job vacancies. For example, a claimant undertaking an English for Speakers of Other Languages (ESOL) course may be taken off this training by JCP and placed in a job that they cannot fulfill due to the language barrier. JCP needs to be able to tailor its programme for claimants on a case by case basis.

Question 4: The impacts of benefit reforms, including: the implications for JCP staff roles of the implementation of Universal Credit, including the skills staff will need in order to offer effective in-work support; changes to staff roles brought about by the move to "digital by default"; and plans to support claimants affected by the benefit cap.

Generally, Colleges believe Universal Credit is likely to improve the way in which they can work with JCP. AoC believes that the existing 16 hour rule will disappear within Universal Credit and the level of flexibility in approach to getting claimants back to work will increase. As with all major change, we have concerns about the transition.

JCP staff face the difficulty of having to administer a huge reform that still lacks detail, including how fee remission will operate for claimants on Universal Credit. The eligibility for Universal Credit revolves around the current benefits system so it is not yet clear how Colleges will identify those who are actively seeking work. Moving to a monthly payment may be challenging for many disadvantaged learners who are used to a system of weekly budgeting. Through some of the Universal Credit pilots, some Colleges are offering their premises and courses to JCP to train claimants on how to prepare for "digital by default" as a large number of claimants will not have access or know how to complete an online application. Equally, Colleges are well placed to provide personal money management training to help with the shift to monthly payments.
Question 5: The governance of JCP, including: whether ending the executive agency status of JCP, and bringing it under the central control of a single DWP Chief Operating Officer, has brought about efficiencies and streamlined management as intended; and the potential for more radical future changes to JCP.

Given the changes associated with Universal Credit and the problem of unemployment particularly amongst young people, the need for JCP to actively seek co-operation and partnerships with Colleges and other local partners is needed more than ever.

24 May 2013

Written evidence submitted by the Centre for Economic and Social Inclusion

SUMMARY

The Centre for Economic and Social Inclusion (Inclusion) is the leading not-for-profit organisation dedicated to tackling disadvantage and promoting social inclusion in the labour market.

We believe that there are three primary roles of public employment services:

1. Job matching and brokerage: To promote and support a flexible labour market to help people find the jobs they want and to help employers find the employees they need.
2. Activation: To encourage and support active job search through advisers, services and a rights and responsibilities regime.
3. Supporting the most disadvantaged: To provide targeted and effective employment support to disadvantaged individuals, to counteract the effects of longer term unemployment and inactivity.

This submission covers each of the Committee’s five areas of interest, with a particular focus on the three key roles outlined above. We argue that:

— The aims of Universal Jobmatch are valid, but implementation needs to be improved;
— Jobcentre Plus’s success should be measured by job entry and sustained job outcomes as well as off-benefit flows;
— Whilst labour market activation policies are essential, a more equitable balance needs to be struck between claimants rights and responsibilities;
— Sanctions should not be viewed as a desirable outcome and data on sanction rates should be more widely published and closely monitored;
— There is a need for a better understanding of “what works” in the Jobseekers Regime;
— Jobcentre Plus staff need to be prepared to cope with changes that will come with Universal Credit, including delivery of services to claimants in work and addressing computer literacy and financial barriers; and
— Jobcentre Plus remains effective at delivering high volume, good value support and there would be little value in contracting out employment assistance for those closest to the labour market.

Supporting a Flexible Labour Market

1. As noted above, a key role for public employment services is to promote and support a flexible labour market. In the past, the “job matching” role of Jobcentre Plus’s predecessors was to ensure that jobs available in a local area were advertised on vacancy display boards. Now, given advances in technology, a key question is what role does a public employment service have in ensuring a flexible and efficient labour market?

The role and effectiveness of Universal Jobmatch

2. Jobcentre Plus has been increasingly reliant on online vacancy databases to encourage the efficient matching of unemployed people with reported vacancies. The most recent step has been the introduction of Universal Jobmatch. We support the principles behind Universal Jobmatch. However, we believe there are problems with Universal Jobmatch at present.

3. Universal Jobmatch replaced Jobcentre Plus’ vacancy system in November 2012. The older system had been improved in a series of stages over the previous decade, from being delivered by boards in Jobcentres to a system where employers submitted vacancies themselves through the Business Link website. It had also become increasingly attractive to employment agencies to notify vacancies through the Jobcentre Plus system.

4. Statistics showed that Jobcentre Plus’s market share of vacancies varied by occupation— with a higher market share for elementary and sales vacancies and a very low market share for professional occupations. With the growth in graduate claimants, this lack of professional vacancies was seen as a problem.

5. The promise of Universal Jobmatch was that it would marry the existing market share of Jobcentre Plus at the lower end with the existing market share of higher end vacancies held by Monster Inc. The aim was to create a system that would have a high market share throughout the occupation spectrum, with state of the art interfaces for both jobseekers and employers seeking to submit vacancies.
6. Universal Jobmatch has a system of public reports on its activities\textsuperscript{13}, covering both vacancies and jobsearch activities by users. Similar information is supplied to the European Commission for its European Job Mobility Bulletin\textsuperscript{14}. By comparing this data and previous Jobcentre Plus vacancy data, we can see that overall vacancy numbers have increased with Universal Jobmatch—by around 40% year on year. However, it looks as though the market share of unskilled and low-skilled vacancies is below previous levels, while the market share for IT vacancies and some other high-skilled jobs has increased considerably (however it is very hard to be definite as Universal Jobmatch does not use UK or international classifications of jobs).

7. This is set out in Figure 1 below—where the blue line represents estimated job starts in 2012, the red line Universal Jobmatch vacancies in early 2013 (via the European Job Mobility Bulletin) and the green line the last available Jobcentre Plus vacancy data from late 2012.

Figure 1

PROFILE OF UK JOB STARTS, UNIVERSAL JOBMATCH (VIA EU ANALYSIS) AND EARLIER
JOBCENTRE VACANCIES (NOVEMBER 2012)


\textsuperscript{13} See: https://jobsearch.direct.gov.uk/Reports/Reports.aspx

\textsuperscript{14} See: http://ec.europa.eu/social/BlobServlet?docId=9775&langId=en
8. The European Job Mobility Bulletin for February 2013 also compares vacancies available through the public employment services in the UK, Germany, France and Sweden. This data is presented in Figure 2—which makes clear that the UK system is out of line with the others for its very low proportion of vacancies that are suitable for lower-skilled jobseekers (with a converse high proportion of high-skilled vacancies).

![Figure 2](image)

9. In summary, the profile of the jobs available on Universal Jobmatch means that many low-skilled jobseekers will need to search for jobs in other places. In part, this means finding “hidden” vacancies as jobseekers have always had to do (and this is covered in more detail below). However it also means that Universal Jobmatch is not reaching its potential, of enabling jobseekers to more easily find the right job in the right place at the right time. This in turn must call into question how the Department uses Universal Jobmatch in the future—given its new powers to mandate claimants to use the system or risk losing benefit. Clearly, whether a jobseeker is actively seeking work cannot be largely or wholly defined as whether they are actively using Universal Jobmatch.

What should be done about Universal Jobmatch?

- First, vacancies should be coded to UK standards so that the market share of vacancies can be rigorously identified, and compared with the profile of jobs in the UK.
- Secondly, the geographical identification of vacancies should be carried out to a standard that enables users (including careers advisers, schools, colleges and job placement services) to know where vacancies are—which is not the case currently.
- Thirdly, DWP should investigate the reduction in numbers and apparent market share for low-skilled vacancies.
- Fourthly, the requirements placed on jobseekers should continue to regard Universal Jobmatch as just one of a possible large number of different sources of work opportunities. Jobseekers should be encouraged to use as wide a range of jobsearch routes as feasible.
- Lastly, therefore, monitoring and encouragement of jobsearch activity should involve DWP and provider staff interviewing jobseekers face to face—rather than relying on monitoring activity on Universal Jobmatch.

Helping Jobseekers Find “Hidden Jobs”

10. Whilst there is an important role for technology to match people to vacancies, it is also the case that many jobs are not advertised but filled through more informal means. This is illustrated by the higher number of job starts recorded in the Labour Force Survey compared to the number of vacancies found in the Vacancy Survey: Labour Force Survey job starts are around 1 million per quarter, while the ONS Vacancy Survey records around 500,000 vacancies (by comparison, Jobcentre vacancies used to be around 300,000 while Universal Jobmatch records around 370,000).

15 The job start data from the Labour Force Survey is also itself an under-estimate of total job starts, because only one job start per quarter is counted.
11. Given that so many jobs are filled informally, Jobcentre Plus has two key roles:
   - To ensure that jobseekers understand how to find and apply for these “hidden jobs”; and
   - To find these jobs and get them on the system, by working locally with employers.

12. We would argue that these must continue to be key focuses for Jobcentre Plus in the future. As noted above, this means not being overly reliant on technology as a means of supporting and monitoring jobsearch. In addition it also means doing more to engage employers locally in order to access low skilled and elementary jobs. Increasingly, these functions have been centralised—both in larger Districts and in a national team. We believe that Jobcentre Plus should maintain and even increase resources for local employer outreach, to find hidden jobs particularly at entry levels.

Benefit off-flow, job entry and sustained job outcomes

13. We consider that Jobcentre Plus remains in danger of being overly focussed on off-benefit flows. The Jobcentre Plus Performance Management Framework (PMF) was designed to increase the focus on outcomes rather than procedural targets. When it was rolled out it included two key objectives for Jobcentre Plus and DWP: moving people off benefit into employment as quickly as possible; and reducing the monetary value of fraud and error. However, subsequently the first objective measured has changed simply to off-benefit flows.

14. In our opinion, the change to an off-flow measure was regrettable, as it means that Jobcentre Plus’s primary target is short-term outputs (leaving benefit) rather than longer term outcomes (sustained employment). This has meant in turn that Jobcentre Plus offices have used some local Jobcentre Plus offices to take actions that discourage people from claiming benefits without them necessarily moving into work. Such actions could include inappropriate referral to programmes like Mandatory Work Activity, increased use of sanctions, or making it hard for claimants to sign-on (for example by changing their normal office for signing). Whilst there is little hard evidence that this is happening, and it is unlikely that such behaviour would be widespread, this did happen in the late 1980s when similar targets were in place. In addition to measuring benefit off-flows, Jobcentre Plus effectiveness should be assessed also by the proportion of service users who are placed in employment and the extent to which they sustain such employment.

The Jobcentre Plus Role in Relation to Rights and Responsibilities

Finding the right balance between rights and responsibilities

15. We agree that policies that aim to activate people in the labour market, such as Lone Parent Obligations (LPO) and the introduction of the Employment Support Allowance, have in principle been positive. Research conducted by Inclusion for DWP found that two fifths of lone parents who were migrated from Income Support (IS) to Jobseekers’ Allowance (JSA) were in work about a year after their eligibility for IS was terminated. This led to more positive attitudes to work, a growth in household income and a fall in material deprivation. Similarly, other Inclusion research has found that many people claiming Incapacity Benefit are keen to work but that a lack of confidence limits their attempts to find work.

16. However, labour market activation needs to be done in the right way. At the moment there is a strong focus on compliance and monitoring, but we believe that more needs to be done to build more supportive, reciprocal relationships with customers. The Behavioural Insight Team pilots in Loughton found that a regime with longer interviews and more support for claimants led to more positive outcomes. Similarly, customers should receive support from advisers who understand their needs: qualitative research with lone parents on JSA found that those who received support from a Lone Parent Adviser were more satisfied with their experience of Jobcentre Plus than those who did not. More recent research conducted with lone parents claiming JSA found that 37% did not feel that they had received help or advice from Jobcentre Plus while claiming JSA.

17. We believe that Jobcentre Plus should re-balance their relationship with claimants—away from relying overly on compliance and towards offering higher levels of positive support.

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Improving the Jobseekers Regime

18. We believe more evidence is needed about “what works” in supporting claimants through face to face support when they sign on (the so-called Jobseeker’s Regime).

19. The chart below shows the proportion of claimants becoming long-term unemployed for the UK as a whole, each region and Northern Ireland (where Jobcentre Plus does not operate). In Northern Ireland the levels have been broadly stable since 2010 but worse than for other regions (ie a higher proportion of claimants reach long-term unemployment). However in Great Britain, performance deteriorated considerably through most of 2011, before improving slightly during 2012.

![Chart showing long-term unemployment rates](chart.png)

Source: Inclusion analysis of NOMIS Claimant Count data to April 2013

20. In our view, this deterioration is not explained by the economy (with Jobcentre Plus vacancies higher in 2011 than 2010) nor entirely by changes to programmes (the ending of the Young Person’s Guarantee) or welfare reforms (people moving from Incapacity Benefit or Income Support to JSA). However it could in part be explained by another change that happened only in Great Britain; the introduction in April 2011 of the new “Jobcentre Plus Offer”. This Offer gave greater flexibility to Jobcentre Plus on how frequently and intensively it supports claimants. This included removing the requirement for weekly signing-on for JSA claimants in weeks 13-19. The evaluation of the first year of the Jobcentre Plus offer\(^2\) found that Jobcentre Plus used these flexibilities both to reduce the time spent with jobseekers in fortnightly meetings and to delegate these meetings to “assistant advisers”. This in turn freed up resource to focus on longer interventions with some claimants, but in the core regime led “to more of a ‘sign and go’ process in which the focus was on conditionality rather than back to work support”.\(^2\) Claimants themselves reported that under the new Offer, fortnightly signing was effectively a “box ticking exercise”.

21. While it is not proven, it is plausible that the introduction of the JCP Offer reduced the intensity of the JSA regime and contributed to a worsening of off-flows during 2011. We believe that research is needed, preferably Randomised Control Trials, to ensure that we fully understand the impacts of changes to the Jobseekers Regime and that Jobcentre Plus is able to optimise the support that it offers.

Sanctions

22. In 2008, Inclusion’s report for the Joseph Rowntree Foundation\(^3\) on the delivery of employment services and benefits reviewed the use of sanctions in the benefits system and found that requirements and associated regulations are often complex and difficult for both staff and service users to understand. The evidence


\(^3\) Ibid.

\(^3\) Finn, D, Mason, D; Rahim, Casebourne, J (2008), Delivering benefits, tax credit and employment services: problems for disadvantaged users and potential solutions, Joseph Rowntree Foundation
demonstrated that sanctions encourage job entry and secure a greater level of compliance but, when enforced, often led to financial hardship, were disproportionately experienced by some more disadvantaged groups and some who experienced reductions were not aware that this was due to being sanctioned. Further research has shown that, when sanctions and conditionality are enforced, they can have a positive effect on short-term outcomes but can result also in poor quality employment and impact unfavourably on crime rates.\textsuperscript{26} There is also international evidence that sanctions can disconnect people from welfare systems, and that those who exit the system as a result of a sanction are less likely to enter work than those who leave for other reasons, and are also more likely to experience severe hardship.\textsuperscript{27}

23. Radical changes have been made to the sanctions and hardship regimes, including through the introduction of higher level sanctions and the removal of some of the previous discretion in how sanctions are applied.\textsuperscript{28} Removing the discretionary element should help to address variations in the way sanctions are applied, and may make it easier to explain the regime. However, it also removes the possibility of tailoring the length of the sanction on the basis of individual circumstances. This flexibility is particularly important for vulnerable claimants, as evidence shows that disadvantaged groups (such as young people; those with low qualifications; those with practical barriers to employment, such as childcare or transport costs; those with health problems) are more likely to be sanctioned than other service users. Citizen’s Advice has reported that many clients sanctioned are vulnerable service users and a survey of front line staff at St Mungo’s found that sanctioning of their homeless clients was common; only 20% reported no sanctions over a 12 month period in 2011.\textsuperscript{29}

24. Qualitative studies in the UK and other countries have found significant variations in the commitment and capacity of front line staff to communicate and impose work-related requirements and sanctions suggesting that informal discretion may be an important factor in explaining the impact of policy change and the quality of services received by clients. Such findings illustrate the importance of monitoring sanction rates and how they are implemented by advisers and Jobcentre Plus in different parts of the UK. This should not take the form of a league table but should aid the targeting of those Jobcentre Plus offices that are imposing disproportionate sanction rates.

25. The move towards a tougher sanctions regime and the introduction of in-work conditionality should be accompanied by sufficient and appropriate support to help people meet the terms of their entitlement and a fair and efficient system of redress. Getting this balance right will require easily accessible channels for the user voice to be heard and the DWP should not underestimate the value of user feedback as a tool for improving service delivery and evaluating the success of Jobcentre Plus and Universal Credit (UC) implementation. The DWP Customer Charter will remain in place but there is a strong case for appointing a far more visible Ombudsman for the employment services system, covering both Jobcentre Plus and contracted providers, to whom complaints about inappropriate sanctions and poor quality service delivery can be addressed and who can undertake an independent assessment of how well the balance of responsibilities and service user rights is being met.

26. The combination of the “claimant commitment” and increased sanctions also have implications for the overlapping role of Jobcentre Plus and contracted providers. There is a risk of confusion caused by contrasting responsibilities of Jobcentre Plus and providers who may seek to pursue different approaches to employment assistance and relevant mandatory activities. The introduction of UC represents an opportunity for the Department to clarify the status of the job search and work activity requirements included in a Work Programme Action Plan, agreed with a provider, and how this relates to immediate job search and availability requirements that will be contained in the “claimant commitment”.

**Jobcentre Plus Employment Services**

Jobcentre Plus’s role as a gateway to contracted-out services

27. **We believe that the role of Jobcentre Plus in the referral and handover of claimants to contracted out services, such as Work Choice and the Work Programme, should be improved.**

28. In particular we support the recommendation in the recent Work Programme evaluation to consider\textsuperscript{30} “whether more guidance on the handover would be beneficial so that claimants are given some core information.” This is in response to the research findings showing that while Work Programme participant’s views of the handover were mixed, “people can be expected to retain only a part of the information given them in the handover from Jobcentre Plus.”\textsuperscript{31}

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\textsuperscript{26} Griggs J and Evans M (2010), A review of benefit sanctions, Joseph Rowntree Foundation

\textsuperscript{27} Blank R (2007), Improving the safety net for single mothers who face serious barriers to work, The Brookings Institution, Washington D.C.

\textsuperscript{28} DWP (2012), Explanatory Memorandum for the Social Security Advisory Committee Universal Credit Regulations 2012, June.


29. Improved communications between Jobcentre Plus and providers would also help the Work Programme handover and referrals process be more effective. This “is vital for early and successful engagement of participants, including voluntary referrals to information sessions. In practice these requirements were not always met. Jobcentre Plus respondents raised some concerns about the length of time that sometimes occurs between the referral and the point at which the provider actively engages with the participant.”

30. Furthermore, we recommend that the Committee consider the soon to be released findings and recommendations of the Evaluation of the Work Choice Specialist Disability Employment Programme. This evaluation includes important findings on the complexity of the role now played by Jobcentre Plus advisers in deciding people who claimants with disabilities to refer either to Work Choice or the Work Programme.

The Impacts of Benefit Reforms

31. The introduction of Universal Credit is likely to have a number of impacts on Jobcentre Plus.

Importance of an adequately prepared and trained Jobcentre Plus staff

32. It is crucial that Jobcentre Plus trains staff to ensure that they are knowledgeable and able to guide claimants through changes to processes and frontline service delivery. Jobcentre Plus staff must be ready and equipped to deliver support before UC is implemented and the tight deadlines for introduction may put this at risk. Expertise must be developed on both the details of reform and how employment support should be designed to support the aims of UC best. Employment provision needs to be structured in order to maximise the benefits of reform, and appropriate advice and support should be available to ensure that difficulties with a claim or UC payment do not disincentive work.

33. Moreover, given that UC will be managed online by claimants but 20% of claimants will not be digitally literate it will be crucial that Jobcentre Plus ensures that digital literacy is embedded in its offer to claimants. Moreover, as it is likely that some claimants will struggle to cope with some aspects of welfare reform, such as the move to monthly rather than weekly payments, Jobcentre Plus advisers must have up-to-date knowledge of which local services are available to provide specialist support, including money advice, in-kind support and housing services.

Supporting progression in work

34. It is possible that up to 1.2 million working claimants will in future be subject to in work conditionality. It is important that UC’s in-work conditionality regime is balanced by a system of clear incentives to progress in work. This will require Jobcentre Plus to engage actively with in-work recipients of benefits, and possibly employers, in new ways. Employment support for those in work must be designed to encourage claimants to stay in touch, motivate them to progress and be dynamic enough to also respond to local employers’ needs.

35. Particular consideration may also need to be given as to how any in-work conditionality regime will be applied to Jobcentre Plus’s own staff who may be subject to these requirements.

Contracting out of Jobcentre Plus Services

36. There have been proposals to contract out Jobcentre Plus employment services to private providers. However, we believe that the current model is effective at delivering high volume, good value support to those closer to the labour market and for maintaining a close connection between benefit entitlement, job search obligations and employment assistance. This is particularly valuable in times of recession, as demonstrated in the recent period.

37. We do not consider payment by results contracts to be suitable for short-term benefit claimants. Payments for employment outcomes would have to be very small for this group, and it is possible there may be perverse incentive for providers. The previous Conservative Government also considered whether to outsource these services, but concluded it was not appropriate. This view was also endorsed by Lord Freud in 2007.

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34 This section draws heavily on Finn, D and Tarr, A (2012), Implementing Universal Credit. Will the reforms improve the service for users?, Joseph Rowntree Foundation.
36 NAOI (2013), Responding to change in jobcentres, National Audit Office.
“Jobcentre Plus deals efficiently and cost-effectively with the large number of customers that come through its door every day. This is where it adds the maximum amount of value and it is hard to see any reason why this successful model of delivery should be changed.”

28 May 2013

Written evidence submitted by Centrepoint

Summary

— While some of the homeless young people that Centrepoint supports have received a positive service from Jobcentre Plus (JCP) personal advisers, too many report that JCP staff fail to take account of the additional challenges they face.

— Many young people report that they do not get the support they need from JCP to find work, with some reporting that they are pressured into applying for jobs that are not suitable for them.

— In too many cases, sanctions are inappropriately applied to vulnerable claimants. Young people report that JCP staff are often totally inflexible and do not take their individual circumstances into account, despite DWP guidance stating that sanctions should not be applied if the claimant has “good cause” for non-compliance.

— While Centrepoint welcomes the Universal Jobmatch system in principle, we are very concerned by recent moves to make its use mandatory. It is vital that claimants’ wider efforts to find and apply for jobs are also recognised.

— Relations between support services and JCP staff vary widely between different Jobcentres and different members of staff. We have found some to be extremely responsive and keen to work with us to support young people, but unfortunately others continue to fail to recognise our role.

— Given the changing role of JCP advisors, we believe there is a need to learn lessons and potentially procure services from the voluntary sector if they are to effectively deliver in-work support and help for those hit by the welfare reform changes.

Introduction

1. Centrepoint is the leading national charity working with homeless young people aged 16 to 25. Established 40 years ago, we provide accommodation and support to help homeless young people get their lives back on track. Centrepoint’s Workwise programme supports young people to develop the skills and experience they need to find work. After completing training on a range of employment-related challenges including CV building, work-based scenarios and interview practice, young people complete a work placement with one of our corporate partners. The programme is officially recognised by Jobcentre Plus (as a sector based work academy) and is an accredited BTEC Level 2 in Employability Skills. 87% of the young people who completed the course in 2012-13 secured an EET (Education or Employment) outcome, and 57% of these went into employment.

2. Centrepoint welcomes the Committee’s inquiry into Jobcentre Plus. While some young people report good experiences of the Jobcentre, too many report that they do not get the support that they need. Our experience is that young people are very keen to find work in order to improve their situation and rebuild their lives. But their unsettled situation and support needs can pose significant barriers to successfully finding and sustaining work. Unfortunately, many young people report that Jobcentre Plus staff fail to take account of their individual circumstances and, in so doing, can in fact act as a barrier rather than a help in their search for work. Centrepoint recognises that the Department for Work and Pensions (DWP) guidance to JCP staff emphasises the importance of tailoring support to the individual, but sadly our experience has shown that this is often not reflected in practice on the ground.

Approaches to identifying jobseekers’ needs and barriers to employment

3. Young people report that many JCP advisers do not seem interested in their needs. The negative attitude of many Jobcentre staff has a highly detrimental effect on their feelings of self-worth and motivation, leading too poorer attendance and attainment. A common complaint was that staff did not show understanding of the personal issues that vulnerable young people face. For example, young people have reported that Jobcentre staff have refused to be flexible on requirements even when they explained they had become homelessness or when their father had had a heart attack. They felt that greater empathy from the staff and flexibility from the system was needed, particularly with regards to the imposition of sanctions (see paragraphs 17 and 18).

“[Jobcentre staff] don’t understand the issues you’re facing, they won’t make any allowance and won’t let you explain”.

4. Young people have reported that Jobcentre staff always seem to be “fed up”, which they felt had a big impact on the quality of service they give to young people. Both staff and young people noted the inferiority of service that a young person received when they were on their own compared to when they attended with an

adult. When they attend on their own, young people report that they are often “fobbed off”, and are given different answers from different members of staff on the same issue. When asked what would help to improve the service, one young person commented:

“It’s just basic human empathy. If you’re not hitting targets, they should be able to think that there might be reasons why.”

5. This poor service is in contrast to reports of support that they have received from voluntary sector providers. Young people who have completed our Workwise programme—a sector based work academy—said that they had particularly valued the personalised nature of the help, for example with their CV and interview skills. Many have said that this was the first time they had received this kind of support, despite having been attending Jobcentre Plus for some time.

6. Many of the young people that Centrepoint supports face challenges in the labour market not only because of a lack of qualifications and experience, but also because they lack the self-esteem and positive role models to give them the confidence to succeed. Many young people highlighted that the personalised approach of their Centrepoint learning and support workers had been particularly important, as it had enabled them to build up a trusted relationship: “They actually want to help you and that makes you want to help yourself, and then you really try.”

Whether JCP is sufficiently focused on sustained job outcomes as well as off-benefit flows

7. The experiences of the young people we support suggest that Jobcentre Plus staff often place too much emphasis on short-term employment outcomes rather than long-term career prospects. While we fully recognise the need to reduce the benefits bill by moving people into work, we believe that pushing young people into unsuitable work could in fact cost more in the long-term by preventing young people from gaining the skills they need to secure long-term, sustainable employment.

8. Many homeless young people had their education disrupted due to crises in their teens. Many are therefore eager to return to education at a later date to gain crucial skills and qualifications that their peers achieved during their school years. Unfortunately, Centrepoint young people frequently give us feedback that their Jobcentre Plus advisors discourage them from engaging in training and education, even where it will directly improve their employment prospects in their field of interest. Instead, they report that JCP staff push them towards short-term, often insecure employment opportunities, threatening them with sanctions if they do not comply: “It’s crushing… They’re not interested in getting you a job that will suit you, just any job”.

9. It is important to note, however, that this is not a universal experience. Young people report that that some personal advisers are more supportive and take more account of their career aspirations. Some say there is a significant element of luck involved in the level of service you receive, depending on which member of staff you get to see.

10. One young man on Employment Support Allowance (ESA) reported that he had had very different experiences with two personal advisers. The first stated that he had to focus on getting straight into employment and should therefore be looking for paid jobs rather than training opportunities. The second, however, was much more flexible and recognised that his mental health needs were still significant and that it was important to give him an opportunity to build up his skills and confidence before seeking work. Since being moved onto the new advisor’s caseload, he has started college, and has developed a clear plan of how he will build up the skills and experience necessary to secure work in his chosen field.

11. While it is always important to take account young people’s aspirations into account, our experience suggests that young people are keen to understand the availability of vacancies in different sectors to ensure that their aspirations are realistic. To help them form achievable goals, it is vital to talk to them about the number of job vacancies in different fields. Helping them to make informed decisions about the sector in which they are likely to have the best chance of securing work is better than dictating what they should pursue, as they are much more likely to sustain employment in a job that they chose rather than one they were forced into.

JCP’s effectiveness in matching jobseekers to suitable job vacancies, including through Universal Jobmatch

12. While Centrepoint welcomes the introduction of Universal Jobmatch as an additional tool to help young people find work, we have significant concerns about its use being made mandatory. It is vital that young people’s job searches are recognised even if they are not done using the Jobmatch system.

13. This is particularly important given the negative feedback from some of the young people we support about the ability of Jobcentre Plus to help them access suitable vacancies. One young woman reported that she had managed to find work on a number of occasions but that none of these jobs had been found through the Jobcentre. Over a three year period, Sharon40 moved in and out of short-term jobs. Even when she was not claiming benefits (for example when she was already in temporary work), she regularly used the Jobcentre to try and find suitable opportunities to move onto. Unfortunately, however, she never received any responses to the many applications that she made through the Jobcentre.

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40 The young person’s name has been changed to protect her identity.
14. She also reports that she was never offered any practical advice by Jobcentre Plus, such as CV writing, computer skills or interview skills classes. As Sharon put it: “How do you expect people to get the jobs without giving them the skills?” She was also concerned about the lack of follow-on support at the end of Jobcentre training courses:

“I understand they are giving people courses and apprenticeships now where a job is guaranteed for seven candidates out of the 15 on the course. Great! But what happens to the eight that now only have the certificate—‘a bit of paper’. They go back to the Jobcentre to start that whole process again with a chip on their shoulder. They should be given feedback from the course/apprenticeship and also from the Jobcentre to work on together to successfully jump over the next hurdle.”

15. When asked what more Jobcentre Plus could do to support them to find work, young people suggested that Jobcentres should run more job fairs where they could meet directly with recruiting employers.

16. A new Centrepoint initiative that has proved very popular with young people is “speed mentoring”. At these events, young people are given the opportunity to meet influential people from a range of different sectors and get advice about the steps they need to take to achieve their ambitions in their chosen field.

The effectiveness of benefit conditionality and the level and appropriateness of JCP’s use of benefit sanctions

17. In Centrepoint’s experience, the biggest problem in relation to benefit sanctions is that many individual personal advisers refuse to recognise the genuine reasons some young people have for not meeting a requirement. This is despite DWP guidance that states that sanctions should not be imposed if the individual has “good cause” for failing to fulfil the requirement.

18. The experience of one of the young people we support underlines this lack of flexibility. Jake41 was on Jobseeker’s Allowance and was actively seeking work. At his sign on meeting, he was asked by his personal adviser to apply for three jobs before his next meeting. During the period, Jake was invited for interview for a job that he had applied for during the preceding weeks. As well as attending this interview, which he felt went well, he applied for two of the other jobs that his advisor had suggested. The third was in labouring—a field that Jake had worked in a number of times before and was therefore aware that your name can be permanently blacklisted if you fail to take up work you are offered. Given that he was still awaiting the result of the job he had interviewed for, he decided not to apply for the labouring job in case he was successful in the other job and was not able to take up the work, as this could risk his chances of accessing future labouring opportunities. Jake explained the situation to his personal advisor at his next meeting but, despite the fact that he had applied for two jobs and gone for an interview during the two weeks, his advisor said that she had “no choice” but to sanction him for three months. Jake calmly tried to appeal to her, but she simply said that she did not make the rules, and that if he did not like it, he should go and speak to his MP.

The effectiveness of JCP’s relationships with other key stakeholders

19. The effectiveness of JCP’s relationships with homelessness providers is highly variable depending on the individual Jobcentre and individual member of staff. Some personal advisers are keen to engage with our services, and recognise the role that our support workers can play in helping young people to meet their responsibilities. We have also had very fruitful discussions with some district managers who are keen to work with us to ensure that more young people can benefit from our Workwise model.

20. Others, however, are much less cooperative, refusing to recognise our role or share information even when the young person has asked us to speak to them on their behalf.

21. Significant progress was made recently when our Workwise programme was recognised by Jobcentre Plus as a sector-based work academy. This has been extremely helpful as young people on the programme should now recognised as being engaged in meaningful activity to help them find employment.

The skills staff will need in order to offer effective in-work support, support with “digital by default” and support for claimants affected by the benefit cap

22. The expanding role of Jobcentre Plus staff over the coming months will require a significant shift in practice if they are to provide effective support, particularly to more vulnerable claimants. The skills required will be much more like those of a support worker than those required by the traditional role of a Jobcentre adviser.

23. For example, when providing in-work support, it will be crucial to assess whether the individual is ready and able to take on more hours. As part of this, they will need to bear in mind that some people will only be able to gradually build up their hours or they will risk forcing that individual backwards if they push them into a situation they cannot cope with. In order to properly assess their suitability for increased hours, personal advisers will need to develop a trusted relationship with the individual so that they are willing to share personal information about how well they are coping.

41 The young person’s name has been changed to protect his identity.
24. While this kind of support will be vital, DWP should consider whether other agencies may be better placed to support claimants on behalf of Jobcentre Plus. Many young people tell us that the sanctions system and current inflexible approach of many JCP staff mean that the Jobcentre has negative connotations for them. This could make it difficult for JCP staff to build up the trusted relationship needed to effectively support claimants, for example to cope with benefit changes. DWP may therefore wish to consider outsourcing this role to voluntary sector agencies with which claimants may be more willing to engage.

Conclusion

25. This submission highlights some of the problems that young people face in accessing the help that they need at Jobcentre Plus. There are examples of good practice, however, and Centrepoint is keen to work more closely with Jobcentres to help ensure that this best practice is built upon and expanded to all areas.

24 May 2013

Written evidence submitted by Church Action on Poverty

Summary

Our grassroots evidence demonstrates that:

— Some individuals have been sanctioned through no fault of their own, but due to internal Jobcentre Plus (JCP) errors: “How am I supposed to live? ... I’m applying for 10 jobs every fortnight and [the Jobcentre] is saying that I’m not looking for work. It’s their mistake and I’m suffering.”

— Sanctions leave people without the means to feed themselves or their families, leading to reliance on food banks, or in some cases, destitution.

— Sanctions are being issued for minor infringements but the penalty for these (loss of benefits for anything between two and thirteen weeks) is greatly out of proportion.

— Many people who have taken part in our programmes do not feel that JCP helps or supports them to find appropriate jobs that match their skills: “They will not help me in getting a job I want to do, but are trying to force me into cleaning or factory work.”

— Individuals have issues with access to Jobcentre Plus including: digital exclusion, the cost of travel, problems with the helplines being busy and too expensive to call, appointments being cancelled or rearranged without notice.

— Individuals need help to understand their agreements with JCP, clear information on how to adhere to their agreements (eg a list of things they could be sanctioned for) and practical help such as how to use a computer or write a CV.

— People feel humiliated by the way they are treated at the Jobcentre. Being out of work and having to ask for help is difficult for many people: “They make you feel like you’re begging. It’s degrading.”

We are calling for a further inquiry into the links between benefit sanctions, errors and delays, welfare reform changes and the growth of food poverty.

About us

1.1 Church Action on Poverty is a national ecumenical Christian social justice charity, committed to tackling poverty in the UK. We work in partnership with churches and with people in poverty to find solutions locally, nationally and globally. We work with socially excluded communities and individual grassroots activists, community groups and faith-based projects. Working directly with people who are experiencing poverty allows us to keep up-to-date with the issues that are affecting them.

1.2 We are concerned by the rise in hardship faced by many of the people we work with in local communities. We are increasingly hearing stories about the negative impact of benefit sanctions, delays and cuts, the bedroom tax and other aspects of welfare reform. We are hearing that people cannot afford to feed themselves or their children, heat their homes or pay for other essentials.

1.3 We are increasingly alarmed by the way in which sanctions appear to be issued almost randomly; we have seen examples of one person being sanctioned for something while another is not, demonstrating inconsistency between advisers and Jobcentres. We are also disturbed by the rise in the number of benefit sanctions being issued (an increase of nearly 400,000 in the last ten years, now totalling nearly 669,000), and by reports of Jobcentre staff working towards targets on issuing sanctions.

1.4 Leaving people without the means to feed themselves or their families is inhumane and totally unacceptable in one of the world’s richest countries.

1.5 Below we have included direct evidence from our grassroots work.
Grassroots Evidence

Most of our evidence relates to:

- JCP’s role in relation to the rights and responsibilities of benefit claimants:
  - The effectiveness of benefit conditionality, particularly job-seeking conditionality.
  - The level and appropriateness of JCP’s use of benefit sanctions, including difference of approach between JCP Districts.

Case study: Stephen

2.1 Stephen recently attended one of our programmes in the community. He told us of his experience of benefit sanctions. Stephen had his benefits stopped for two months (January–March 2013) due to an administrative error and was left destitute: during this time he lost almost two stone in weight. Stephen missed an appointment at Salford Jobcentre because he did not receive a letter about it. His benefits were stopped the day after the missed appointment and he was sanctioned for four weeks. The Jobcentre then claimed he wasn’t doing enough to find work and sanctioned him for another month.

2.2 During the time he was sanctioned Stephen was attending a six week course at Salford City College, he had to walk the five-mile round trip each day as he could not afford the bus fare. He also went without food while at college as he did not have any money:

> “How am I supposed to live? I’ve been going on a course three days a week, plus I’m applying for ten jobs every fortnight and [the Jobcentre] is saying that I’m not looking for work. It’s their mistake and I’m suffering.”

2.3 Stephen lives in a Salford-based hostel for single homeless people. His Jobseeker’s Allowance (JSA) covers the £20 a week service charge and the cost of food. During the period that he was sanctioned Stephen had to borrow money to pay the hostel after he was threatened with eviction. When he asked the Jobcentre staff how he was supposed to feed himself, they suggested he went to food banks.

> “I felt really low: suicidal, depressed. I just thought that no-one was helping or caring. If I’m trying as hard as I can, and following all the rules, and they won’t even pay you to survive, you feel like there’s no point.”

> “In the hostel, every other week you see someone [who has been sanctioned]. The Jobcentre don’t seem to care. They think we’re scum. Maybe some people don’t want to work. But a lot do want to better their lives and get a job. We shouldn’t all be treated the same. If we’re trying to get work we should get more help.”

2.4 Stephen has experienced more problems with sanctions recently (April–May 2013). At the end of April he discovered that his money had not come through. He came to the support group the same day feeling upset and worried so the drop-in centre let him use their phone to try to sort it out. After three phone calls (taking a total of 25 minutes) to the benefits office and then the Jobcentre Plus phone line, it was confirmed that Stephen had lost a week’s money because he had not applied for any jobs one week. In fact Stephen had applied for 12 jobs over a two week period, four more than was required under his JSA agreement, but he had submitted them all in one week, rather than over a two week period. When asked why he had not been paid for the week he did submit the job applications the adviser said this had been a mistake and he would send that payment straight away and it would be in his account within 24 hours.

2.5 In summary Stephen has been subject to a total of 22 weeks of sanctions so far this year for minor infringements; there appears to be no common sense or compassion applied to his case.

Case Study: James

3.1 James was sanctioned for two weeks at the beginning of 2012. When he went to enquire why his money had not been paid he was told it was because he failed to turn up, to look for work, over the Christmas period.

3.2 When he last signed on before Christmas he was told he did not need to come back until 7th January.

> “Everybody gets a piece of paper which tells them when they are supposed to come and sign on. They never said they were still open before 7th January.”

Issues arising from the case studies

4.1 We were able to help Stephen on the day he found out he had been sanctioned for the second time as it was the same day that he was attending our group at the local drop-in centre. Ordinarily he would not have been able to make the three phone calls to find out why he had been sanctioned, luckily on that day he was able to use the phone at the drop-in centre.

4.2 The national phone number for Jobcentre Plus (an 0845 number) is expensive to call from mobile phones. If people do not have access to a landline telephone and/or do not have money for a pay-phone or mobile (because they have not received their benefit payment), they are unable to make phone calls to find out why they have been sanctioned and attempt to resolve the situation. It is also difficult for people to travel to the Jobcentre when they have not received any money.
4.3 The benefits office gave out incorrect information about why Stephen had been sanctioned. Why were they not able to provide accurate information? If Stephen had not persisted he would not have got the money that he was owed.

4.4 It also came to light that another member of the support group we run had been submitting all of his job applications once every two weeks (rather than once every week) and he had never been sanctioned. This demonstrates the inconsistency of the system and the apparently random way in which sanctions are applied.

4.5 Staff at the drop-in centre also reported that they see their clients regularly sanctioned in the same way which indicates how common the problem is.

4.6 James’ case illustrates that incorrect information being given out by the Jobcentre leads to individuals being sanctioned. Jobcentre staff need to take responsibility for their mistakes and rectify them. Instead they seem to use it as a reason to punish the client.

4.7 On a wider level the prevalence of the use of sanctions is disturbing. In January 2013 an internal Department for Work and Pensions (DWP) scorecard leaked to The Guardian revealed that more than 85,000 sanctions had been applied or upheld against JSA claimants in one month. This would translate into more than a million sanctions per year, against a total JSA caseload of just under 1.5 million. More recently there has been growing controversy as to whether Jobcentres have targets for issuing sanctions and getting people off benefits; although this has been denied by DWP it is hard to ignore the growing evidence and concerns raised by Jobcentre staff, particularly the admission that action is taken against those Jobcentres that do not sanction claimants as much as others.

The following evidence from Salford and Thornaby also relates to:

**JCP’s employment services:**
- Approaches to identifying jobseekers’ needs and barriers to employment.
- Supporting a flexible labour market:
  - JCP’s effectiveness in matching jobseekers to suitable job vacancies.

**Salford Jobcentre Survey**

5.1 One of our projects recently undertook a survey of Jobcentre Plus clients in Salford. The aim of the questionnaire was to find out how people felt about the service they were receiving from the Jobcentre. 42 people responded to the survey.

5.2 When asked “How would you rate the service, 1 being poor, 10 being outstanding”:
- 53% gave a rating of 3 or less.
- Only 4% gave a rating of 10.

5.3 When asked “How useful would you say the Jobcentre’s support has been?”
- 55% gave a rating of 3 or less.
- Only 2% gave a rating of 10.

**Problems and concerns highlighted by the survey**

6.1 **Digital exclusion**

Many of the services provided by Jobcentre Plus are now in a digital format which excludes many benefit claimants who either do not have a computer or internet access or are computer illiterate.

Out of the poorest 20% of households in the UK, almost 45% (of under 50s) do not have access to the internet. The move to “digital by default” will worsen the situation for people who are already digitally excluded.

A recent case study in our Food Poverty report described a woman who relied on the Jobcentre for internet access in order to submit job applications. One week the internet was not available at the Jobcentre and she was not able to submit her applications. Even though the Jobcentre advisers were aware of the situation and the woman submitted enough applications to make up the requirement the following week, she was still sanctioned.

6.2 **Access to Jobcentres**

Our respondents have reported that appointment times are often subject to change because the Jobcentre staff are “too busy”. People have reported travelling long distances to attend appointments (paying expensive bus fares out of their JSA or walking miles) only to be told to come back later in the day.

“I have to walk miles to get here but I don’t get any help with travel.”

“I have travelled a long distance to get here to sign on and then asked to come back later because they were busy.”

6.3 **Sanctions issued for minor mistakes**
“Two weeks of money lost because of loss of grey signing-on book.”
“Stopped money because they said I’d missed my appointment.”

6.4 **Not treating the claimants as a person/not listening**

“They don’t want to know. They haven’t got time for you.”
“They don’t give you enough info about jobs relevant to your skills, but they stop your money for not looking for work.”
“They keep asking you to apply for jobs that don’t exist. If you don’t you don’t get any money.”
“All they want to do is punish us. They never believe us. You get respected more in prison.”
“They will not help me in getting a job I want to do, but are trying to force me into cleaning or factory work.”

6.5 **Inconsistency**

“It varies from day to day, week to week. You never know how you’ll be treated.”

6.6 **Problems with phone lines**

As reported above the 0845 number for Jobcentre plus is expensive to call from mobile phones, up to 41p a minute from mobile phones.

“They tell you to get on the phone and dial this number and then the phone cuts off. I’ve even dialled it from home, it’s always busy.”

“I have been asked to make phone calls within the centre where there’s no privacy.”

6.7 **Additional support**

The survey also asked “What additional support would you like from the Jobcentre?”

“Matching jobs with my skills.”

“To sit down and teach me how to use the computer as I am computer illiterate.”

“Some understanding of what it’s really like to come here. I hate it.”

“I want them to talk to people politely.”

**Issues Arising from the Salford Jobcentre Survey**

7.1 The sanctions regime does not allow any leeway on the infringements people are disciplined for. It does not take account of situations where people cannot attend appointments due to illness, childcare commitments, or other emergencies. In fact childcare responsibilities were cited in a letter written by a JCP manager (recently leaked to The Guardian), as a reason to sanction people for not being available for work. Sanctions leave people with no money for weeks on end, unable to pay rent or buy food. People left in this situation increasingly have to rely on churches, charities and food banks to put food on the table. The number of people accessing food banks has tripled in the last two years.

7.2 Respondents to our survey have reported problems with the way they are treated and the way they are spoken to by some Jobcentre staff. Coming to the Jobcentre is a difficult experience (many people find it humiliating to be out of work and to have to “ask for help”), this situation is made worse by the negative attitude of some staff and by the arbitrary way in which sanctions seem to be issued.

One person commented:

“They make you feel like you’re begging. It’s degrading.”

7.3 Respondents also reported a lack of consistency between different Jobcentres and between advisers within the same Jobcentre. They highlighted a lack of clarity in the information provided and uncertainty as to why sanctions were applied and what, if anything, they could have done to prevent it.

**Women of Thornaby Project**

8.1 Thrive, our partner organisation in Stockton has recently run a programme to support local women who were unemployed. The Steps Forward for Women project adopted a Sustainable Livelihoods Approach (SLA) and aimed to move marginalised unemployed women closer to the labour market—identifying the strengths and capabilities of referred women and supporting them to make agreed positive changes in their lives.

Specific questions within the introductory questionnaire explored participants’ views of the Jobcentre and the support they received. Issues raised included:

8.2 **Confusion over what the Jobcentre expected:** some of the women did not know how to fill in their diaries, complete their agreements (some did not understand what they were agreeing to) or write CVs. The women felt as though the Jobcentre advisers did not offer enough help and treated them like they were stupid.

“I felt like crying the last time I went—they said I was stupid.”
8.3 Unrealistic expectations: some women reported that the advisers did not take account of personal circumstances such as childcare requirements. One woman was asked to apply for jobs that involved travelling for up to one and a half hours a day despite her childcare commitments.

Other women commented upon the lack of appropriate jobs and pressure to apply for jobs they could not do:

“I see a nice lady—she really listens and does her best to help—but there are no jobs out there.”

8.4 The threat of sanctions: the women were worried about being sanctioned:

“I’m sick of being threatened with a sanction—I’m already struggling and they are more interested in punishing me than helping me.”

Issues Arising from the Women of Thornaby Project

8.5 The project revealed that contact with local Jobcentres has not been a positive experience for the women involved. They have viewed it generally as unsupportive and not helpful with trying to re-enter the labour market. In many cases, the personal manner of advisors has not been conducive to empowering and guiding women and it has been perceived more of a hindrance. Findings suggest that there is also confusion over the agreements they “sign” up to and that staff are all too quick to use the threat of a sanction.

Final Thoughts

9.1 The evidence detailed above provides a worrying account of what is happening to the people we work with in local communities. The current policies and practices employed by Jobcentre Plus are forcing people further into poverty and destitution.

9.2 Sanctions leave people without the means to feed themselves or pay their rent. This leads people to become reliant on food banks and other sources of charitable help. Leaving benefit claimants without any cash or means to provide for themselves will ultimately push them into working in the informal economy, crime or destitution.

Recommendations

(1) The House of Commons Work and Pensions Select Committee conducts an urgent inquiry into the relationship between benefit delay, error or sanctions; welfare reform changes and the growth of food poverty.

(2) The Department for Work and Pensions publishes data on a regular basis on the number and type of household who are deprived of their benefits by reason of benefit delay, error or sanctions; the numbers leaving and returning to benefits after a short period of time, and the number of referrals from Jobcentre staff to local food banks.

(3) Benefit claimants need to be given clear information on why sanctions are issued and what is expected under their agreements with the Jobcentre.

References

1 http://www.rightsnet.org.uk/news/

2 Walking the Breadline: Church Action on Poverty & Oxfam, May 2013.

3 http://www.guardian.co.uk/society/2013/mar/25/jobcentre-newsletter-sanctions-targets & http://www.guardian.co.uk/society/2013/may/15/dwp-no-evidence-jobcentre-benefits-targets

4 http://www.poverty.org.uk/11/index.shtml

5 Walking the Breadline, op cit.

6 http://m.guardian.co.uk/society/2013/mar/21/jobcentre-set-targets-benefit-sanctions

7 This approach adopts a distinctive perspective on the understanding of poverty and on how to intervene to improve the conditions of people in poverty. It takes as its starting point not deprivation but assets: the strengths and capabilities of people living in poverty and the strategies they use to “get by” through drawing on these different assets. Connections are then made between the detailed household level information and the wider context and this information is then used to plan and prioritise possible actions to bring about positive changes in people’s lives. http://www.church-poverty.org.uk/livelihoods
**Written evidence submitted by Citizens Advice**

**Recommendations**

- Jobcentre Plus (JCP) staff need to understand their roles are changing from one held back by administrative processes and compliance management to a more focussed employment support service.
- Universal Credit (UC) claimants need to be given the chance to opt to have their benefits paid directly to their social landlord and to receive more frequent payments for a transitional period. This would take some of the pressure of JCP and allow time to give people the support they need to cope with the changes.
- JCPs need to work closely with local support providers as part of the Local Support Services Framework (LSSF) and the Department for Work and Pensions (DWP) need to provide sufficient guidance and resources so these partnerships are able to provide the support UC clients will need.
- JCP staff will need significant support and training to deliver the service in a more personalised, responsive and holistic way.

**Summary**

In the year to April 2013, Citizens Advice Bureaux helped people with 2.3 million problems with benefits and 1.9 million problems with debt and related financial support needs. As such we are well placed to comment on the role of Jobcentre Plus in the reformed welfare system.

Jobcentre Plus is central to the successful implementation of universal credit as the most visible customer-facing arm of the Department for Work and Pensions.

From 2011 the Government commenced the most wide-ranging programme of changes to the welfare system since its inception. The Government plans that, by a point in 2017, all income related welfare benefit and tax credit claimants will be on Universal Credit. This will significantly change the role and remit of JCP staff.

There are two distinct phases for JCP as the reformed welfare system takes effect. The short and medium term, during implementation and bedding-in, and the longer term, when the system has been fully operational for several years.

There are significant risks for the JCP in the short to medium term as claimants struggle to cope with the new system and require various forms of assistance from JCP. These risks can be mitigated by giving claimants the choice to have, for a period of time, both more frequent payments and have their housing costs payments paid directly to their landlord. During this transition period, support organisations like Citizens Advice will be able to provide advice services to claimants on the issues they face in managing the new welfare benefits payment model and claiming processes, thus ensuring inappropriate demands are not placed on JCP.

The main support for claimants will be delivered through the Local Support Services Framework, of which JCP will be key partners. Successful local support services delivery will need JCP to commit to a minimum service standard for claimants and Local Support Services partners.

In the long term JCP will have fewer demands with regards administrative work as more claims are made and managed online. Adapting to this changed remit will both require and allow JCP to:
- engage in greater cross-sector working with voluntary and local authority services;
- provide support for more complex customer support needs;
- more directly identify and address jobseekers’ barriers to work; and
- identify and address support needs which limit the ability of a claimant to comply with conditionality.

**Specific Comments**

**Universal credit**

In 2013 Citizens Advice undertook research to understand claimant preparedness for UC. A survey of 1,700 people currently receiving UC relevant benefits looked at how they anticipated coping with five areas related to the new system—budgeting, monthly payments, banking, staying informed, and internet access. Ninety-two percent of respondents said they felt unprepared for the new system in at least one area, and 38% will need support across all five areas.\(^42\)

This indicates that demand for a range of support will be very high as UC is implemented. JCP is not currently equipped to deliver support in the majority of the areas identified by Citizens Advice as potentially problematic for claimants. It would be most appropriate for JCP to focus on its core remit as an employment service in the shorter term, and adapt to longer term changes in demand over time.

One big concern is that the planned delay in the start of the national rollout means that more complex cases may be back-loaded and rushed onto UC in time for a 2017 deadline. So far, the Government has not announced when they are going to be testing the system on anyone but single people who have no children and do not have any housing costs to pay.

JCP staff will need to build good working relationships with claimants in order to understand and help people address any difficulties in managing the UC claims and payment model. Because claimants will not be able to apply for or request an alternative payment arrangement there is a great risk that the JCP will be inundated with people with support needs around the monthly payment and housing costs paid to the claimant model.

This pressure could easily be reduced by allowing claimants to choose whether or not they want to receive their benefit payment more frequently than monthly or have their housing costs paid directly to their landlord. With sufficient support this will only be a temporary measure for most claimants as they are given help to cope with managing under the new model.

Whilst a “triage” is built into the claiming process to help identify which particularly vulnerable claimants may need an alternative payment arrangement, some will fall through the net. JCP staff will require significant sensitivity to indicators of this need where it has not been identified by the automated system.

This sensitivity will be critical for households who need a payment split between the adults due to domestic violence or abuse in order to ensure the risk of financial abuse is minimised and that where an abused partner decides to leave that they have access to cash.

Local Support Services Framework

JCP is likely to have a new role in commissioning support for UC claimants as part of the Local Support Services Framework. Each local support service will be a partnership between the local authority, the DWP District JCP Manager, and local organisations who can deliver support. In order to understand the needs of local claimants and what services the JCP District manager can draw upon work needs to start now on developing relationships with local services. There is a wealth of understanding of claimants, knowledge, skills and information across JCP, local authorities and voluntary sector organisations that, when pooled, will make the task of commissioning support much easier and targeted.

Local JCP will also need to draw upon closer working relationships with support providers in the community to identify those claimants who may be struggling with the new benefit payment and management model who have not been picked up in earlier in the process.

However, DWP has been frustratingly unclear on what exactly the LSSF will look like and what resources will be available to provide this support.

Digital by Default

“Digital by default” will have a big impact on claimants and the support they need. Citizens Advice’s research found that 66% of people currently receiving UC relevant benefits are not ready to manage an online UC account. The Secretary of State for Work and Pensions has said that 30% of current claimants would be able to make online claims without support, 33% with some support and 37% would need significant support.43

JCP will have an important role to play in supporting people making and managing claims online, but they are not ideally placed to deliver in-depth support.

The initial roll-out of UC will mean a very high need for support around online claims. This should diminish over time. This rise and tail-off of demand will pose a challenge for JCPs. Supporting people to use an online system is not a core part of the JCP remit and to provide this support would require a specific skill-set and capital resource for a short period of time. It would be a better use of resources to externally commission for digital support.

With the claiming process for Jobseeker’s Allowance (JSA) now offered predominantly through digital channels we are already seeing some people struggling to access the support they need.

One Citizens Advice Bureau (CAB) client went to his local JCP for help when he was unable to apply online because he was not computer literate. He was told that the only way he could talk to someone is if he went back online and applied for a face to face meeting.

Over the longer term, digital channels will mean less and less face to face provision will be needed in JCP itself in order to manage a claim to benefits. The face to face support that is required is likely to be more complex in nature and more about claimants’ support needs in relation to education and training, benefit conditionality compliance, work related activity and barriers to work. This will necessarily move staff away from admin work to actually helping claimants as individuals.

As many administrative processes are pushed out of the JCP and onto digital channels there should be greater space for providing a true employment service, including more detailed and holistic employment

43 http://www.publications.parliament.uk/pa/cm201213/cmselect/cmworpen/576/120917.htm
preparation and work search support. This should include education and advice for claimants about the terms and conditions offered by different types of employment contracts and how to assess whether a contract is appropriate to their needs. It will become especially important as labour market interventions for in-work claimants are rolled out.

Conditionality and Sanctions

Citizens Advice saw a year-on-year increase in advice queries in relation to sanctions— with an increase of 35% in relation to JSA sanctions and for Employment Support Allowance (ESA) an 80% increase (July 2012–June 2013). This largely coincides with the changes to the sanctions system for these benefits from late 2012. As the DWP has been unable to release statistics from the period following the changes to the system it is difficult to interpret these statistics in isolation, but Citizens Advice suggests that the increase in advice queries represents a mixture of a higher number of individuals being sanctioned, and increased hardship arising from the minimum JSA sanction now being 4 weeks (instead of 1 week).

Citizens Advice has seen that sanctions frequently do not drive compliance or improved labour market outcomes. Clients often come to us for help when they were sanctioned but really what they needed was more support.

A 41 year old man in the East Midlands had his JSA sanctioned because he did not apply for a job that had an online application process. This was despite indicating to JobCentre Plus that he had extremely limited IT skills. He had attended a computer course, but it did not deal with how to use e-mail or make job applications. He is very willing to undertake further training.44

The issues people bring to Bureaux about benefit sanctions can be broadly collated around the following themes:

— Negative impacts of debt and hardship.
— Poor communications from Jobcentre Plus adviser.
— Lack of claimant understanding of requirements, consequences and/or the system.
— Inappropriate work search directives.
— Poor speed and efficiency of administration.
— Inconsistency in referral and/or decision making.

The changing role of JCP advisers means that they will have greater opportunity to work with claimants in order to better understand their skills and abilities, to signpost claimants to relevant support, and to tailor jobseeker directions more effectively. The claimant commitment may provide greater clarity for claimants on what their responsibilities are, but this will need to be backed up in the communications the claimant has directly with their adviser. JCP advisers will need guidance and training in order to set conditionality in a more personalised way.

10 September 2013

Written evidence submitted by the Confederation of British Industry

1. The Confederation of British Industry (CBI) is the UK’s leading business organisation, speaking for 240,000 businesses that together employ around a third of the private sector workforce. With offices around the UK as well as representations in Brussels, Washington, Beijing and Delhi the CBI communicates the British business voice around the world. The CBI represents businesses that use Jobcentre Plus (JCP) to recruit staff and offer work experience placements, as well as providers of contracted out schemes including the Work Programme and Work Choice.

2. Unemployment— and especially youth unemployment— remains a significant concern for British business. As the first port of call for jobseekers on benefits, JCP has a critical role to play in helping people into employment and reducing the welfare bill. JCP has faced a challenging period in responding to higher unemployment and delivering a range of new schemes and initiatives designed to tackle it (eg Get Britain Working measures, Youth Contract, Work Programme). Looking forward however, Jobcentre Plus will need to move further and faster to adapt to the rapidly changing welfare and fiscal landscape, especially given the introduction of Universal Credit. The new fiscal and welfare landscape requires a more focused, streamlined, efficient and flexible JCP that jobseekers, businesses, other public agencies and contracted out services providers find it easy to engage with.

3. The role and effectiveness of JCP in the new welfare landscape will need to be reviewed regularly in the coming years. While this submission sets out the CBI’s priorities for JCP now, different models and approaches may need to be considered as and when the pressures and demands of the new welfare system are more fully understood (eg whether an Australian Centrelink model would be better suited45).

45 Centrelink is the Australian equivalent of JCP; it is responsible for income support, but it does not deliver any employment services itself, all of which is contracted out to independent providers.
4. The CBI acknowledges that a significant change programme is now underway within JCP, with greater flexibilities for frontline staff and the movement of many more services online. But we believe there is scope to do more—in particular in developing JCP staff skills and behaviour in ways which will enable high performance. In this submission the CBI sets out three priorities for JCP in the short to medium term:

- J obcentre Plus must refocus its attention on delivering a compelling offer for employers that results in a greater number of sustained job outcomes.
- J obseekers’ barriers to work should be identified as soon as they reach J obcentre Plus to ensure they can access the support they require quickly.
- J obcentre Plus must work more effectively with other public services and function more consistently as a gateway to the Work Programme and Work Choice.

J obcentre Plus must refocus its attention on delivering a compelling offer for employers that results in a greater number of sustained job outcomes

5. J obcentre Plus’ primary objective is to get people into work. Its success in achieving this objective is dependent not only on correctly identifying claimants’ barriers to work and helping them overcome them, but also its ability to meet businesses’ needs. While recent reforms of JCP have been pending in the right direction, we believe there is more JCP can do to ensure it delivers a compelling offer for business and builds relationships with local employers. Together with more precision in identifying claimant needs, this should result in a greater number of sustained job outcomes. The roll out of Universal Credit across the country later this year and the move to online benefit claims should free up resources within the organisation and provide a good opportunity to do this.

6. The first thing Government must do to ensure JCP can deliver a more compelling offer for business is to simplify the multitude of existing government schemes. A 2012 CBI analysis suggested there were at least 47 different schemes that help businesses take on or train a young unemployed person at that time. This is confusing not only for businesses but for JCP staff too. Many large employers have a good relationship with JCP, because they have a dedicated account manager helping them to navigate through the complexity of the programmes and tailoring them to their needs. However even they find it confusing at times and smaller employers struggle even more with the multitude of different channels and programmes.

7. M edium-sized enterprises are the job creators of the future and it is crucial that JCP is able to service them effectively. While it is impossible for JCP to provide an account manager to every single business no matter what their size, decreasing the multitude of existing schemes, concentrating on what works and providing a single point of access for business will help better engage this segment of the business community. JCP should plan for how it can use the resources freed up through the introduction of the Universal Credit to better engage with medium-sized employers.

8. To increase the chances of claimants finding a job, JCP staff also need to better promote existing employment programmes to businesses. The findings of the DWP’s recent own research into the Youth Contract and related initiatives are alarming. In the five J obcentre Plus districts analysed, JCP staff were not always aware of each of the government scheme’s characteristics and were not always promoting flagship government schemes, such as the Youth Contract wage incentive:

- Sector-based work academies, a scheme that sees JCP commission pre-employment training in return for businesses providing work experience and a guaranteed job interview at the end. All three of these stages are flexible and can be tailored to suit different businesses’ needs, but the study found not all JCP staff knew this was possible. This meant fewer sector based work academies were set up, leading to fewer opportunities for young people. To better meet businesses’ needs, the Department for Work and Pensions (DWP) therefore has to ensure that all JCP staff are completely aware of all existing schemes and their characteristics.
- Similarly, the study found some JCP staff failed to promote the Youth Contract wage incentive, a scheme introduced specifically to convince more businesses to take a chance on a young unemployed person. Staff said they found it difficult to explain that the incentive was designed to reflect the fact that businesses would have to do more to support these young people.

9. Alongside simplification and awareness raising measures, JCP’s targets and incentives need to be adjusted to ensure JCP delivers a greater number of sustainable job outcomes. While the change programme has given JCP advisers greater flexibility in the way they get people into work at a local level, current targets are still holding JCP’s effectiveness back, often don’t help claimants themselves and risk severing relations with local employers.

10. Assessing JCPs based on off-flows, for example, creates pressure on JCP staff to place customers in any work. This can lead to claimants being pulled out of training, that could have helped claimants obtain more sustainable jobs. Similarly, targets on the number of interviews JCP has to achieve for its clients creates pressure on JCP staff to send a considerable number of claimants to job interviews for which they may not be suited, undermining claimants’ confidence and, importantly, harming the relationship between JCP and businesses—leading to businesses accusations of JCP wasting their time.

DWP (2013), The Youth Contract: Findings from research with J obcentre Plus staff in five case districts
11. A greater focus within JCP on achieving sustained employment outcomes—in line with that set out for the Work Programme—would meet both claimant and businesses’ needs, since it would emphasise the importance of engaging meaningfully with businesses, as well as help with the issue of job seekers returning to JCP at regular intervals.

12. Finally, Government needs to ensure that existing tools are fit for purpose. The introduction of Universal Jobmatch, for example, is a good idea that has had some unlooked consequences. Universal Jobmatch was supposed to be a more effective tool for businesses, allowing them to self-manage applications. However, with JCP advisers requiring Jobseeker’s Allowance (JSA) claimants to use the site, applying a sanction if they refuse to, jobseekers seem to view Universal Jobmatch as a mechanism to increase sanction activity based upon numbers of applications. This creates problems for employers who are being flooded with applications by job seekers who are not job-ready. Therefore, DWP should clarify to job seekers when a sanction applies to avoid further harming the relationship with employers.

13. To ensure jobseekers spend the minimum time on benefits, JCP needs to improve its capability to assess and understand their barriers to work. This is important for ensuring that both the hardest to help new claimants and repeat cyclers through the system are identified early on and directed to the employment support they need as soon as possible.

14. An inaccurate or incomplete assessment of job readiness and support requirements the first time an individual interacts with the JCP can significantly increase the time it takes them to get back to work. It also increases the chances of individuals being advised to apply for jobs they aren’t suitable for—a common piece of feedback we hear from businesses.

15. Some diagnostic tools are currently used within JCP, but they are not comprehensive assessments and often inconsistently applied. Work Programme providers report that diagnostic assessment of ESA claimants is often better than JSA claimants, but can still vary significantly across the country depending upon whether JCP employs specialist advisers or not.

16. The CBI believes the equivalent of an Australian Job Seeker’s Classification Instrument (JSCI) should be introduced in Jobcentre Plus to address this challenge. This is a diagnostic tool that assesses jobseekers against a range of criteria to determine whether they are at risk of becoming long term unemployed. A number of factors that a JSCI could consider are set out in Table 1 below.

| FACTORS THAT COULD BE LOOKED AT THROUGH A JOB SEEKER’S CLASSIFICATION INSTRUMENT |
|---------------------------------|---------------------------------|---------------------------------|
| Age, gender and other demographic factors | Language proficiency | Access to transport |
| Educational attainment | Contactability (by phone/email) | Location of residence |
| Previous work experience and jobseeker history | Health condition or disability | Stability of accommodation |
| Basic, vocational and employability skills | Criminal record | Living arrangements |

17. Where a JSCI assessment indicates that a job seeker faces significant barriers to work, the CBI believes that they should be referred early to the Work Programme or Work Choice—dependent on need this referral could happen at the moment that a jobseeker reaches JCP or at three or six months, as opposed to a year. Once referral takes place it’s then important that information collected through the use of the JSCI is shared with the Work Programme or Work Choice provider.

18. It’s positive that preliminary research has now been undertaken by the DWP on the potential use of a JSCI, and it’s now important that follow up work is taken forward quickly on how to ensure it can deliver within an operational setting. A new JCP HR Strategy needs to be developed to help deliver any JSCI, with DWP moving JCP resources to improve frontline skills. The savings in terms of time and resource freed up through the shift of services online and the introduction of Universal Credit should enable this, allowing JCP staff to focus to a greater extent on understanding claimant needs and identifying the support they require.

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47 DWP (2013), Predicting likelihood of unemployment: the development of a UK job seeker’s classification instrument
Jobcentre Plus needs to work more effectively with other public services and function more consistently as a gateway to the Work Programme and Work Choice

19. JCP’s effectiveness in the new welfare and fiscal landscape should be measured in part by how effectively it interacts with other public services and contracted out services for which it functions as a gateway, such as the Work Programme and Work Choice. Jobseekers’ journeys from welfare to sustained employment can be complex and require them to interact with a range of different programmes and public services, of which JCP is only one port of call.

20. The CBI believes there is scope for JCP to work better with other public services and programmes that jobseekers depend upon and use regularly. This joined up approach can avoid fragmentation and potential disruption to jobseekers’ journey back into sustained employment as well as help to realise efficiency and resource savings from working across different organisations.

21. Effective working relationships and collaboration between JCP, local authorities, housing associations and other local services need to be strengthened as Universal Credit is rolled out over the next few years. Simplification of the benefits system will require JCP advisers to have a greater knowledge of and interaction with different local services.

22. Co-location with local public services could make a difference (eg with GP surgeries, housing providers, Work Programme provision). Co-location has been proven to result in more effective partnership working as a consequence of better communication and coordination, and can deliver savings through estates rationalisation.48

23. There is also scope to go further to align JCP activity with local authority programmes and services. There are examples of good practice already, but there is more that can be done to realise the benefits associated with aligning targets and pool any funding available through Community Budgets, which provide a useful mechanism for ensuring that local support flows to where it’s needed most.49

24. JCP must also ensure that its own spending on provision from the Flexible Support Fund is aligned with existing local provision for the unemployed and local needs. The provision commissioned from the fund to date has been on the most part patchy and inconsistent, with some regions procuring and utilising support, while there has been no or limited activity in others. This reinforces the view of a recent DWP report that some JCP regions aren’t aware about when and how they can use the fund.50

25. The role of JCP as a gateway to contracted out provision, including the Work Programme and Work Choice requires particularly close attention, as the nature of the relationship can have a significant impact on the effectiveness of the schemes. Where relationships between providers and JCP are strong there are positive examples of collaborative working and evidence of a shared commitment to helping job seekers into work. But in other areas CBI members report that JCP staff can view Work Programme and Work Choice providers as competitors, which makes collaborative working difficult.

26. DWP guidance around referrals to the programmes need to be clarified, as the experience of providers is that interpretation and application on the ground by JCP frontline staff can differ markedly. Work Programme providers report a number of issues including variances in interpretation around which payment group a referral should be made to by JCP advisers. Individuals are sometimes referred into the wrong payment groups (eg prisoners and Employment Support Allowance customers) or end up on the Work Programme when they should have been referred to Work Choice.

27. Greater consistency is needed around processes for handing over jobseekers from JCP to Work Programme or Work Choice provision. Face to face handovers (“warm” handovers) occur in some regions and for some groups of job seekers but not all. Communications with job seekers in advance of them joining contracted out provision could also be clearer; providers sometimes encounter jobseekers who do not understand why they have been sent to them or are expecting to receive a different type of service (eg training to receive a formal academic qualification).

28. The extent and quality of information shared between JCP and Work Programme/Work Choice providers is variable across the country and needs to be addressed. Providers report receiving inconsistent predicted flow volumes from JCP, which can make planning for provision difficult. Information held on customer barriers and needs is often not shared, or when provided is out of date, while changes in jobseeker circumstances are also not routinely communicated. While job seeker action plans are received by providers as part of the referral process, the quality is often inconsistent and the information not always useful.

31 May 2013

48 For example, Work Programme provider A4e now situates JCP staff within their delivery offices, or their own staff in jobcentres; this has significantly improved communications between organisations and made it easier to engage job seekers who were previously disengaged with the scheme. This co-location has received positive feedback from JCP managers and there are plans to expand it further.

49 For example, JCP has been a key partner in the Lewisham Community Budget, developing interventions to support troubled families with other agencies and ring-fencing staff to deliver the service.

50 DWP (2013), The Youth Contract: Findings from research with Jobcentre Plus staff in five case districts
Written evidence submitted by Department for Work and Pensions

1. Jobcentre Plus (JCP) delivers a public employment service to members of the public and employers through targeted support for jobseekers, and recruitment services for employers. Beyond the UK it is widely considered the model for how to deliver these services and has acted as a template for reform in many other countries.

2. The 2011 evaluation of the introduction of JCP concluded that Jobcentre Plus had been more than self-financing:\(^\text{51}\)

   — Flows off benefit into work were likely to be 40,000 higher per annum than they would have been had the investment not taken place.
   
   — The creation of JCP increased the effective labour supply in Great Britain, which is likely to have led to a small rise in gross domestic product (GDP) of about 0.1% [roughly £2 billion], and extended the rate of job-matching for benefit claimants of working age (compared to activity prior to JCP’s introduction).

3. Each working day the Department conducts 98,000 adviser interviews, processes 18,000 working age benefit claims, moves 14,500 people off Jobseeker’s Allowance (JSA) and answers 197,100 calls made to our contact centres.

4. The Department is working hard to ensure that we continue to look to the future and do not rely on our past success. Delivering our services using digital platforms is key to ensuring that a better, more efficient service is delivered to taxpayers. Universal Jobmatch, launched at the end of last year is just one example of how the Department is improving its digital services to claimants. Our Universal Credit Pathfinder office is now taking claims and the lessons that we are learning from this office will help to ensure that Universal Credit is delivered successfully across the country.

5. A core element of JCP activity is the Jobseeker’s Allowance regime which has proven to be very cost effective:

   — The evaluation of the introduction of JSA in 1996 showed that introducing mandatory work search, monitored through face to face fortnightly job reviews (FJR)s, had both a short-term and a lasting effect on unemployment; it was estimated that there was a permanent reduction in the claimant count of 0.8 percentage points.\(^\text{52}\)

6. The National Audit Office (NAO) concluded earlier this year that, “The Jobcentre network is a core element of the Department’s support for jobseekers. The Jobcentre network is a well-established operation and has shown its capacity to maintain services during a downturn. The Department can handle changes without escalating costs or major problems with performance, which represents value for money. The Department has also continued to formalise contingency arrangements and has developed a structured approach to operational planning.”\(^\text{53}\)

7. Jobcentre Plus is the key player in a system that is helping more people move off benefits and back into work. Despite a deeper fall in national output in 2008–09, there was a smaller drop in employment and a smaller rise in unemployment than in previous recessions.

8. Past recessions often led to an increase in economic inactivity, with some people dropping out of the labour force altogether. This was reflected in the rising numbers of incapacity and lone parent benefits. Today’s more actively managed regime has prevented this from happening. In fact the labour force has been boosted; the number of people claiming these benefits has fallen by over 300,000 since early 2010, the lowest level for 20 years (Chart 1).

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51 Riley, R et al., “The introduction of Jobcentre Plus: An evaluation of labour market impacts”, 2011, DWP RR 781. NIESR. NB The impacts measure changes in the labour market effects brought about by introduction of JCP rather than the costs and benefits of having JCP and all the services it provides.

52 See Rayner et al., Evaluating Jobseeker’s Allowance: a summary of research findings, DWP RR 116.

9. Chart 1

MAIN OUT-OF-WORK BENEFITS (000s)

10. Jobcentre Plus’ role in matching people to new job opportunities means that most people spend only a relatively short period of time unemployed. New Jobseeker’s Allowance claimants leave benefit more quickly now than in previous decades: at the worst point of the recession in 2009, half of those making a new JSA claim left benefit within three months and 70% left within six months. The position has since improved and latest figures show that new claimants are leaving JSA more quickly than they did before the recession (Chart 2).

54 JSA figures are the Office for National Statistics (ONS) claimant count, other benefits are taken from published DWP statistics.
11.

Chart 2

EXIT RATE OF JOBSEEKER’S ALLOWANCE INFLOW (%)\(^{55}\)

<table>
<thead>
<tr>
<th>Time Period</th>
<th>3 months</th>
<th>6 months</th>
<th>1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1987</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1990</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1993</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1996</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1999</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2002</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2005</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2008</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2011</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

12. The last year alone has seen around 2.5 million off flows from JSA into work.\(^{56}\) The active Jobcentre Plus regime helps to maximise the number of people joining the labour market which in turn supports the wider economy. Evidence from the DWP destinations survey shows that three quarters of those who leave Jobseeker’s Allowance to take up employment are still in work seven to eight months later.\(^{57}\)

13. All Jobcentre Plus offices have advisory teams, specifically tasked with helping individuals get back into or closer to the labour market. The teams are discretely managed and consist of Personal Advisers and Assistant Advisers, working closely to support claimants.

14. Personal Advisers are trained in work-targeted interviewing; a structured approach to diagnosing personal barriers that affect job search efficacy which inhibits claimants’ chances of finding work.

15. The process starts at the new jobseeker interview with a discussion aimed at agreeing some: realistic and achievable job goals, the claimant’s availability for work and jobsearch activities that, if taken will serve to give the claimant the best prospects of finding employment. This is captured within the Jobseeker’s Agreement (Claimant Commitment under Universal Credit), which is reviewed regularly and updated in the light of experience and any emerging needs.

16. To enhance claimants’ employment prospects, advisers provide guidance to claimants on how to access supported services to improve their employment prospects including: where and how to find vacancies, support to improve job search efficacy, motivation and confidence building and how to address a skills need or health problem. In doing so, advisers make best use of the Flexible Support Fund, contracted and non-contracted employment and training related provision, working collaboratively with local and national partners.

17. Beyond the new claim stage, claimants are required to attend fortnightly reviews to show their job search activity and discuss any changes in circumstances.

18. The jobsearch review process is supplemented by additional adviser contact which is tailored to individual claimant needs. Typically, additional contacts are provided where more time is needed to diagnose need or to follow-up specific time bound activities in response to an identified need, eg writing a CV, setting-up a Universal Jobmatch account or attending an employment programme.

\(^{55}\) Source: DWP calculations based on published claimant count data.

\(^{56}\) Based on over 3.5 million exits and survey evidence that nearly 70% of those leaving JSA move into work.

19. Wherever possible, the jobseeker will see the same personal adviser and same assistant adviser (for jobsearch reviews) for the life of their claim.

20. An independent review in 2006 by the NAO talks positively about the value for money presented by the broad range of adviser roles (based on primary quantitative and qualitative research; systematic review of evaluation evidence and benchmarking of JCP against private and voluntary sector comparators and the Dutch equivalent of JCP):58

- Advisers have a positive impact by raising customers’ confidence, convincing them of the value of employment support (securing commitment), equipping them with jobseeking skills and helping with job applications.59
- An additional important finding from DWP evidence is the importance of demonstrating that work pays.60
- Organisation for Economic Co-operation and Development (OECD) found significant improvements in unemployment levels in the UK through active job search strategies “such as those organised through personal advisers”.
- Independent research consistently finds that the use of advisers is associated with greater numbers leaving benefits...61
- ... and this is particularly strong for lone parents where work focused interviews (WFI), independent of other factors, increased the likelihood of leaving IS six months later by up to 2 percentage points.62 Lone Parent WFi’s (LPWFi’s) were a key mechanism for caseloading lone parents onto New Deal for Lone Parents, participation in which significantly increased the likelihood of a range of lone parents leaving Income Support (see section below on impacts).63

21. The NAO concluded that “benchmarked organisations operate in a similar way to JCP but with some significant differences which enable them to spend more time with customers. Notably, these differences concerned the amount of regulatory activity required in JCP-monitoring and enforcing compliance, for example which produce more favourable outcomes and external organisations still commented favourably on the ability of JCP personal advisers.”

22. Studies indicate that when advisers are able to tailor provision, they are more likely to help people move towards employment.64 The 2007 DWP Report What Works for Whom concludes, “One of the strongest conclusions to be drawn from evaluation evidence is the perception that personal advisers are critical to the success or otherwise of interventions.”65

23. Despite often needing to conduct challenging interviews with claimants, user satisfaction remains high with over 80% of customers stating they were satisfied or very satisfied with Jobcentre Plus, comparing favourably with other public employment services in other countries.66

Jobcentre Plus and the Youth Contract

24. The Youth Contract was the Government’s flagship programme that aimed to reduce unemployment for people in between the ages of 18-24. Jobcentre Plus was integral in the successful delivery of this and has provided additional adviser support for all 18-24 year olds on JSA (available across Great Britain) consisting of:

- Weekly contact from day one (through face to face interviews, SMS texts, emails, phone calls, group sessions).
- From month 5, a weekly face to face meeting. - either “signing on” or intensive adviser supported jobsearch.
- Advisory discretion to waive the offer of additional support for claimants who are actively moving closer to work—for example those who have a job offer, or who are actively participating in training, supported provision or work experience; these claimants are still required to attend fortnightly signing.

59 Ibid.
61 Based on NAO analysis of over 40 reports published between 2000 and 2006.
62 NAO.
63 Knight and Thomas, LPWFi and review meetings; administrative data analyses and qualitative evidence. DWP RR No.315, 2006; Dolton et al, The econometric evaluation of New Deal for Lone Parents, DWP RR No. 356.
66 NAO report Responding to Change in Jobcentres 13 February 2013, page 21
25. Jobcentre Plus has lead the implementation of Work experience and sector based work academies (SBW A). Work experience is designed to provide young claimants with an opportunity to experience and learn about a work environment.

26. Sector-based work academies combine sector-based training with a work experience placement and a guaranteed job interview. This is a flexible model which can be designed to suit one or a group of employers’ needs.

JCP’s use of the Flexible Support Fund (FSF), including how Spending Decisions are made and Evaluated

27. The Flexible Support Fund is used by JCP District Managers to tailor support to individual and local need, supplementing mainstream provision available prior to the Work Programme.

28. At an adviser level, some of the more common uses include: funding for travel and childcare costs, work-related clothing and tools, training, certificates and licences.

29. In using the Fund, advisers follow district manager guidelines and over-arching DWP policies. Within this, they exercise discretion in considering each proposed award to ensure it is reasonable and represents good value for money. Before proposing an award, all other possible sources of funding must be considered.

30. Details of every proposed award are passed to someone with the appropriate level of delegated financial authority (as set by the district manager) to consider (or evaluate) the “reasonableness” of the proposal and to authorise or not.

31. The Fund can also be used in partnership with, charities and not-for-profit voluntary and community sector organisations. Some of the resulting spend is through conventional contractual arrangements, but some is in partnership with local bodies.

32. Districts monitor use of the Fund and give assurances regarding financial probity and due process to ensure value for money. There are no separate measures of the overall performance impact for FSF, but information on expenditure is made available on a monthly basis, and is considered alongside trends in off-flows into employment. We have also delivered operational workshops and produced guidance on monitoring grants and ad-hoc provision purchases.

JCP’s Role as a Gateway to Contracted-out Services such as Work Choice and the Work Programme, including Processes for Referral and Handover

33. Jobcentre Plus advisers provide information about how to access a range of contracted services in response to an identified need. The interface with providers will vary depending upon contract arrangements, but typically involves an adviser appointment at which information is provided and the referral made.

34. In terms of the Work Programme, access points and the basis of participation is detailed below:

**WORK PROGRAMME ELIGIBILITY**

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Work Programme (WP)</th>
<th>Is Referral Mandatory Access?</th>
<th>Once referred to the Work Programme is the claimant’s participation mandatory or voluntary?</th>
</tr>
</thead>
<tbody>
<tr>
<td>JSA claimants aged 18 to 24</td>
<td>From 9 months of Pre-WP activity</td>
<td>M mandatory</td>
<td>M mandatory</td>
</tr>
<tr>
<td>JSA claimants aged 25 and over</td>
<td>From 12 months of Pre-WP activity</td>
<td>M mandatory</td>
<td>M mandatory</td>
</tr>
<tr>
<td>JSA 18 year old claimant who has been NEET (not in employment, education or training) for 6 months at the start of their claim or JSA 18 year old claimant who becomes NEET for 6 months during their claim</td>
<td>From 3 months of Pre-WP activity</td>
<td>M mandatory</td>
<td>M mandatory</td>
</tr>
<tr>
<td>JSA 18 year old claimant previously received a payment of JSA (18) as a 16/17 year old</td>
<td>M mandatory</td>
<td>M mandatory</td>
<td>M mandatory</td>
</tr>
<tr>
<td>Eligibility</td>
<td>Work Programme (WP) Hand off Points</td>
<td>Is Referral Voluntary, or Mandatory Access?</td>
<td>Once referred to the Work Programme is the claimant's participation mandatory or voluntary?</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>-------------------------------------</td>
<td>---------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>JSA Repeaters (claimed JSA 22 out of 24 months) at their date of claim</td>
<td>From 3 months of Pre-WP activity</td>
<td>Mandatory</td>
<td>Mandatory</td>
</tr>
<tr>
<td>JSA ex-IB* (or has had an appeal decision delivered regarding the outcome of an IB reassessment WCA) at any time within 6 months of their JSA claim. *IB equals Incapacity Benefit, Severe Disablement Allowance or Income Support on grounds of illness or disability</td>
<td>From 3 months of Pre-WP activity</td>
<td>Mandatory</td>
<td>Mandatory</td>
</tr>
<tr>
<td>An ex-offender or offender (if claim made before, or within 13 weeks of release)</td>
<td>From Day 1 of the claim</td>
<td>Mandatory</td>
<td>Mandatory</td>
</tr>
<tr>
<td>JSA Early Access claimants</td>
<td>From 3 months of Pre-WP activity</td>
<td>Voluntary</td>
<td>Mandatory</td>
</tr>
<tr>
<td>— An ex-offender or offender (if claim made later than 13 weeks following release)</td>
<td>From 3 months of Pre-WP activity</td>
<td>Voluntary</td>
<td>Mandatory</td>
</tr>
<tr>
<td>— Disabled person</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Person with mild or moderate mental health issues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Care-leaver</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Carer on JSA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— A homeless person</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Ex-carer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Ex-HM Armed Forces</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— A partner of current or former HM Armed Forces</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Current/previous drug/alcohol dependency (including a history of) presents a significant barrier to employment</td>
<td>From 3 months of Pre-WP activity</td>
<td>Voluntary</td>
<td>Mandatory</td>
</tr>
<tr>
<td>JSA claimants who the adviser deems would be impacted by the introduction of benefit cap in 2013 but do not meet any of the early entry criteria.</td>
<td>From 3 months of Pre-WP activity</td>
<td>Voluntary</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Eligibility</td>
<td>Work Programme (WP)</td>
<td>Is Referral Mandatory or Voluntary?</td>
<td>Once referred to the Work Programme is the claimant's participation mandatory or voluntary?</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>ESA (IR) WRAG with prognosis of 12 month or less (Stock and Flow)</td>
<td>From the WCA outcome or the date from which the Work Related Activity Component (WRAC) is awarded if this is later. (If entitlement to the WRAC has not been reached there is no benefit component to sanction for non-compliance. Do not book the WPR until WRAC entitlement is reached)</td>
<td>Mandatory</td>
<td>Mandatory</td>
</tr>
<tr>
<td>ESA (IR) WRAG with 18 or 24 month prognosis (Stock and Flow)</td>
<td>From WCA outcome</td>
<td>Voluntary</td>
<td>Mandatory</td>
</tr>
<tr>
<td>ESA (Flow (C)) WRAG claimants</td>
<td>From WCA outcome</td>
<td>Voluntary</td>
<td>Mandatory</td>
</tr>
<tr>
<td>NB: If the claimant is entitled to any element of ESA (IR) their WP entry point will be calculated as an ESA (IR) claimant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESA (IR or C) Support Group</td>
<td>From WCA outcome</td>
<td>Voluntary</td>
<td>Voluntary</td>
</tr>
<tr>
<td>ESA WRAG (lone parent with a youngest child under 5 or full time carers)</td>
<td>From WCA outcome</td>
<td>Voluntary</td>
<td>Voluntary</td>
</tr>
<tr>
<td>ESA Credits Only Pension Credit claimants (without a health condition)</td>
<td>From WCA outcome</td>
<td>Voluntary</td>
<td>Voluntary</td>
</tr>
<tr>
<td>From 12 months receipt of any eligible benefit e.g. 7 months on JSA plus 5 months Pension Credit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension Credit claimants (with a health condition in receipt of a disability premium)</td>
<td>At any time</td>
<td>Voluntary</td>
<td>Voluntary</td>
</tr>
<tr>
<td>IB/SDA Claimants (ESF funded England only)</td>
<td>At any time</td>
<td>Voluntary</td>
<td>Voluntary</td>
</tr>
<tr>
<td>IS Claimants (ESF funded England only)</td>
<td>At any time</td>
<td>Voluntary</td>
<td>Voluntary</td>
</tr>
</tbody>
</table>

— At the referral point, claimants have an appointment with their Jobcentre Plus personal adviser at which they are given information (verbally and in writing) about the Work Programme. This includes information about:
   — Providers and the support they provide, based on whether they are participating in either a mandatory or voluntary capacity.
   — Potential consequences of not participating when required to do so.
   — Ongoing role of Jobcentre Plus, eg the continued need to attend jobsearch reviews for those on JSA.

35. Depending upon arrangements locally, the referral may also include a “warm handover” involving direct claimant contact with the provider, either face-to-face or by phone.

36. The referral is also formally notified to the provider, usually by IT interface. Included with the referral is information about the claimant and their most recent action plan. Upon receipt, the provider arranges a first appointment with the claimant.

37. In terms of Work Choice, the gateway is managed by Jobcentre Plus Disability Employment Advisers. Where it is agreed Work Choice is appropriate, the process is very similar to that used for the Work Programme.
The effectiveness of JCP’s relationships with other key stakeholders, particularly Local Authorities

38. DWP has a comprehensive approach to working in partnership with local authorities and other key stakeholders around welfare reform and DWP services. Local Authorities are considered to be key stakeholders across all DWP operations, and working in partnership with these stakeholders takes place across a number of different management levels both on a national and local basis and on a number of different subjects and initiatives.

National Partnerships

39. DWP engage, on a one-to-one basis, with over 100 key national customer representative groups such as Citizens Advice, Mind, the Local Government Association (LGA) and Business in the Community. The nature of these relationships and the purpose for engagement varies between stakeholders, but key characteristics include input and discussion on policy decisions. Their knowledge and expertise is used to feed in to future DWP strategy and development of new benefits and services.

40. In January 2012, DWP introduced the DWP Operational Stakeholder Engagement Forum with a “core” membership of 37 organisations which collectively represent a broad range of our customers. Included in this representation is representation from Local Government Association.

41. Working in partnership with the Skills Funding Agency, Big Lottery Fund, the Art Council and other funding bodies to influence and align funding to support people into work.

Local Partnerships

42. Within Jobcentre Plus, a comprehensive range of engagement and partnership activities take place with key stakeholders. These activities vary across districts according to local demographics and because Local Authorities, as independent organisations, can have different delivery models. However, partnership working on the following areas broadly takes place across all districts:

43. Engagement on welfare reform — many districts have dedicated teams to work with Local Authorities to effectively introduce specific elements of welfare reform. An example includes successfully working together on social fund reform to introduce local authority managed welfare provision.

44. Creating opportunities to increase employment opportunities — Districts, Local Authorities and in some instances third sector organisations, have worked together on specific employment related activities. These have resulted in an increase in those taking part in sector based work academies and an increased provision for work experience opportunities. Districts and Local Authorities have also worked together to deliver joint information events around employment related issues. A specific example is the delivery of information events around apprenticeships, a key activity in the need to support and fill gaps in provision for young people.

Digital services provision and up-skilling

45. Districts are beginning to forge links with Local Authorities to develop strategies to support the digital up-skilling of claimants and the provision of Internet access. Separate and more strategic collaborative working between DWP and Local Authorities has been necessary as part of the Universal Credit Local Support Services Framework (covered later in this submission).


Co-location

47. There are many examples of how Jobcentre Plus and Local Authorities have co-located to deliver services. In some instance, this has also included third sector organisations. These services have centred around employability, access to learning and skills training, and advice on financial issues. The provision of all these services in one place provides an enhanced experience for claimants. Not only has this co-location been successfully delivered from Jobcentres, but in some instances shopping centres have been used. For example, “The Point” at the White Rose Shopping Centre in Leeds has been set up as part of a collaboration which includes Leeds City Council and Jobcentre Plus, amongst others. The partnership and the presence within the shopping centre have enabled Jobcentre Plus to broker vacancies with resident businesses.
JCP’s Role in Relation to the Rights and Responsibilities of Benefit Claimants

The effectiveness of benefit conditionality, particularly job-seeking conditionality and the mandatory "work-focused interview"; and the level and appropriateness of JCP’s use of benefit sanctions, including differences of approach between JCP districts

Work Focussed Interviews (WFI)

48. Through WFIs we promote the benefits of work and provide information about the support available to help claimants move into work. In particular, we:

- Make sure claimants understand the conditions of benefit entitlement and the consequences of failing to comply.
- Establish/agree job goals and any job search activity and monitor progress.
- Assess a claimant’s need, including any challenges they face in returning to employment eg skills needs, health related support, childcare or adult caring responsibilities and identify options for addressing those needs.
- Discuss support options, including whether the claimant wants, or is required, to access support through the Work Programme and the appropriateness of other specialist support to address issues such as homelessness, mental health issues and drug/alcohol misuse.
- Develop an Action Plan with the claimant, which includes any actions they are required to undertake.
- For people with incapacity/health conditions—encourage claimants to recognise that their incapacity does not necessarily signal the end of their working life.

Aspects of jobseeking conditionality

49. To be entitled to Jobseeker’s Allowance claimants must:

- Enter into a Jobseeker’s Agreement, which contains realistic and achievable job goals, the days and hours they are available for work and those job search activities that, if taken, give best prospects of securing employment.
- Be actively seeking employment. Claimants must, every week, take such steps as they can reasonably be expected to take to have the best prospects of securing employment. The steps are agreed with an adviser and set out in the Jobseeker’s Agreement.
- Be available for work, being willing and able to take up employment of at least 40 hours per week, unless it has been agreed they can restrict their availability because of caring responsibilities or a health condition. In most cases, the claimant will need to have reasonable prospects of finding work.
- Usually attend a Jobcentre at least once a fortnight to show they have taken all reasonable steps to look for work.
- Apply for any job notified to them by an adviser.
- Undertake an activity that an adviser thinks will improve their chances of finding work notified through the issue of a Jobseeker’s Direction.

50. Where someone fails to comply with any of the above, the case is referred to an independent decision maker who decides if the claimant has had good reason for non-compliance. If not, a sanction is applied. Claimants can ask for any decision to be reconsidered and if still unhappy, they can appeal to an independent tribunal.

Appropriateness of sanctions

51. Benefit sanctions are only applied in appropriate circumstances, ie where the claimant was made fully aware of what was required of them and the potential consequences of failing to comply, a genuine doubt has been identified and a decision made in the light of all available information, including that provided by the claimant. This is a key way in which we help people back to work, and there is a track record of success.

52. Most doubts originate in a Jobcentre but some are generated from contracted Work Programme providers. Upon receipt, a Decision Maker considers the evidence presented and seeks further information or clarification from the originator or the claimant if necessary. Relevant legislation and any established case law is also considered before a decision is finally made. If it is decided there was no good reason for failing to comply with a specific requirement, a sanction will be applied. If the claimant is unhappy with a decision, they can ask for it to be reconsidered, if the claimant disputes the outcome of the reconsideration they may then appeal to an independent tribunal.

Continuous improvement

53. We have critically monitored and evaluated our operational delivery of handling labour market conditionality doubts and the appropriate application of sanctions over the last 12-18 months.
54. We aim to continue to action referrals efficiently, make quality decisions of a consistent standard and reduce appeal volumes. We have delivered a programme of continuous improvement activities, including:

- Moving some low level conditionality decision making nearer to the front-line, thereby allowing the claimant to link cause and effect almost immediately where the decision is to sanction. In these cases we have seen our delivery time reduce to 24 hours from failure to decision.
- Attaching Work Programme providers to a specific decision making team to help establish better ways of working aimed at improving the quality of referrals and consistency of decisions. We are also in the process of digitalising the provider referral and decision making process to reduce turnaround times.
- A new telephony service (Provider Direct), which allows Work Programme and Mandatory Work Activity providers to check claimant circumstances have not changed before making a referral. This aims to avoid unnecessary work where, for example the claimant is no longer in receipt of benefit and a decision making and appeals referral would be pointless.
- A revised programme of staff learning and development and additional operational guidance to support the legislative framework we use to make decisions.
- Testing a robust quality assurance framework for decision making.
- Reviewing management data to look for local anomalies and act on them.

The impact of Benefit Reforms

Jobcentre Plus plans to support claimants affected by the benefit cap

55. Jobcentre Plus has been supporting those affected by the benefit cap, focusing on employment as the best possible mitigation for claimants for nearly 12 months now. The plans have been structured around identification of those potentially affected, followed by engagement and the offer of employment support. We have been working in partnership with stakeholders, particularly Local Authorities, to ensure that a cohesive local offer is in place.

56. The offer of employment support has been in place since April 2012, when the first of a series of mail shots were issued by DWP to those potentially affected by the cap. The mail shots provided details of the benefit cap and offered employment support through Jobcentre Plus as well as advising claimants to contact their Local Authority for support with housing. This has been supported by the creation of a national helpline to handle subsequent enquiries and redirect claimants seeking employment support to their local Jobcentre. This direct mail campaign has been repeated periodically throughout 2012–13 (September 2012, January 2013, March 2013) to take account of the identification of new cases likely to be capped with Jobcentres and local authorities notified of details of those affected via electronic scans.

57. The mail shots have been followed up by co-ordinated engagement activity undertaken by Jobcentre staff via telephone and written interventions with an offer of Jobcentre adviser support. This engagement campaign has been enhanced by home visits undertaken by DWP visiting staff to vulnerable claimants and those on Income Support or Employment Support Allowance who had not responded to telephone or written interventions. Where fraud doubts have been raised we have engaged customer compliance teams to follow up on those concerns.

58. Jobcentres nationally have been resourced to undertake adviser interventions for those claimants not already within the JSA regime. Jobcentre Plus has put in place dedicated benefit cap advisers to deliver a comprehensive offer of support through one to one interventions. In addition, the Jobcentre Plus offer has been opened up to all those affected by the cap. This includes access to the pre Work Programme offer, including:

- Access to the Flexible Support Fund to address barriers to employment and FSF Grant Funded Provision.
- Access to the JCP support contact.
- Access to volunteering opportunities through Work Together.
- Access to Work Clubs.
- Access to skills training.

59. The Department has opened up access to the Work Programme for all those affected by the cap and in receipt of one of the main working age benefits. Those within the JSA regime have the opportunity to access the Work Programme after three months of their benefit claim rather than at nine or 12 months.

60. In addition to the national offer of employment support, in London, where approximately half of those affected reside, Jobcentre Plus has developed bespoke provision targeting those not normally within the adviser intervention regime. This includes addressing barriers and intensive jobsearch support, delivered through the support contract in 2012–13 and carried forward into 2013–14. Jobcentre Plus Districts are looking to replicate this approach where volumes dictate it appropriate.

61. Jobcentre Plus Districts have worked in partnership with key local stakeholders to ensure that there is a cohesive local offer of support in place for those affected. In the four phased roll out areas Jobcentre Plus has appointed Account Managers to work with Local Authorities to maximise support. Jobcentre advisers are
working with their Local Authority counterparts on a co-located basis in Local Authority premises to bring together employment and housing support with money advice. This approach is being rolled across Great Britain where volumes deem it appropriate.

62. This joined up approach has led to the development of Flexible Support Fund Grant Partnership activity to deliver further bespoke employment support to specific communities impacted by the cap. Jobcentre Plus has also continued to promote employment as the best mitigation for the cap, delivering targeted activities in partnership with local authorities, further education colleges and other stakeholders. In one such case, almost 1,000 claimants attended a bespoke Benefit Cap employer event in Barnet and Southgate College and almost 700 attended an advice and support event in Croydon.

63. To support activity and ensure a consistent offer is in place across Great Britain, Jobcentre Plus is tracking local management information on Jobcentre engagement.

64. Jobcentre Plus has appointed national leads at group level to ensure that best practice is disseminated, lessons learnt from the phased roll out approach are taken on board and that the offer of employment support is available consistently across Great Britain. The group has been meeting monthly since May 2012 and this is replicated in London, where almost half of those impacted reside.

Universal Credit

65. Universal Credit is the largest programme of welfare reform for a generation and it will transform the environment in which the Department’s employment and labour market services operate. Universal Credit will be a seamless in and out of work benefit for the whole household. It will help ensure work always pays, making it easier for people to start and progress in work. Labour market activity is at the heart of Universal Credit.

66. When Universal Credit is introduced the Department will place expectations on individuals who are working and who could reasonably be expected to earn more to take active steps to increase their earnings. There will, however, be no mandatory activity or sanctions around such work search action and no immediate impact on adviser resource or skills.

67. Universal Credit will be introduced in phases. Through the course of 2013–14 the new benefit will become available to unemployed jobseekers. DWP has a strong track record in working with the unemployed. However, there is very little evidence on what sort of interventions would be most effective in supporting people already doing some work to earn more.

In work support

68. From the outset of Universal Credit we will be clear that there is an expectation on those claimants in work who could reasonably be expected to earn more (ie people who have the capacity to work more hours after any caring responsibilities and ill health have been taken into account), to maintain their level of earnings and to take steps to increase earnings. Although we will not be placing any mandatory requirements on them to take action, we will be focusing on encouraging claimants to develop their own action plan and to look at existing sources of support. This will be implemented either through a short telephone discussion or ongoing contact with their JCP adviser (to start with it is much more likely to be the former).

69. Over time there will be increasing numbers of Universal Credit claimants who are in work. Once fully rolled out we expect around 11 million individuals to be claiming. Five million of who will be in employment. It is expected that one million of this group will be claimants that the Department will want to work with to support increase their earnings. This is a radically different context in which DWP’s employment services will operate.

70. DWP is committed to testing and piloting new approaches to build a firm evidence base before any national rollout of in-work support. We believe a wide range of individuals and organisations will be able to bring fresh insights and make valuable contributions to this work going forward. The key aim is to improve sustainability of employment and drive earnings progression amongst those who are in work.

71. DWP recently held a call for ideas on in work progression under Universal Credit. This was very successful in terms of volumes and the range of ideas generated on improving sustainability of employment and earnings progression.

72. We are exploring these ideas further and plan to pilot various approaches amongst those who are in work and outside the Department’s back to work regime. We are also seeking to learn from trials and pilots already underway by Local Authorities and other partners.

Universal Credit Pathfinder and Local Authority Partnerships

73. The Universal Credit Pathfinder was launched on Monday 29 April 2013 in parts of Cheshire and Greater Manchester six months before the progressive national roll-out begins in October 2013. Key to its success will be our ability to work in partnership with Local Authorities; registered social landlords and others such as the voluntary and community sectors to put local support services in to place to help vulnerable claimants make and maintain their claim to Universal Credit on line.
Engagement on Welfare Reform

74. Many JCP districts have dedicated teams to work with Local Authorities to effectively introduce specific elements of welfare reform. An example includes successfully working together on social fund reform to introduce Local Authority managed local welfare provision and putting in place effective referral arrangements.

Creating opportunities to increase employment opportunities

75. Districts, Local Authorities and in some instances third sector organisations, have worked together on specific employment related activities. These have resulted in an increase in those taking part in sector based work academies and an increased provision for work experience opportunities. Districts and Local Authorities have also worked together to deliver joint information events around employment related issues. A specific example is the delivery of information events around apprenticeships, a key activity in the need to support and fill gaps in provision for young people.

76. As a result of this partnership, a Local Support Services Framework has been produced with Local Authorities that sets out the principles for that support. It covers the type of support that DWP would be willing to fund, how current partnerships work and how a partnership approach might work in the future, as well as outlining areas that require further development such as the funding model.

77. Insight from staff and organisations that support claimants with additional needs was used to develop the strategy and shape the proposals. We have received contributions from social and private landlord representatives as well as many charities. We have worked with the Social Security Advisory Committee and heard from managers and front line benefit staff from Jobcentre Plus and local authorities to ensure that people who need additional help to achieve independence receive better support under Universal Credit than ever before.

78. Partnership working at a strategic level to implement the framework is underpinned by a taskforce that meets on weekly basis. The taskforce is made up of representatives from all of the Local Authority Associations, the DWP UC Programme and DWP UC Operations. There is also a UC Transition Working Group in place that meets on a monthly basis with membership made up of the Local Authority Associations, DWP UC Programme, DWP UC Operations and DCLG.

Employers and welfare reform

79. Jobcentre Plus is working hard to engage and support employers with their recruitment needs. Employers are key stakeholders that support the drive to move more people from benefit into sustainable employment. The introduction of Universal Credit and the work JCP will be doing with those claimants who are already in work, will make our relationships with employers even more vital.

80. Universal Jobmatch, the DWP’s website has made it easier for employers to recruit unemployed people by automatically matching jobs to work-ready claimants. In doing so it also identifies gaps in candidates’ skills and experience which, together with the local labour market information it provides, will increasingly be used to improve unemployed claimants’ readiness for work. As in-work aspects of Universal Credit are introduced, those same functions will support claimants’ progression by helping them to secure additional and/or higher paid jobs.

81. Findings from the last employer satisfaction survey are positive. Nearly nine in ten employers are satisfied (87% satisfied 13% dissatisfied) and a quarter are extremely satisfied with Jobcentre Plus services.

82. The quality of the candidates perceived to have been put forward to employers by Jobcentre Plus is the area where there is most opportunity for Jobcentre Plus to drive up satisfaction further. This presents a challenge—many candidates apply directly with no intervention from Jobcentre Plus. As mentioned above, Universal Credit aims to match employers with users by skills which should make it easier for them to find the right person for their vacancies.

83. Employers generally use Jobcentre Plus to fill elementary (27%), sales (19%) and skilled (19%) vacancies but most would consider using Jobcentre Plus to recruit to wider roles (91%), indicating the potential scope for Jobcentre Plus to extend its reach to more closely reflect the national vacancy profile.

The Governance of JCP

Including: whether ending the executive agency status of JCP, and bringing it under the central control of a single DWP Chief Operating Officer, has brought about efficiencies and streamlined management as intended; and the potential for more radical future changes to JCP.

84. In 2011–12 the Department undertook a major transformation exercise. The first phase focused on creating a new “One DWP” approach with a single delivery operation for services to people of working age, pensioners, disabled people and carers.
85. The Department ended the Executive Agency status of Jobcentre Plus and the Pension, Disability and Carers Service with effect from 3 October 2011, returning their functions back to the core department. A single Chief Operating Officer is now responsible for leading all of the Department’s services to the public, combining elements of the roles of the Chief Executives of these organisations.

86. Ending the Executive Agency status means that there is now only one Board, bringing together the key corporate and enabling functions such as finance and human resources. It also means that there is now only one set of published accounts for the core department. This reduces the complexity of production, helping to achieve a faster timetable to lay the accounts.

87. The second phase, building on the opportunity afforded by a single departmental operational business, was to rationalise and reform the corporate centre. A more streamlined and transparent structure creates clearer processes and accountabilities throughout the policy making lifecycle. From a Jobcentre Plus perspective, this creates a tighter, more responsive and more efficient relationship that is better able to drive delivery than a stand-alone agency with duplicate functions.

88. Allied to the structural changes, achieving our strategic priorities requires wider cultural change across the department, driven by strong leadership at all levels. The corporate centre now has fewer layers, enabling greater autonomy and responsibility for all staff.

89. The new senior level governance arrangements support the Department’s new focus on a “One DWP” approach to service delivery, driving efficiencies through a stronger emphasis on working together in more effective ways. For example, One Service Networks—a key geographical, operational forum for senior leaders across the Department—are now in place. These will deliver collaborative working across operations in particular with respect to improving the coherency of customer journeys, which will both deliver efficiencies to the business but also improve the experience that customers have of our services.

90. Substantial efficiencies have been delivered by creating a smaller, better focused Department that reduced duplication and bureaucracy. By the end of 2012–13, DWP was able, through robust financial management and planning systems to contribute a further £136 million over and above the SR10 challenge of 13% from the 2010–11 baseline.

91. The new governance structure is an important change that underpins the successful delivery of significant welfare reforms across welfare, pensions, work and disability. Although we do not anticipate further major change to our structures we will continue to ensure they are organised in such a way that the needs of our customers and front-line operations come first. We will continue to improve our efficiency and these plans are set out in detail in our Business Plan for 2013–14.

Current evaluation activity

92. Whilst we continue to trial and pilot new approaches to delivering the labour market regime, evidence demonstrates that our current approach is both successful and cost-effective in helping claimants move into work. As Universal Credit rolls out over a series of controlled expansions over the next few years, we will be able to constantly evaluate the effectiveness of the labour market regime, and Jobcentre Plus delivery, against the background of the new performance framework that is being introduced to support Universal Credit.

93. DWP’s comprehensive evaluation programme will continue to build the evidence base, helping to inform for example questions around: the impact of additional adviser time on key sub groups; the impact of more conditionality on lone parents; mandatory and voluntary employment experience; and the effects of large-scale contracted out provision. Evaluations underway include:

- **JCP Offer evaluation:** focusing on how the Offer is being implemented and delivered, particularly the flexibility that districts have under the Offer, as well as the effect of the Offer on claimant experience and outcomes. The feasibility of carrying out a future in-house impact assessment will also be considered.

- **Evaluation of lone parent obligations (LPO):** effects and impact of moving cohorts of lone parents onto JSA. Qualitative research for cohorts to age 7 is already published. An impact assessment of lone parents affected by the earlier phases of LPO (with children 10 and over) is due in 2013.

- **Evaluation of Youth Contract policies:** Broad quantitative survey and qualitative research-based evaluation with employers, young people and JCP staff.

- **Support for very long-term unemployed people:** including impact of additional adviser time, signing, and low value contracted provision as well as Community Action Programme delivering six months of full time work experience or intensive jobsearch.

- **Evaluation of the Work Programme:** broad evaluation programme in place.

- **FJR trials:** Randomised controlled trials of alternatives to Fortnightly Jobsearch Reviews (FJR), including: weekly signing; speed signing; flexible signing; online signing; and reduced signing for Work Programme claimants.
— Updated impact assessments of work experience and Mandatory Work Activity.

24 May 2013

Supplementary written evidence submitted by the Department for Work and Pensions

The following information was requested by the Committee after the evidence session:

QUESTION 1

There are no plans to publish anything else on destinations but we continue to monitor the progress of Incapacity Benefit Reassessments. The link to the 2011 report is below:

QUESTION 2

1. Can people be required to sign on if they are not receiving benefit because of a sanction?

“signing on” is shorthand for continue to be entitled to Jobseeker’s Allowance (JSA). Claimants who are sanctioned continue to be entitled to JSA throughout a sanction period as long as they continue to meet the conditions of entitlement. We monitor these conditions by requiring claimants to “sign on”—in other words, attend reviews where their compliance with the actively seeking and available for work conditions is checked. A claimant who fails to meet these requirements would—as normal—be disentitled. Where a claimant is disentitled they will not appear on the claimant count.

2. Are there any statistics on the number and proportion of sanctioned claimants who do NOT continue to sign on during the period of their sanction or for a longer period?

We cannot quantify the number of claimants who choose to end their JSA claim as a result of a sanction referral or decision to apply a sanction as the claimant could have ended their JSA claim for other reasons. There are incentives on claimants to continue to “sign on” during a sanction— to continue to receive JCP support and to receive hardship payments (to receive hardship claimants must remain on JSA). More generally, as sanction volumes have increased we have not seen a corresponding increase in off-flows. The recent decline in the claimant count is primarily driven by falling on-flows.

QUESTION 3

In addition the Minister said there would be a second independent review— separate to the Matthew Oakley review— of the sanction process and the WPSC asked for information on this.

Since taking over her new portfolio, the Minister for Employment has taken a close interest in the sanctions regime and has asked for a review of the application of the regime. We will share more details of the review, including the Terms of Reference, with the Committee shortly.

2 December 2013

Written evidence submitted by Employment Related Services Association

1. Introduction

1.1 This submission has been developed by the Employment Related Services Association (ERSA), the trade body for the welfare to work industry. ERSA has 130 members ranging from large multinational providers through to small specialist organisations and spans the private, public and voluntary sectors. This submission has been developed following consultation with ERSA’s membership. It does not address all of the points in the Committee’s terms of reference but focuses on those that are of most relevance to the welfare to work industry.

2. Summary of Recommendations

Jobcentre Plus performance metrics

— The effectiveness of Jobcentre Plus (JCP) should be measured by sustained job outcomes rather than off-benefit flows to create greater incentives to support jobseekers into employment and provide a more accurate picture of success rates. This would address potential perverse incentives to sanction claimants inappropriately, plus ensure greater comparability between JCP provision and contracted out provision.
Relationship between Jobcentre Plus and the contracted out employment sector

— Jobcentre Plus should, in the medium term, develop and adopt a more sophisticated assessment tool to identify more accurately the level and type of barriers experienced by jobseekers, in partnership with the outsourced welfare to work industry.

— In the short term, steps could be taken to improve the accuracy of referrals from JCP to welfare to work programmes. In particular, the Department for Work and Pension (DWP) should provide greater clarity for JCP advisers as to when a jobseeker should be referred to the Work Programme via JCP Work Choice. There also appear to be issues with the accuracy of referrals between Work Programme Payment Groups that could be helpfully be addressed.

— Those who are at risk of becoming long term unemployed should be fast-tracked to intensive provision rather than waiting for referral to be triggered after a specified length of time out of work benefits.

— More needs to be done to improve the amount and quality of information about participants and their needs at referral. A “warm handover” is the ideal in this respect, but is not possible in all cases. Providers need to be alerted to changes in a jobseeker’s circumstances.

— DWP should conduct a review of sanctioning activity with a view to ensuring that the processes are clearly understood by participants and consistently and swiftly applied. A standard communication to providers detailing the outcomes of all benefit sanction decisions is strongly recommended—within an agreed timescale.

— A clear process needs to be put in place to ensure the smooth handover of jobseekers from outsourced providers to Jobcentre Plus in the event that they have not yet gained employment.

Other issues

— There should be greater integration between the different elements of “Get Britain Working”. In particular, Work Programme providers should have access to the New Enterprise Allowance.

— The outcomes of the Flexible Support Fund should be evaluated to ensure it is being used most appropriately and any lessons are learned across the employment related services sector.

— JCP and the DWP need to ensure that jobseekers have the ability to use and access Universal Jobmatch. Improvements need to be made to the matching service. Contracted out providers should have administration rights to individual accounts.

3. Identification of Jobseekers’ needs and Barriers

3.1 ERSA believes that JCP is an effective organisation for benefit processing and support for those who, with minimal support, will be able to return to employment. However, there appear to be problems with the support offered by Jobcentre Plus in developing an accurate picture of jobseekers’ needs, particularly those who are or who are at risk of becoming long term unemployed. The fortnightly meeting between a jobseeker and a JCP Personal Adviser may not be sufficiently robust to identify needs, while jobseekers may not have a consistent Adviser throughout their claim. This does not allow for a continuous assessment of an individual’s needs and barriers.

3.2 There may be a need to improve the skillset of Jobcentre Plus advisers in some cases. The welfare to work industry has, since 2010, developed fit for purpose qualifications for its frontline advisers and, in 2012, ERSA spearheaded the launch of the Institute of Employability Professionals, a professional body for those helping to improve the employability of jobseekers. Professionalisation is a shared agenda between Jobcentre Plus and the outsourced industry and there is greater potential for collaborative working.

3.3 In many cases, jobseekers are encouraged by Jobcentre Plus to source training and assistance with job search and CVs. Whilst this may be suitable for many, it means that more disadvantaged jobseekers may not get the level of intervention they need early in their claim. The most disadvantaged jobseekers often have to wait for a period of time (in most cases up to a year, or more where the customer has a number of short term interventions which cause them to be classed as freshly unemployed) before they become eligible for specialist support. During this time their disadvantage may deepen and new barriers may have arisen.

3.4 A problem is that the identification of the most appropriate level of support is largely determined by four factors: 1) benefit type, 2) benefit history, 3) age and 4) length of time on benefits. JCP Adviser caseloads are often managed by classification in this way with specific clusters of Adviser caseloads supporting individual
caseloads of jobseekers on a specific benefit type. However, these factors are a relatively blunt instrument for the assessment of the needs and barriers of jobseekers. ERSA believes that a more sophisticated assessment tool is required and those who at risk of becoming long term unemployed should be fast-tracked to intensive provision. Barriers, such as homelessness and disability, are supposed to be logged on JCP’s Labour Market System but feedback from providers suggests this is not being used consistently enough.

4. JCP Performance Measures

4.1 JCP is measured by off-benefit flows rather than sustained job outcomes. This can create perverse incentives to move jobseekers into short term employment outcomes, rather than refer them to long term contracted out support. It can also create a perverse incentive to sanction claimants as discussed below. ERSA recommends that whilst off-benefit checks are monitored for national statistical purposes, a job outcome and sustainability measure, comparable to the Work Programme, should be introduced for Jobcentre Plus. This would enable analysis between the performance of JCP and contracted out provision and provide accurate value for money comparisons.

5. The Effectiveness of “Get Britain Working” Measures

5.1 DWP point to off-benefit flows as an indication of the effectiveness of pre-Work Programme support. However, analysis undertaken by Policy Exchange calls into question the validity of off-benefit figures as a success measure given that many do not go into sustainable employment or simply move on to another type of benefit. Work Programme providers report that they are seeing some jobseekers being referred to them who have not been given even basic advice about finding work. For instance, one prime contractor reported to ERSA that as many as one in five of those referred to them lack an up to date CV.

5.2 ERSA recommends greater integration between the elements of the “Get Britain Working” and contracted out provision. Work Programme providers cannot currently take advantage of schemes such as the JCP work experience programme and the New Enterprise Allowance, which helps jobseekers to set up their own businesses. Given schemes such as the Work Programme operate under an extremely tight financial model, the lack of access to other elements of DWP’s suite of employment services provision puts a cap on the support providers can offer to participants. In particular, ERSA would like to see Work Programme providers being able to access the New Enterprise Allowance scheme.

6. JCP’s Role as a Gateway to Contracted-out Services such as the Work Programme and Work Choice

6.1 Welfare to work providers rely on Jobcentre Plus to provide reliable data to national projections of the profile of jobseekers likely to be referred to outsourced programmes. In the case of payment by results programmes, receiving reliable forecasts of referral numbers is essential for the ability of providers to plan their workforce. During 2011 and 2012, the low level of jobseekers on ESA to the Work Programme, for instance, substantially hurt voluntary sector providers in supply chains. Since then, drops in referral numbers for those on ESA have concerned the industry at all levels. ERSA therefore recommends that DWP and JCP work with providers to ensure that the most accurate data is known.

6.2 It is not always clear when a person with disabilities should be referred to the Work Programme vis-à-vis Work Choice, the DWP’s specialist disability employment programme. The latest data published by the DWP in relation to Work Choice showed that only 15% of referrals were on disability benefits Employment Support Allowance, incapacity Benefit and Severe Disablement Allowance. This contrasts to 54% of referrals who were on JSA. Whilst benefit type is not an accurate proxy for need, it might be expected that more of those on disability benefits would be on a specialist disability employment programme. ERSA would like to see clearer guidance about when an individual should be referred to the Work Programme vis-à-vis Work Choice. The introduction of a more sophisticated assessment tool would support clarity around referral processes between these two programmes.

6.3 Individuals can enter the Work Programme via nine different payment groups, ranging from one which is for those aged 18–24 and on JSA (PG1) to a specialist group for those on JSA who leave prison (PG9). These payment groups are supposed to reflect the levels of need faced by jobseekers and allow for higher payments for those referred via the “harder to help” payment groups. It is therefore important that jobseekers are referred to the most appropriate payment group so that providers have the necessary resources to help them into work.

6.4 There is a level of variation when it comes to the segmentation of jobseekers into different payment groups. This can be observed when looking at the regional variations in the referral routes via Payment Group 3 (PG3). This referral route relies on JCP identifying people on JSA who are at risk of becoming long term unemployed and are fast tracked to intensive support on the Work Programme. According to referral data held by ERSA up to the end of September 2012, PG3 comprised of 13% of total referrals in one Contract Package Area (CPA) compared to 36% in another. Whilst it can reasonably be expected for there to be some level of

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variation in need between different CPAs; this significant range cannot be explained by this factor alone and most likely reflects the different ways in which Jobcentre Plus are identifying individuals for early access.

6.5 It is not always clear which payment group is most appropriate for a particular individual. For example, PG3 is geared up for vulnerable individuals on JSA including ex-offenders, and yet there is an obvious overlap with PG9, which is specifically geared up for prison leavers. ERSA members report that some who might be eligible to be referred via PG9 are instead being routed down PG3 instead. There are similar concerns regarding Employment Support Allowance (ESA) Work Related Activity Group (WRAG) customers who should come via the Payment Group 6 (PG6) route but are instead being wrongly referred via Payment Group 5 (PG5), which is geared up for ESA Volunteers. As part of the information given to providers at referral, it is clear that some of those being referred via PG5 have been mandated and therefore should have been classified as PG6. This has a significant impact on the resources available to providers with PG5 attracting a theoretical maximum payment per jobseeker of £3,600 compared £6,350 for those on PG6.69

6.6 As identified in the first qualitative evaluation of the Work Programme, more needs to be done to improve the amount and quality of information about participants and their needs at the point of referral.70 This is particularly acute in the case of particular types of jobseeker, but is a point that also applies to other Work Programme participants.

6.7 At times, the lack of accurate data means that providers are unable to successfully convert a referral into an attachment. For example, some providers receive a telephone number with one digit missing, preventing them from getting in contact with the participant except via mail. At best this delays the process and at worst may result in failure to establish contact. Once an attachment has been achieved, the lack of background information can lead to further delays in identifying the barriers to work and addressing these. One problem is where there has been a change of circumstances for the participant that is not communicated to the Work Programme provider. This is an issue for prison leavers on PG9. Referral data held by ERSA up to the end of September 2012 shows that only 68% of those referred actually started the Work Programme. ERSA has identified several areas where the handover and data sharing processes could be improved upon for this Payment Group.71

6.8 ERSA believes that a “warm handover”, a three-way meeting between a claimant, their existing Jobcentre Plus adviser and their new Work Programme adviser, could ensure a smoother handover process. This is particularly true of those hardest to help jobseekers. However, this is not always possible because of the capacity issues of both Jobcentre Plus and contracted out providers.

6.9 Good processes need to be put in place to ensure that there is a smooth handover of jobseekers from contracted out provision to Jobcentre Plus. With the first Work Programme returners due to leave the programme in June 2015, this is becoming a pressing issue.

7. JCP’s use of the Flexible Support Fund (FSF)

7.1 ERSA is supportive of the use of locally based solutions such as the Flexible Support Fund, as it can be an effective tool in funding specialist interventions, particularly in improving the employability of those furthest away from the labour market. However, some concern has been expressed by ERSA members that some people who may have entered the Work Programme on a voluntary basis at three months are instead being held back by being referred to FSF provision instead. In addition, greater transparency is needed in terms of the outcomes of FSF funding.

8. The Level and Appropriateness of JCP’s use of Benefit Sanctions

8.1 As identified by the Committee in its Report into the experience of different user groups on the Work Programme, the use of sanctions is inconsistent.72 Providers are obliged to notify Jobcentre Plus if a jobseeker fails to undertake an activity, for example if they miss an appointment. The decision as to whether to actually enact sanctions rests with Jobcentre Plus though. This means that sanctions are not applied even though a provider may think there is a clear case to do so. Conversely, a provider may be satisfied with the progress made by a participant but may be overruled by Jobcentre Plus who have a case for applying conditioning. For example, one ERSA member reported that Jobcentre Plus decided to sanction a Work Programme participant for insufficient use of the Universal Jobmatch website, despite the fact that the provider had explicitly asked the participant to focus on resolving some other issues ahead of any formal job search activity. Sanctioning represented a great setback in the trust and progress made up to that point. ERSA agrees with the recommendation put forward by the Committee in its most recent report into the Work Programme for DWP.

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69 These figures refer to Year two of the Work Programme. As the programme matures, attachment fees will be phased out and the maximum payment per jobseeker will fall. It is worth stressing that this is a theoretical number. The actual number is likely to be lower to take into account the cost of helping those that don’t get into work and the impact of price discounting during the commissioning process.


71 Work and Pensions Select Committee (2013), Can the Work Programme work for all user groups?, p.23.
to conduct a review of sanctioning activity with a view to ensuring that the processes are clearly understood by participants and consistently applied.\(^{73}\)

8.2 Part of the problem lies in the fact that Jobcentre Plus is measured by off-benefit flows rather than sustained job outcomes. This therefore means that a situation in which a Personal Adviser applies a sanction that may in fact damage an individual’s progress to employment, would register as a success according to the off-benefit flow measure. ERSA believes that measuring Jobcentre Plus success by sustained job outcomes would remove any perverse incentives to sanction individuals.

8.3 There are issues with the length of time it takes for decisions to be made and communicated to providers. There is currently no process in place for JCP to notify the providers of whether or not a sanction doubt is subsequently raised, nor any process to inform the outcome of any such sanction. One member reported that they do not receive a response updating them on the outcome in approximately a third of sanctioning cases. Members also report that turnaround time for processing sanctions can be upwards of eight weeks with a regular outstanding list in excess of 4,000 in one CPA alone. A standard communication to providers detailing the outcomes of benefit sanction decisions is recommended.

9. Universal Jobmatch

9.1 ERSA supports Universal Jobmatch as a mechanism for improving better matching between jobseekers and vacancies, but believes JCP should take more of a proactive role in training jobseekers in its use as some jobseekers are not fully aware of how it operates. In some cases it is providers who are taking on the role of training them on its use. Some doubts have also been expressed as to its ability to match jobseekers reliably to suitable vacancies. Members report difficulties for jobseekers in gaining access to Universal Jobmatch within Jobcentres as computers are booked out. There are also concerns that the design of the website means it is not fully accessible to people with disabilities. It would also make logical sense to allow providers administration access to an individual’s Universal Jobmatch account. This would allow providers to more effectively support its use by jobseekers and monitor their commitment to finding and securing work.

30 May 2013

Written evidence submitted by Gingerbread

Introduction

1. Gingerbread is the national charity working for and with single parent families. Welfare benefits and employment issues form an important part of our policy and advice work. Queries relating to welfare benefits consistently make up around half of all calls to our Single Parent Helpline. We provide information and advice on a wide range of issues, including employment, jobseeking and benefit claims. Single parents are a distinct claimant group at a national level.

2. Evidence in this submission has been largely drawn from Gingerbread’s most recent research report\(^{74}\) looking at single parents’ experience of pre-employment support offered by Jobcentre Plus (JCP).\(^{75}\) It highlights the experience of single parent jobseekers and shows that single parents are largely invisible within the system.

3. In our work, we do see many examples of JCP good practice. For example, some JCP districts have retained specialist lone parent advisers and are using their increased autonomy to commission specialist support, which can effectively support single parents into work. Overall, however, Gingerbread is concerned about the inconsistency of provision that is driven by decentralisation and a lack of recognition of single parents as a distinct claimant group at a national level.

4. Despite many examples of focused and innovative delivery of support to single parents we still see a steady stream of calls to our helpline and case studies from our research of single parents who have been, at best, poorly served and, at worst, badly treated by JCP. Gingerbread’s submission focuses on our experiences of inconsistent and poor service, but this reflects the postcode lottery impact of decentralisation and is not the universal experience across all of JCP.

1. JCP Employment Services

1.1 Approaches to identifying jobseekers’ needs and employment

5. The vast majority of single parents receive support from JCP during the first year of their Jobseeker’s Allowance (JSA) claim. Alongside the mandatory interventions,\(^{76}\) advisers have a flexible menu of support options available to help single parents move into work.

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\(^{73}\) Work and Pensions Select Committee (2013), Can the Work Programme work for all user groups? p23.


\(^{75}\) To note that the report also looked at the equivalent support offered by Work Programme providers.

\(^{76}\) Mandatory interventions: New Jobseeker’s Interview, fortnightly Jobsearch Review meetings and a final Work Programme Referral Interview.
6. In line with previous government evaluations, the pervading experience of the single parents involved in Gingerbread’s research was that mandatory meetings are weighted towards the procedural rather than the substantive part of the offer, and that they were generally experienced as brief and largely bureaucratic to check up on job search activities. However, the single parents we interviewed stated that what they really wanted was substantial help from their advisers to overcome their barriers to work and to find family-friendly job vacancies.

7. Advisers commonly use profiling tools to assess the level of support required for each claimant; however the offer of training courses did not always appear to be well targeted. Over half the single parents we interviewed felt under-served by the JCP offer. These single parents fell broadly into two groups; those who could have benefited from an intervention but were not really offered any help and those who felt the provision offered was far too basic and generic for their needs.

8. One factor that seems to affect the extent to which training courses are suggested or approved is the orientation of the adviser towards what might be termed either a “work-first” or “human capital” approach. It should also be noted that factors such as heavy caseloads, a lack of awareness of the specific barriers faced by single parents among some advisers and pressure on financial resources may be contributing to the apparent lack of substantive support even in cases where a need for additional help has been identified.

9. Gingerbread recommends that JCP puts a renewed focus on single parents as a discrete group at a national level in order to deliver a personalised and tailored service that correctly identifies and meets the needs of single parent jobseekers.

1.2 JCP’s use of the Flexible Support Fund

10. National evaluations report widespread under-use of the Flexible Support Fund and Gingerbread’s own research confirms this picture. Advisers tend to use the flexible support fund to address short term obstacles to work, such as transport and childcare costs to attend job interviews or training. Overall, the use of the Flexible Support Fund appears to be highly mixed and it is difficult to establish consistent reasons as to why some single parents are allowed access to the Fund and others are not, when their circumstances appear to be equally deserving. Single parents must have guaranteed access to the Flexible Support Fund to pay for childcare costs incurred as a result of work search activities.

11. The fund can also be utilised for more substantive interventions, for example a one-off training course or even specialist outsourced provision. However, none of the single parents we interviewed had received support from the Flexible Support Fund to undertake specialist training that could have improved their prospects of moving into work. The national evaluation found that procurement processes, adviser awareness and managers’ budget control are reducing the use of the Flexible Support Fund for broader purposes.

2. JCP’s Role in Relation to the Rights and Responsibilities of Claimants

2.1 Effectiveness of benefit conditionality

12. Since 2008, over 400,000 single parents have moved from Income Support onto Jobseeker’s Allowance (JSA) in successive waves, depending on the age of their youngest child. Like all JSA claimants, single parents are subject to conditionality and must be able to demonstrate that they are actively seeking work.

13. When this policy was introduced it was explicitly part of the government’s approach to promote sustainable work for single parents. To this end, a comprehensive set of flexibilities was clearly set out in regulations. The flexibilities are enabling; allowing single parents to look for employment that fits in with their caring responsibilities.

14. The Department for Work and Pensions (DWP) own research confirms that the flexibilities form an important and necessary part of the conditionality regime for single parents. However, this research has repeatedly shown that, among some advisers, there is a lack of awareness regarding the flexibilities and this has resulted in their inconsistent applications to single parent claims. This has led to single parents being required to look for, and take up, employment that is incompatible with their caring responsibilities and subject to the incorrect use of sanctions.


83 For a full briefing on job seeking requirements for single parents under Universal Credit, please see: http://www.gingerbread.org.uk/content/663/Policy-work—benefits
15. Looking forward to Universal Credit, only one (out of 12) of the current flexibilities has been migrated into new regulations in its entirety. The other 11 have either not been accounted for at all or have been qualified to narrow their application.

16. Officials have suggested that ministers are concerned about a tick box culture, and that the increased use of guidance will mitigate the dogmatic use of regulation. Far from promoting a tick box culture, the flexibilities can be viewed as a prototype for enhancing adviser discretion. They provide regulatory “signposts” prompting advisers to think through a set of issues that may or may not have a bearing on a claimant’s conditionality. Advisers are not required to apply all the flexibilities to every claim, only those that are appropriate to an individual’s circumstances. Their inclusion in regulations provides a framework of accountability, enabling the adviser to provide effective and tailored employment support and a safety net for the claimant in situations when the types of conditionality applied to their JSA claim are incompatible with their caring responsibilities. The loss of the majority of flexibilities sees the demise of a very effective use of conditionality when properly applied by advisers.

2.2 The level and appropriateness of the use of sanctions

17. The flexibilities (described above) also provide important safeguards against the incorrect or inappropriate use of sanctions in situations where, for example, single parents may be unable to take up work, or have left a job, because of a lack of suitable and affordable childcare.

18. Gingerbread receives regular calls to its helpline regarding the incorrect or inappropriate use of sanctions among some JCP advisers. Sometimes it is a case of a sanction being wrongly applied, clearly breaching the flexibilities set out in regulations. Recent examples from our helpline include being sanctioned for turning down a job because it involves working night shifts and being sanctioned for leaving a job due to a lack of appropriate childcare. Less clear cut is when sanctions are applied for relatively minor, and in some cases questionable, “offences” where advisers could choose to be more lenient, for example:

- Leaving a job due to stress.
- Failing to attend a meeting because the single parent was at a work placement organised by the adviser themselves.

19. In all these examples, a sanction appears to be technically justifiable, although whether a sanction is ethical in these circumstances is arguable. However, these sanctions were also avoidable if the advisers had wished. New regulations extending the length of time a sanction is applied to a claim means that a claimant can lose their JSA for four weeks for a first failure and 13 weeks for any subsequent failures. This could result in considerable financial hardship for relatively minor breaches. Gingerbread would argue that applying a sanction in these sorts of circumstances is a disproportionate response, and the behaviour that the sanction is attempting to tackle could be addressed in a more constructive way. There is a question mark over whether sanctions contribute to positive employment outcomes for single parents.

20. With the relegation of the majority of the flexibilities to guidance, including all the flexibilities relating to the application of sanctions, it will become harder to challenge the incorrect or inappropriate use of sanctions. Guidance is not legally binding and as such will not provide a sufficient steer to advisers nor a safety net for claimants. Single parents who feel they have been unfairly sanctioned will have little recourse to appeal an adverse decision.

21. It is difficult to gain a comprehensive picture of the use of sanctions nationally. The sanctions data currently available is very generic and there is a need for greater specificity in the type of data that is collected and published. The data on JSA sanctions made available by DWP does not distinguish between different claimant characteristics. To date it has not been possible to determine how many single parents—subject to full work conditionality—have been referred for a sanction, subject to an adverse decision, and what the outcomes of reconsiderations and appeals have been for this group of claimants.

22. At a minimum, data should be categorised by claimant characteristics and not solely by gender as now. Single parents should also be distinguished in the data set from nominated responsible carers in couples as their claimant characteristics differ. The primary difference being single parents are sole carers as well as sole earners in a household. Under reasons for referral, the following should be included in the breakdown:

- Unable to obtain childcare to fulfil a work search or availability requirement.
- Unable to fulfil a work search or availability requirement because of the terms of a parenting order or contract.
- Unable to fulfil a work search or availability requirement because of a lack of suitable job vacancies.

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84 Example taken from a call received on Gingerbread’s telephone helpline.
3. Supporting a Flexible Labour Market

3.1 JCP’s effectiveness in matching jobseekers to suitable vacancies

23. Gingerbread’s research into single parents’ experiences of employment support from JCP found that virtually all of the research participants regularly received information about job vacancies from their advisers. Some single parents found this support very effective and recognised that this had helped them move into work.86

24. However, the quality of support and the suitability of vacancies appear to vary considerably. Adviser dynamism matters and, in general, a quick search and a few suggestions—often not in the desired sectors outlined in the jobseeker’s Agreement—is all that is offered by some advisers.87

25. There was a strong view from some single parents with more experience that vacancies offered by advisers were more limited in number and more basic in nature than those available through recruitment agencies or major external job search websites.88 Where single parents are not using these external sources themselves—and it does not appear that advisers are pointing single parents towards them when they are not—our research suggests that it is more difficult to find suitable opportunities in terms of skills and hours to fit around childcare.

26. Jobcentre vacancies also seem disproportionately concentrated in relatively low-skilled occupations and within certain occupation sectors. Whilst this suits some single parents, for others it is difficult to find vacancies via the Jobcentre at the more advanced levels of skills and pay or within more specific sectors of interest to the individual. This significantly reduces the usefulness of the Jobcentre’s job search function for this group of single parents.

27. Heavy case loads and time pressures directly impact on advisers’ effectiveness of matching jobseekers to suitable vacancies. A further factor that affects the quality of job suggestions is adviser turnover. Very few single parents in Gingerbread’s research had seen a single adviser consistently and many had seen several different advisers over the course of their claim. As a result, considerable time is taken up in fortnightly meetings with a new adviser getting to grips with an individual’s circumstances and employment aims.

28. Universal Jobmatch was launched in November 2012. Gingerbread has concerns about the effectiveness of the system in identifying and targeting appropriate jobs at claimants. In order to monitor how the service operates, Gingerbread set up a Universal Jobmatch account with a North London location and a customer service skill-set. The weekly email alert (week commencing 3 January 2013) included the following vacancies in the top ten: a street lighting electrician, a control panel wiper and a quant Lananalyst for a City bank that required a PhD in maths, physics or engineering.

29. The selected jobs clearly do not match the criteria and skill-set registered. We are concerned that claimants are being mandated to use a service that is not yet fully fit for purpose. We have fed this information back to DWP and hope changes will be made that significantly improve the search function. Without such changes universal job match could be viewed as hindering rather than helping a claimant’s job search by pointing them to inappropriate vacancies.

3.2 The focus on sustained job outcomes

30. The onus of JCP’s “work first” approach is to move claimants off unemployment benefits as quickly as possible.

31. As outlined above, interventions that are designed to help claimants take the necessary steps to secure work that is sustainable over the medium and long term are underutilised by JCP advisers.

32. Training courses offered by JCP tend to focus on addressing short term skills gaps such as interview technique or CV writing. These types of courses form part of a basic generic offer. This works well for some single parents and improves their chances of moving into work. However, others felt this support was poorly targeted in lieu of providing more personal and substantive support.89

33. Advisers do have the flexibility to refer single parents onto more specialist courses; however the national evaluation of the Jobcentre Plus offer found a range of barriers to the provision of more personalised support of this kind, including limited adviser awareness of support options, limited local provision, procedural difficulties and pressure from managers not to spend additional resources on outsourced provision.90

86 Whitworth, A (2012). Tailor-made? Single parents’ experiences of employment from Jobcentre Plus and the Work Programme. London: Gingerbread. All the findings in this section of the submission are taken from this report.
87 Ibid.
88 Interviews with single parents took place prior to the launch of universal job match.
34. Single parent jobseekers would hugely benefit from a greater focus on sustainable job outcomes. To this end, it is vital that single parents in receipt of out-of-work benefits have the opportunity to gain additional qualifications that will help them to secure a job that pays a decent wage with the prospect of progression. Single parents are disproportionally lower qualified than other claimant groups. Almost a third (32%) of single parents only have a GCSE qualification or equivalent, compared to less than a quarter (23%) of couple parents. Holding a level 3 or higher qualification makes a significant difference to the amount of money a single parent can earn and increase their chances of upward mobility. Level 3 qualifications include access courses to higher education as well as vocational courses.

35. JSA work search and work availability requirements severely limit single parents’ ability to train and gain skills that could help them find higher paid employment that is sustainable and to make the most of opportunities to progress once working. Without the opportunity to train, single parents face a future of low paid, insecure employment; cycling between in-work poverty and out-of-work benefits with little prospect of their financial or social circumstances improving.

36. Allowing single parents access to further education will improve their chances of securing sustainable work. Gingerbread continues to call for:

— All single parents on JSA to be entitled to access a year’s job-related training course.

4. THE IMPACT OF BENEFIT REFORMS ON JCP

4.1 The implications for JCP staff roles and the implementation of universal credit

37. Advisers are at the sharp end of delivering a significant set of reforms. They will be required to administer parallel benefit systems for several years until migration onto Universal Credit is complete. It is important to note that JCP performs very well in delivering core administrative elements of provision and this is valued by single parents. Dealing with new claims, providing benefit advice and better off calculations, and pre-employment support including creating action plans and helping with job searches are things single parents tell us that advisers do well.

38. Research shows that single parents highly rate the information and advice on benefits provided by JCP advisers and the provision of better off calculations. In this context, the fact universal credit roll out is heavily geared towards online delivery, means that face-to-face appointments with JCP advisers may be the only opportunity for claimants to ask questions about their universal credit claim. Gingerbread holds significant concerns about the extent of skilling-up that will be required to get all advisers up to speed with a complex new system. In addition, once that happens, already limited time for advisers to help with job search will be further constrained as more of a claimant’s face-to-face time with advisers may be taken up with benefits advice.

5. RECOMMENDATIONS

A. Approaches to identifying jobseekers’ needs and employment:

— JCP puts a renewed focus on single parents as a discrete group at a national level in order to deliver a personalised and tailored service that correctly identifies and meets the needs of single parent jobseekers.

— JCP must undertake early assessment of need for skills training and provide adequate investment in vocational skills— not just basic skills and employability.

B. JCP’s use of the flexible support fund:

— Guarantee access to the flexible support fund to pay for childcare costs for single parents seeking work.

C. The effectiveness of benefit conditionality:

— Guaranteed access to specialist support from advisers who are trained to understand single parents and their particular needs.

— Single parent jobseekers must be fully informed about the flexibilities by their adviser at the start of their claim.

— All the flexibilities to be reinstated into Universal Credit regulations at the earliest opportunity.

— The government monitors the impact of the loss of the flexibilities on single parents’ ability to adhere successfully to the conditionality regime and to find and remain in work.

D. The level and appropriateness of the use of sanctions:

— Data should be categorised by claimant characteristics and not solely by gender as now.

— Single parents should also be distinguished in the data set from nominated responsible carers in couples as their claimant characteristics differ.

— Under reasons for referral, the following should be included in the breakdown:

  — Unable to obtain childcare to fulfil a work search or availability requirement.
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Unable to fulfil a work search or availability requirement because of the terms of a parenting order or contract.

Unable to fulfil a work search or availability requirement because of a lack of suitable job vacancies.

The focus on sustained outcomes:

— JCP should include sustainable outcomes in its performance management and accountability framework.

— All single parents on JSA to be entitled to access a year’s job-related training course.

— Single parents on IS to be entitled to a fee remission for their first level 3 training course.

Implications for JCP staff roles and the implementation of universal credit:

— Effective training for advisers on welfare reform, and in particular on Universal Credit.

— Provision of alternative sources of face-to-face information and advice on Universal Credit so as not to undermine JCP’s focus on support with job search and employability.

24 May 2013

Written evidence submitted by Local Government Association

The Local Government Association (LGA) is the national voice of local government and our mission is to help support, promote and improve councils.

The LGA is a voluntary membership body and our 412 member authorities cover every part of England and Wales. Together they represent more than 50 million people and spend around £113 billion a year on local services (25% of the total public expenditure).

1. Summary and Introduction

1.1 Local authorities are ambitious for their areas and are the only part of the public sector both pro-actively driving local growth, and helping residents with more complex barriers to employment benefit from it. They are committed to supporting the success of Universal Credit (UC), particularly for more vulnerable residents.

1.2 Local government relationships with Jobcentre Plus (JCP) are critical, and there is excellent practice in some places. However, this is variable and a recent LGA survey revealed only a third of local authorities felt they had effective working relations with their local JCP Manager.

1.3 This submission looks at the value, purpose and mechanisms for increasing collaboration of services embedded around ambitions to improve sustained employment outcomes.

1.4 Nationally, JCP performance is underwhelming, particularly for those at risk of long-term unemployment with a range of more complex barriers to employment benefit from it. While 75% of claimants that move off Jobseekers Allowance (JSA) within six months, 25% become long-term claimants, and of those that moved off JSA: one in five move onto another benefit, one in 10 become underemployed (in work less than 16 hours a week) and a third are claiming JSA eight months later.91

1.5 This, we believe, is principally driven by national performance incentives on JCP staff to move people off current benefit as quickly as possible, rather than address fundamental underlying barriers to employment. Structural labour market change may also be a factor, as more employers look to offer short-term, part-time, insecure employment.

1.6 The recycling of individuals between short periods of benefits and insecure employment can mask from advisers the underlying barriers these individuals face. It also delays access to more targeted provision offered by the Work Programme. This represents poor service to individuals, who can quickly lose faith and motivation in employment services, and poor value for money for the taxpayer, in prolonged benefit expenditure and increasing cost of addressing more entrenched barriers.

1.7 It also raises further questions about the current capacity of JCP to support those hardest to help. For example, those who become JCP’s responsibility after two years on the Work Programme without funding a job. It raises questions about the capacity of JCP to support an increasing number of more vulnerable claimants, which is likely to increase as residents currently able to claim disability benefits are moved onto employment benefits. And it raises questions about how JCP will engage with in-work claimants to motivate them and support the development of careers responding to local employer need.

1.8 Local authorities are well placed to add significant value to JCP and Work Programme performance, by helping the most vulnerable residents towards work and in improving the responsiveness of services to labour market conditions across local economies.

91 Destinations of Jobseeker’s Allowance, Income Support and Employment and Support Allowance Leavers 2011, DWP, 2012
1.9 DWP has begun to recognise this potential role for local government in the delivery of frontline support for Universal Credit. This has resulted in the establishment of the face-to-face pilots programme and the Local Support Services Task Force (the Framework). The Framework looks at the sort of support services councils might need to provide or commission for UC claimants and how those services might be paid for and managed.

1.10 Local government is clear that local support services should be commissioned through local partnerships, with accountability for both funding and outcomes achieved by making the council the accountable body for funding allocated by the Department for Work and Pensions (DWP) centrally.

1.11 The partnership should agree a commissioning plan, which should detail the outcomes sought, the funding allocated to each outcome (with an emphasis on employment), and the allocation of delivery responsibility. It would commission from a diverse provider base as appropriate, including DWP and council employees but also drawing on private and voluntary expertise. That commissioning plan would be the basis of a funding agreement with DWP.

1.12 The outcome and financial benefits of local work and skills support models have been demonstrated in the Whole Place Community Budget Pilots. From these, Ernst and Young have projected annual savings of up to £1.7 billion, which would be found in DWP budgets.

1.13 We explore these issues in greater detail throughout the submission.

2. Helping those at Risk of Long-term Unemployment

2.1 As a starting point, it is critical to understand the circumstances of those people likely to become long-term unemployed. This group most often have multiple and complex barriers to employment, which can include health and disability, qualifications, caring responsibilities, addiction, language, among others. Studies have shown that effective support for this group is generally highly personalised, intense, consistent and long-term; which is expensive to provide.

2.2 Understanding, data and tracking

2.2.1 Quality information is essential for tailoring a coherent and personalised offer. It is the base for effective working. However, information is fragmented across agencies that are each restricted on how they use it by national departments.

2.2.2 Local authorities, JCP, Work Programme providers and other partners such as colleges, all hold key data but separate national departments each prevent the sharing of this information between partners.

2.2.3 This puts real limitations on partners’ capacity to deliver effective interventions; too often local authorities do not know who is delivering what to whom in their area. This includes JCP. Councils have sought to build data-sharing relations with JCP (see Derbyshire example below), but it is difficult, disincentivised by national government’s narrow emphasis on performance.

2.2.4 Furthermore, in many places there are many unemployed people not claiming benefits. They will not have been identified by JCP and will therefore not be in receipt of employment support. Local authorities, the police, health and other local services are likely to be in contact with these groups, often offering services that may increase an individual’s chances of finding work.

2.2.5 The “commercial” restrictions on sharing Work Programme, JCP and other data (such as from European Social Fund (ESF) providers) with local authorities should be lifted. Local authorities are well placed to share and hold information locally in a way that can boost employment outcomes for this group. They have a responsibility for the most vulnerable young people and adults, already holding extremely sensitive information.

Derbyshire

To support the raising of the participation age Derbyshire has, like other councils, developed a Risk of NEET (not in education, employment or training) Indicator system. Working with schools to identify young people exhibiting the combinations of characteristics likely to lead to disengagement locally, and to tailor support accordingly.

The council is also working with Jobcentre Plus, which has traditionally been reluctant to share claimant information, to build a data-sharing relationship to identify unknown 18 and 19 year olds. As a result a pilot providing the names of 150 young people of lapsed or unknown young people have been cross-referenced. From this group 57 have been confirmed disengaged and 36 are reengaged in work and learning, reducing the number of unknowns in this cohort by 66%. This has now been rolled out across the county.

3. Targeted, Personalised, Integrated and Intensive Support

3.1 Repeated studies emphasise the need for personalised, targeted and consistent provision in helping those with a multitude of barriers into work.

92 LGA, Hidden Talents: a statistical overview of the participation patterns of young people 16–24, 2012
93 For example, CESI, Long-term unemployed 2012
94 Hidden Talents II: re-engaging young people, the local offer, LGA, 2013
3.2 The JCP and Work Programme cannot alone help those with the most complex barriers into work. Success for each individual is different, and requires employment support to be embedded in a more coherent offer from a range of partners including local authorities, health, the police and many others.

3.3 It is crucial to the success of current welfare reforms that local authorities and JCP work effectively in partnership to ensure that those impacted on by reforms are able to mitigate their circumstances through accessing appropriate services. For example, co-location in the phase one benefit cap authorities is showing some early success.

3.4 Financial incentives through national payment by results models have not, at least in the current economic climate, been sufficient to enable support for this group. Evidence from the Work Programme, designed to offer flexible, personalised provision to the long-term unemployed, suggests systemic “creaming and parking” of “customers”. This is because those assessed as hardest to help have less contact with advisers and are less likely to be referred to specialists.

3.5 Despite some emphasis on simplifying provision, successive administrations have incrementally fragmented the service landscape. This complexity is particularly acute for young people. For example, ESF support for young people, Troubled Families support, Youth Contract for 16 to 17 year olds, and Youth Contract wage incentives, the skills and apprenticeship system, and New Enterprise Allowance all compete for young people.

3.6 Despite long-term youth unemployment doubling since 2008, many of these schemes including the Youth Contract and ESF support for youth disengagement have underspent, because of too few for referrals. Those that perform best, such as the Troubled Families programme, are locally designed models based on partnership approaches.

3.7 This complexity of accountability and provision creates a leadership vacuum locally, particularly for helping the more complex group. Local authorities, who have a history of convening, enabling and leading partners, are keen to bring together services around more vulnerable groups, but do not have levers to achieve it.

3.8 In some places local authorities and JCP have worked together to provide leadership, sequencing provisions in a way that offers coherent support for people, delivering effective outcomes. But these examples, including Cornwall Works and Newcastle Futures given below, are not the norm. They are in spite of the system rather than because of it. A recent LGA survey revealed that only one third of councils have an effective relationship with their local JCP Manager.

3.9 The Universal Credit local authority pilots have focused on joining up provision around the most vulnerable groups. For example, Oxford City Council’s Universal Credit Pilot is focused on working with JCP and other providers to enable claimants to benefit from existing training and other services available in the city. Melton Council is taking a Troubled Families approach, embedding JCP services in a targeted holistic offer. Bath and North East Somerset Council has established a one-stop shop with services and providers, particularly housing, to bring together Universal Credit world into the plethora of existing services, and are seeking JCP’s involvement to provide single front end support.

3.10 The truth is, in developing an employment offer, the majority of JCP advisers, cannot confidently bring together a range of services in an area that an individual may need as part of their journey towards work, even if they are incentivised to do so.

3.11 The incentives on advisers to move people into employment as soon as possible makes providing additional support to vulnerable claimants. The most successful approaches focus on improving sustained employment outcomes, and government should look at how to incentivise JCP to deliver this with partners.

Newcastle Futures, established by Newcastle City Council, Jobcentre Plus and the Chamber of Commerce, is a small not-for-profit organisation to ensure effective collaboration between and beyond employment services to support more disengaged groups and link to other services and priorities including housing, child poverty and health.

Between April 2011 and October 2012 1,648 people have registered, with 1,299 placed into work. Of those moving into work, 96% are from priority disengaged groups or from more deprived areas.

At a strategic level, Newcastle Futures leads the discussion on employment services for the city, bringing together local services to add value to national provision through JCP, and using a single data management system for stakeholders.

At an operational level, Newcastle Futures includes a mobile team of employability advisers (which includes JCP advisers, who are matrix managed within the organisation) that deliver outreach services across partner venues in the city. Case managers are tasked with offering a personalised customer journey which utilises both mainstream and discretionary funded provision.

Newcastle Futures provision is wider than support into jobs, it is fully inclusive to seek innovative solutions and explore new approaches, providing wrap around services in addition to mainstream JCP services and to connect with young people in innovative ways.

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[citation]

Work Programme evaluation: Findings from the first phase of qualitative research on programme delivery, DWP, 2013
Cornwall Works

Established by JCP and Cornwall Council, Cornwall Works brings together over 60 partners and their 120 local projects, programmes and services. The model redefines the back to work service offer for disengaged young people in Cornwall. It has helped 10,000 people into work since 2006. Cornwall Works mitigates incentives in the national funding system that encourage organisations to work in isolation on the ground. It does this by taking a programming approach, brokering providers to share funding and incentives for the benefit of the individual—making clear the role of different organisations in the progression of people towards work.

The model has been successful in areas with high levels of long-term worklessness, where provision has remained plentiful but uncoordinated. Cornwall Works links social enterprises working with young people unlikely to otherwise engage, slowly brokering progression into back-to-work services. Additional schemes have been routed through the model, having great success. For instance from 2008–11 it received £1.5 million to help people with learning disabilities, with five specialised organisations within the partnership to deliver the provision in line with existing services. Over three years 600 people were supported, with over 100 obtaining employment.

4. Local Labour Market Demand and Genuine Employer Engagement

4.1.1 It is crucial to understand that the majority of employers operate in and recruit from local labour markets, particularly for medium and lower skills, and prefer tailored local recruitment and skills solutions; it is a fundamental strategic issue for businesses seeking to survive and grow.

4.1.2 The effective understanding and engagement of employers is therefore crucial to helping people into work. This is particularly the case for helping those with more complex barriers, for whom most benefit from paid work experience, but which represent the highest risk for employers.

4.1.3 This requires a highly sophisticated and strategically coherent relationship with employers, which, currently, JCP and other skills and employment services do not have with the majority of businesses in the majority of places.

4.2 Understanding local labour markets and strategically engaging employers

4.2.1 There is an absence of quality local labour market intelligence informing the full range of skills, employment provision and advice in each area, including JCP.

4.2.2 Government has enacted reforms that seek to free up services and providers to respond more flexibly to employer demand. This is a welcome principle; however in reality employer leverage is fragmented and extremely weak. Instead, skills provision is driven by (poorly informed) learner-demand, and JCP services are driven by the performance incentives on advisers.

4.2.3 It is therefore difficult for any one adviser to understand the jobs available in the local economy in the immediate and medium term, and the courses available locally to help claimants train for those jobs.

4.2.4 Local authorities are in perfectly placed to broker strategic employer leverage over the entirety of the skills and employment offer in an area, and to produce quality, robust local labour market intelligence to inform this provision.

4.2.5 Currently, individual providers are tasked with engaging employers, leading to competition between providers scattering ad hoc requests for employer participation in different schemes. While some, mainly large, employers complain of “initiative-is”, many other, predominantly small, employers are not being reached at all.96

4.2.6 National approaches are too remote to understand and deliver this information. The national Universal Jobsmatch scheme will always struggle to provide reliable quality information. There is likelihood that more local jobs will be hidden from this system, and that in particular the number of low skill jobs advertised will fall as a proportion. This creates a gap in understanding, and will mean jobseekers with lower skills, who predominantly find work in locally functioning labour market, will have to find work in other ways.

4.2.7 Our skills mismatch research has evidenced similar information failings in the skills system, which has led to a massive oversupply in some sectors, for instance 94,000 hair and beauty trained for 14,000 jobs, and undersupply in others, particularly engineering, construction and building services.98

4.2.8 Government has begun to address this, and the Autumn Statement has required Local Enterprise Partnerships to develop skills strategies. Local authorities are supporting this, and are already developing robust local labour market intelligence to seek to inform skills provision, which is just as significant to informing JCP and other employment support.

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96 CBI identify 47 different initiatives seeking to engage employers
97 For instance 75% of employers have not heard of the National Apprenticeship Service, UKCES Employer Perspectives, 2012
98 LGA/CES, Skills Mismatch Research, 2012
4.2.9 To deliver improved outcomes, it is important that local partners have the levers to ensure intelligence and employer demand genuinely shapes provision. As some of the examples from Greater Manchester and others demonstrate, quality information can have a dramatic impact on outcomes.

Greater Manchester—Local partners project an estimated 40,000 job opportunities will be created over the next decade. Currently, however, the skills system is not matching provision to jobs. For example, jobs in the creative media sector are projected to increase by 50% from 2010 to 2015 (39,700). But employers report a large number of hard to fill vacancies, with significant mismatch between applicant abilities and the needs of the job. This is particularly the case for digital content, marketing and technical development. There is an oversupply of some skills. For example, despite significant increases in hairdressing provision, there are only around 1,700 hairdressing opportunities are forecast for between 2010 and 2015.

Through its Skills and Employment Partnership, Greater Manchester authorities are having some success in working with JCP, colleges, work-based learning providers, and employers to match skills to jobs.

South Tyneside—A Youth Employment Taskforce has been established to secure jobs for 25% of the 2,300 18–24 year olds on Jobseeker’s Allowance (JSA). Creating 575 employment opportunities, of which 100 will be apprenticeships targeted for small to medium sized businesses.

The Taskforce involves a range of large employers, including BT South Tyneside, Siemens, Port of Tyne, South Tyneside Health Care Trust, South Tyneside College, National Apprenticeship Service and JCP.

The council, with the college and JCP, has also established a five month pre-apprenticeship programme for 20 unemployed young people seeking a career in engineering.

The council has also established a Youth Employment Wage Subsidy Grant scheme for young people out of work for at least three months, working with a range of employment support providers to source candidates. The scheme is on target to create 100 jobs.

4.3 Brokering genuine employer engagement for helping those at risk of long-term unemployment

4.3.1 Repeated studies emphasise the significant value real paid work experience has in helping turn around the lives of the most disengaged people, those furthest from the labour market. But the risks for employers investing in, and providing opportunities for, these individuals are much greater than helping those closer to the labour market.

4.3.2 JCP has options to refer long-term unemployed people onto work experience or to work with partners to refer young people onto subsidised jobs through the Youth Contract. But there is a risk that the long-term unemployed will not benefit from opportunities as JCP seeks to maintain positive relations with employers.

4.3.3 This is playing out in further education, as colleges tend to refer Level 3 students onto work experience opportunities fearing that Level 1 and Level 2 students, which are lower skilled and are more likely to have other barriers to work, may damage the college’s relationship with employers.

4.3.4 To create these real work opportunities, public services must, collectively, develop a sophisticated and coherent relationship with employers. This requires a local approach, which identifies the right people to work with, combines skills, pre-employment and other necessary interventions, and provides additional support to employers offering opportunities as one part of a wider skills and employment offer.

4.3.5 The Future Jobs Fund delivered high returns on investment, with participants 20% more likely than non-participants to be in unsubsidised sustained employment after completing the scheme. This is because the scheme was locally designed and delivered; enabling local authorities to bring together partners and build on relationships with employers, as exemplified in Liverpool.

4.3.6 Local authorities have sought to address this running their own schemes, seeking to bring together JCP and other partners to build quality local employer relationships that ensure the long-term unemployed have opportunity to benefit from quality work experience.

Liverpool City Council used Future Jobs Fund money to build a major agreement with Jaguar Land Rover: where young people completing their six months were guaranteed an interview for a permanent job. Of the 120 young people referred through the scheme, over 100 gained permanent jobs, of which only two would have been given an interview independently of the scheme.

Salford Futures is a local authority-funded initiative that provides support to local employers that encourages them to offer apprenticeships or jobs with accredited training to the unemployed. As well as providing financial incentives to employers, Salford Futures engages with local training providers to increase relevant pre-apprenticeship and pre-employment provision.

The programme specifically targets some of the city’s most vulnerable groups, including care leavers, young offenders, teenage parents and those with learning difficulties and disabilities.

99 For example, BIS, Research into Training for Young Adults aged 19–24 who are Not in Education, Employment or Training, 2013

100 National Institute of Economic and Social Research for DWP, Future Jobs Fund, costs and benefits analysis, 2013
The voluntary sector and the local authority work collaboratively together with employers and training providers. For example, working with the college and a specialist disability supported employment service through a programme with the local hospital, where guaranteed full-time jobs will be available at the end of the programme for learners.

**Work Redbridge Partnership**, initiated by the council, provides a coordinated approach to tackling worklessness. It brings together JCP, 20 local employment support and training providers, and organisations supporting volunteering, self-employment and business start-up. Partners share a range of tools, such as latest vacancy and training provision.

Since May 2011 it has delivered 65 outreach sessions for 600 harder to reach residents. Over 83% enrolled into training or voluntary work, 14% (84 people) found work and 10 became self-employed. Work Redbridge has also worked with JCP Flexible Support Fund to commission a targeted support programme helping more disengaged people into work and training. So far 120 clients have been registered onto support, and 10% have moved into sustained work and 43% into training.

Work Redbridge is also focusing provision at more vulnerable groups, working with Children's Centres, Parent Support Advisers, Housing Associations, Troubled Families provision, Libraries, Drug and Alcohol services, and the Citizens Advice Bureau. For instance it is leading a demonstration project working with parents, schools, colleges and businesses to help young people with disabilities prepare, find and succeed in sustained work.

**Recommendations**

5.1 Based on the analysis of the challenges and evidence of what works, we recommend moving towards a more coherent, re-engagement, employment and skills offer, focused on achieving sustained job outcomes, and connected in and around people in the places they live. We recommend:

- Local partnerships, with employers, such as LEPs or Employment and Skills Boards, agree JCP business plans and oversee performance as part of a wider coherent Skills and Employment Strategy for each area, which would be underpinned by quality local labour market intelligence.
- Government work with local partnerships with a focus on increasing the employment outcomes from services in and around JCP.
- Local Support Services contributing to the success of Universal Credit, such as face-to-face support, should be commissioned through local partnerships, with accountability for funding and outcomes achieved by making the council the accountable body for funding allocated by DWP.
- Working with DWP, local partnerships should become default commissioners of related programmes and services addressing personal issues that can contribute to the success of Universal Credit, including the ESF wage incentive schemes, Troubled Families, Youth Contract.
- Legislative change to encourage data-sharing and tracking of claimants between all partners in an area; led, facilitated and held by local authorities as the agency with the responsibility for holding the most sensitive data.
- Remove incentives encouraging quickly finding employment for those identified as long-term unemployed or as churning on and off benefits, refocusing emphasis on sustained employment, and include options for accelerating referral of these groups onto the Work Programme.

5.2 There is a strong value for money case set out in the Community Budgets Work and Skills pilots, from which Ernst and Young projected a devolved employment and skills model would deliver national annual savings of £1.7 billion after three years, and rising beyond that.101

30 May 2013

**Correspondence from Cllr Sharon Taylor, Chair, Finance Panel, Local Government Association**

Thank you for inviting me, on behalf of the Local Government Association, to offer oral evidence to the Work and Pensions Select Committee as part of your inquiry into the role of Jobcentre Plus in the reformed welfare system. I have included below those aspects of follow up which I promised at the meeting on 16 October 2013.

**Experiences of Local Authority Pilots on the Challenges Faced by Rural Communities**

Over the summer the LGA published a report, titled Local government and Universal Credit, in collaboration with the Department for Work and Pensions. This includes a number of case studies, including offerings from West Lindsey and North Dorset who directly refer to the challenges of universal credit delivery in rural areas. An electronic version of the report is available on our website102. Let me know if you would like any hard copies and we can have these produced.

101 Ernst and Young, Whole Place Community Budgets, a review of the potential for aggregation, 2013
102 See http://www.local.gov.uk/publications/-/journal_content/56/10180/4050723/PUBLICATION
Research on Applications for Local Welfare Support

We do not have specific figures on the number of applicants for local welfare support. However, the LGA is undertaking qualitative research into local schemes (how they are working, the demand for the schemes and how they are being funded) and we would be happy to share a further update after our focus group on 7 November.

Evidence of Whether Local Authority and JCP Partnerships, such as in Newcastle, have encouraged a Longer-Term Approach

Newcastle Futures Limited (NFL)\textsuperscript{103} is an independent organisation established and jointly supported by Newcastle City Council (NCC) and Jobcentre Plus (JCP). The organisation has an excellent record for supporting disengaged people into sustained employment over its seven year existence. NFL is tasked with meeting the dual complimentary responsibilities of NCC, to support vulnerable residents in the city, and of JCP, to help people move off job seekers alliance, which are believed to be best met through a single approach. Individual NFL advisers are responsible to the dual ambitions of NCC and JCP and so in turn deliver a provision that looks long-term and, rather than trying to move people off-benefits as soon as possible, can tap into a range of services to provide a holistic and personalised offer that gets at the routes of unemployment.

The approach is very successful, and is central to the city’s future employment strategy. But it is built on strong long-term relationships, and additional investment, at the local level and is not necessarily encouraged by the way the Government seeks to control JCP services nationally. This is why this kind of approach does not exist everywhere and why Newcastle is seeking further local flexibilities through the City Deal. Further information available at http://www.newcastlefutures.co.uk/.

Data Sharing

Finally, I wanted to follow up on your questions around data sharing. Councils have statutory duties to support young people to participate in work or learning, to track their participation, and to identify those disengaged or at risk of disengaging. Councils must rely on a complex range of local providers to provide quality data at the right time to fulfill these responsibilities. The obligation is on councils to invest resource in building relationships with different providers, and to convince them it is in their interests to share data and work together.

JCP currently share the names of claimants in some places where there are good relationships, but not benefit type or contact details, which is essential if councils are to support young people to participate. The Memorandum of Understanding between the Department of Education and Department for Work and Pensions will be useful in supporting this, although it will need to implemented effectively if it is to improve data sharing on the ground, which can be too often held back by ineffective local relationships and national disincentives.

I hope all of the above information answers your queries and is of assistance to the Committee’s inquiry. Should you have any other questions, please do not hesitate to contact me.

7 November 2013

Further correspondence from Cllr Sharon Taylor, Chair, Finance Panel, Local Government Association

Further to my letter dated 7 November 2013, I write, as promised, with an update on local welfare support following a focus group of councils convened by the Local Government Association (LGA) to obtain qualitative research into local authority administration of welfare assistance.

While the LGA is still developing its position, and further discussions are due to take place on 12 December, some points have already emerged which may be of interest to the Work and Pensions Select Committee. These points are set out in the Annex.

I would like to reiterate that the LGA is still developing its position on the matter and it is hoped that we will be in a position to put forward our position in early 2014. In the meantime, I hope the information enclosed is of assistance to the Committee’s inquiry.

17 December 2013

Annex

— Since the administration of the social fund money was devolved from the Department for Work and Pensions in April 2013, the indications are that local authorities have managed the scheme responsibly and have protected the funds against misuse and fraudulent claims.

— The scheme is still new and will take some time to bed in and become established locally. In line with local authorities responsible stewardship of the fund there has been a managed slow start to the provision of the assistance whilst the relationship between demand and local promotion is assessed in each area.

\textsuperscript{103} The Newcastle Futures Limited example is taken from our Hidden Talents project on youth unemployment. Further local authority examples and information is available online at www.local.gov.uk/hidden-talents.
Schemes are being reviewed and adjusted in the light of experience and taking account of the fluctuation over the whole year which might well include demand peaks in relation to for example increased winter heating costs and Christmas spending commitments which have still to be factored in.

Councils are well placed to assess the additional unique local circumstances affecting demand and local promotion and awareness of the scheme because they are in touch with their communities and have excellent links with local partners who can help identify and verify genuine local need.

Through their local knowledge and connections local authorities will be able to fine tune the targeting of available funds to the areas of greatest need. In this context it has been suggested that low paid workers will become increasingly susceptible to crisis as living costs rise and benefits are reduced.

A challenge for local authorities is to identify and present clear evidence about pending or unmet demand amongst individuals or groups of people locally who are difficult to access but may need assistance most. Ideally authorities will want to assist proactively and hence use some of the funds in line with the longer term welfare reform objectives to create sustainable behaviour change.

However, where this is not possible the fund will continue to be a very important way of helping people through acute periods of crisis. Partnership working and improved communication between councils, different council departments and other local agencies as envisaged by the Local Support Services Framework (LSSF) will help local authorities deliver an effective joined up approach to the delivery of the fund locally.

Any funding available to help establish the LSSF and improve structures and develop models for local partnership work should be seen as entirely complementary to the continued administration by local authorities of the ex-social fund.

**Written evidence submitted by London Councils**

1. London Councils is committed to fighting for more resources for the capital and getting the best possible deal for London’s 33 local authorities. We lobby key stakeholders, develop policy and do all we can to help our boroughs improve the services they deliver. We also run a range of services ourselves, all designed to make life better for Londoners.

2. We are pleased to be able to provide evidence to the Work and Pensions Select Committee regarding the role of Jobcentre Plus (JCP). London boroughs work closely with JCP on a number of areas which are critical to the wellbeing of residents. Many boroughs have a well-established relationship with JCP and we consider this committee a chance to build on this relationship and continue to improve services for Londoners.

3. Our response is based on a consultation with London boroughs which explored their experiences of working with JCP. Many boroughs felt that JCP worked well within their local area. However, London Councils is concerned about the inconsistency of the boroughs’ experience of working with JCP across each of the areas this inquiry is looking at. London Councils would like to see ministerial commitment that key providers like JCP, Work Programme providers and those providing mainstream employment services engage consistently in partnership working at the local level with London boroughs. This will join up employment service provision and provide a more coherent employment offer to London’s residents.

How well does JCP identify job seekers needs and barriers?

4. We have received mixed feedback from boroughs in relation to how well JCP identifies jobseekers needs and barriers. Some boroughs felt that the situation has improved over the last few years and that JCP is effective with the majority of claimants.

5. However a number of boroughs had the following concerns:

   - **JCP advisors have a lack of time to spend with clients when assessing their needs.** Even those boroughs that had a positive working relationship with JCP were often left with the impression of an organisation struggling to manage the pace of change that the alternations to the benefits system and the challenges in the economy overall present. This lack of time can lead to a lack of personalisation and missed opportunities to identify the steps to be taken at the start of a person’s claim to help them get a job. If these opportunities are missed in the early stages of the claim, worklessness can become entrenched and it can become more difficult to move clients into work.

   - **JCP “box ticking”, sticking rigidly to procedure and “off-flows” when assessing claimants’ needs rather than focussing on personalised, tailored support.** This is likely linked to lack of time and high case loads, as one borough suggested “our experience suggests that advisors do not have the capacity or time to sit down and have meaningful conversations with each individual to identify individual needs and abilities. The focus seems to be on demonstrating some level of activity is taking place which leads to referral to various courses without consideration to the individual’s needs. These courses may not be related to job goals or addressing actual personal constraints to employment”.

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— A lack of consistency in how clients are supported. In some cases job seekers were not made fully aware of the support they were entitled to and had to specifically request this.

— Some boroughs considered that JCP lacked a tailored job brokerage service. It was felt that a service which enabled a JCP advisor to sit down with a claimant and look through a specific application or CV/letter and support the claimant with that application would be highly beneficial. In some cases the lack of this service led to a mismatch of referrals by JCP advisors to other provision and failure to get the best out of complimentary provision.

6. In some cases boroughs told us that JCP is actively engaged in borough discussions relating to needs and barriers to employment. One borough made reference to a joint JCP and borough initiative that set up an operational group with select personal advisors to ensure that the employer engagement offer is locally coordinated and that the vacancies brokered are appropriately promoted through all the local JCPs. This is positive and London Councils suggests this should be extended across London.

How good is JCP at being a “gateway” or referrer to other services?

7. Once again responses from the boroughs in relation to how good JCP was at being a referrer were mixed, suggesting that the effectiveness is dependent on the culture and performance of individual job centres. For example one borough noted that even within its own boundaries “there has been patchy support from the four job centres for the Council’s own employment programme, with some being more proactive than others”.

8. In some cases JCP acts as an effective referrer. One borough identified JCP as the main referral mechanism onto their employability programmes. Boroughs recognised that JCP is inundated with requests for provision and therefore do well to keep up with all the provision on offer to clients. Some boroughs have seen co-location with JCP especially around the borough’s own job brokerage schemes. This has led to better referrals. London Councils would like to see more co-location and joint working across London between JCP, London boroughs and other key providers.

9. However, there is room for improvement and a need for more consistency. Boroughs gave some examples; “most of them [JCP referrals] turn up at our door confused as to why they have been sent to us. Some have handwritten notes from their advisor on scraps of paper asking us if we can provide support” and “It has been a little challenging to encourage JCP to refer onto our schemes and in order to do this providers have had to make weekly telephone calls/attend weekly sessions with JCP staff at each of the job centres in order to ensure they remember the provision on offer and what to refer”. Aiding to this problem is the high turnover of front-line staff and management reported at some job Centres. This makes it difficult to build up specialist knowledge of local providers. Boroughs were especially concerned about the relevance of the referrals which JCP made. In some cases clients did not meet the criteria of programmes they were referred to and in others referrals were not appropriate and of value to the resident and their search for employment. Some boroughs suggested the JCP’s stringent rules on data sharing led to a poor service for clients as information could not easily be shared with other agencies.

How well does JCP use its Flexible Support Fund?

10. Again borough views were mixed around the application process of FSF. There are concerns that in some areas the Flexible Support Fund (FSF) is not adequately promoted or advertised to potential bidders. Some boroughs consider the application process and guidelines unclear and wanted better feedback on unsuccessful proposals. Others were happy with the way in which JCP promoted the FSF and stated that the application process is clear and simple. There is however a lack of consistency across JCP on how the fund is managed.

11. Furthermore, when deciding how to spend the FSF boroughs stipulated they are often not consulted in identifying local need, gaps in provision and opportunities. We propose that as the locally democratic body with key local knowledge, JCP should co-commission FSF with London boroughs and share evaluations of FSF programmes with boroughs to identify what works locally. This would provide a more strategic approach, informing decisions more fully on evidence and gaps in provision and local opportunities.

How effective are JCP’s relationships with key stakeholders

12. Overall the relationship between JCP and boroughs has improved in the last 12 months. The JCP has made some welcome moves using service level agreements to strengthen relationships and partnership working at the borough level. Once again, the success of these agreements in being locally focussed and in engaging councils seems dependent on the existing relationship between JCP and the borough. Some boroughs have reported an excellent process of engagement between the borough, Work Programme providers and the JCP to develop locally meaningful and ambitious agreements that all partners can work towards delivering. Other boroughs did not feel they had been provided an agreement that met local need and that the process of developing the Service Level Agreement (SLA) was not collaborative.

13. Work between JCP and London boroughs around the impact of the benefit cap (helping those affected into work) has generally been positive, with joint working in teams and co-location where appropriate.
How effective is JCP at matching clients to work?

14. The lack of individual job brokerage at Jobcentres means the matching service between client and vacancies is less effective than it could be. Some boroughs felt this was particularly pronounced with JCP clients that have been unemployed for 6—12 months. Despite the fact that these clients usually have much higher and specific needs it should be possible to find the right employment training and employment opportunities considering the wide range of provision and jobs requiring different levels of skills and yet levels of long term unemployment seem to be growing.

15. Concern was also expressed that there evidence of failure in matching clients to employer needs, meaning in some cases when clients were referred for interview they were not suitable candidates for the role.

16. Boroughs are keen to discuss with JCP the type of provision that will be provided to those people who leave the Work Programme without a job. It is salient that these vulnerable clients have access to relevant opportunities, skills and training that focuses on sustained job outcomes rather than support which focuses only on “off flows”.

How well is JCP dealing with the impacts of benefit reforms

17. More than half of all households affected by the benefit cap are in London and boroughs identified early on that getting affected households into work in order to avoid the benefit cap would be a key priority. In many cases, local authorities have co-located with JCP staff in order to prioritise households affected by the benefit cap and other benefit reforms. For example, one borough has set up a local partnership with Jobcentre Plus aiming to get “job ready” residents back into work by matching affected households with job vacancies.

18. Concern has been expressed however that successful co-operation between local authorities and JCP is reliant on previous good local working relationships rather than due to a national policy push. Good practice could be spread if a consistent service offer from JCP is established and promoted. The London Benefit Cap Employment Taskforce (of which both JCP and London Councils are members) has developed a protocol and offer document around joint working for employment support for Londoners affected by the cap. The document sets out minimum service offers from key stakeholders, including JCP, DWP, Work Programme providers and London boroughs to try and achieve more consistent support and joint working across the capital.

19. Crisis Loans and Community Care Grants were abolished as national schemes on 1 April 2013. Funding (with a reduction of 25% in London) was devolved to local authorities in order to establish local emergency support schemes although the funding was not ring-fenced and was not accompanied by additional duties. All London boroughs established local welfare schemes although there is significant variance to the offer.

20. Early indications suggest that the vast majority of clients presenting at local welfare assistance schemes have been referred from, or are otherwise known to JCP. Boroughs have reported that clients are presenting to local authorities because of delays in DWP benefits, sanctions or other issues with benefit administration. Furthermore, concern has been expressed that JCP staff are failing to fully inform clients about emergency support schemes that are retained by DWP/JCP such as Short Term Benefits Advances and Budgeting Loans. There have been reports of clients referred to local schemes from JCP without reference to locally agreed and publicly available local welfare scheme criteria.

21. Guidance has been distributed by DWP policy officers to JCP partnership managers regarding these matters although it is too early to say whether this has been effective. It is unclear what provisions are in place at national government level to monitor the impacts of the abolition of Community Care Grants and Crisis Loans and any additional demands on local welfare schemes.

22. Consistent application by JCP staff of criteria surrounding retained emergency financial assistance products in addition to a deeper understanding of the limitations of local welfare schemes is vital in order for the new operational systems to be effective and in order to avoid local welfare schemes being impelled to make an unredeemable emergency payment in circumstances where JCP/DWP should be making a payment that is redeemable (eg benefit advance).

23. The Universal Credit Support Services Framework envisages further co-operation between JCP, local authorities and other partners in order to deliver services to Universal Credit recipients who will be unable to independently make and manage a claim for Universal Credit and move into work where appropriate. However, although increasing the number of people moving into work is defined as a key outcome of the framework, the document states that the framework “…does not include statutory work services support (assistance and interventions to maintain the claimant commitment and conditionality requirements)”. There needs to be further clarity over whether existing and future mainstream employment schemes, including the work programme, will be fully engaged with Universal Credit and the Local Support Services Framework. If there are not to be, there should be re-consideration as to whether it is reasonable for an increase in the number of people moving into work to be a key measurable of the local delivery partnerships.

24 May 2013
Written evidence submitted by Monster Government Solutions UK

Summary

1. This submission is made by Monster Government Solutions UK, and provides a perspective in particular on the specific inquiry question relating to the implementation of Universal Jobmatch (UJ). These responses do not represent the views of Department for Work and Pensions (DWP), but the perspectives and ideas presented should be consistent with DWP’s mission to move UK jobseekers off benefits and into sustainable work and careers in the shortest timeframe appropriate to the needs of the individual.

2. Through the introduction of Universal Jobmatch, DWP is attempting to deliver a service to jobseekers and employers that uses digital means to speed up the process of matching seekers with suitable positions. The volumes of people using the service are very large which points to a service that is usable, but the evidence that demonstrates empirically that seekers are finding work more quickly directly as a result is not available to Monster at this time.

3. There are a number of ways in which DWP could look to enhance Universal Jobmatch in order to maximise its impact over time, and some of these are outlined at a high level in the document below.

About Monster Government Solutions

4. Monster pioneered the business of digital recruiting in 1994, and today we are the only online recruiter servicing customers on a truly global basis. Monster Worldwide is present in 50 countries, generating revenues of £1.6 billion.

5. We have been supporting employers and job seekers for almost twenty years, and have expanded from our roots as a “job board” to a worldwide provider of job seeking, career management and recruitment services. At the heart of our success is innovation: we change the way people think about work, and help them improve their lives and their workforce performance with new technology, tools and practices.

6. Monster Government Solutions (MGS) is focused solely on public sector workforce and economic development and employment. Last year MGS delivered products and services to Local Authorities, Central Government, Charities, Housing and the Armed Forces, as well as more than 800 government customers in state, county, and the US Federal government.

About Universal Jobmatch

7. Universal Jobmatch provides jobseekers and employers with an online tool, enabling them to post, search and apply for jobs remotely rather than contacting their local Jobcentre. Launched in November 2012, Universal Jobmatch uses Monster’s job matching capabilities, whereby based on the information provided by job seekers (eg personal profiles, CVs), the system will find appropriate job matches and invite seekers to apply. The solution uses Monster’s 6sense semantic search engine, which rather than performing a simple word-count analysis, can understand the context of an individual’s skills and experience and match them with suitable opportunities. For the employer, they can load and search for candidates, and be presented with results that are scored on their relevance to the search, therefore providing them with a higher quality pool of results that will result in a speedier recruitment fulfilment process.

8. The system allows jobseekers to:
   - Create a personalised account where they can upload or create their CV.
   - Receive ongoing job matches to their profile, or their specified job search criteria.
   - Run “one off” job searches if they have not created an account.
   - Identify skills gaps and be signposted to information on increasing their skills.
   - Apply for jobs online, or send their CV to an employer through the service.
   - Record any additional activities they have carried out to look for work.

9. For employers, it provides:
   - A free vacancy matching online recruitment service.
   - A service available via GOV.UK, 24 hours a day, seven days a week.
   - The ability to manage their own vacancies without the need for Jobcentre Plus intervention.
   - The ability to post specifications online to test the likely response to a job by matching to the pool of candidates.
   - Functionality to invite jobseekers to apply for their vacancies online, and a service that will fully manage their recruitment needs.

10. The employer service provided as part of Universal Jobmatch includes tools that will both shorten the time to fill vacancies, but also provide employers with closer candidate matches to their requirements, which will deliver a more sustainable recruitment process. Through the use of a semantic search engine, Universal Jobmatch provides employers with a view of suitable candidates, automatically scoring them across a range of criteria, including skills and other relevant background information. This expedites the employer’s selection process.
process, and provides them candidates who more closely match their specifications than by using traditional recruitment processes.

11. For Jobcentre Plus staff, the service:
   - Enables advisers to check the jobseeker’s account history, view actions against matches and employer feedback, review application history and any highlighted skills gaps.
   - Frees time to help jobseekers to optimise CVs, identify skills gaps and make best use of the automated job search and matching service.
   - Frees time to concentrate on helping jobseekers and the “harder to help” customers.
   - Provides improved management information to help target support for employers and jobseekers.
   - Provides information on local skills shortages identified from the vacancies that have not received matches.

The service is supported by a Service Desk, provided by Monster, to assist users with technical issues.

Jobcentre Plus’s (JCP) Effectiveness in Matching Jobseekers to Suitable Job Vacancies through the Introduction of Universal Jobmatch

12. Since the launch of Universal Jobmatch in November 2012, the success of the service has been characterised by usage volumes that have grown beyond all expectation. At the time of writing, the volumes are as follows:
   - 2.99 million registered jobseekers.
   - 815,000 active jobseekers.
   - An average of 498,000 visitors to the site per day (March-May 2013).
   - An average of 98,000 new jobseeker accounts created per week (March-May 2013).
   - 413,000 registered employers.
   - 60,000 active employers.
   - 42 million average job searches per week.
   - Over one billion page views since the service went live.
   - 1.88 million new jobs advertised.

13. At the time of writing, from Monster’s perspective there is insufficient qualitative data to provide firm evidence of the impact of Universal Jobmatch on the job seeking process. DWP has yet to gather a suitable data sample to provide such analysis. This was confirmed by the Employment Minister Mark Hoban the MP recently, in response to written questions from the House, as he noted “data regarding the number of job outcomes that have been achieved through the Universal Jobmatch service are not collected, and so it is not possible to provide this.”

14. Anecdotal evidence suggests that DWP staff prefer using Universal Jobmatch over the old system, however a statistically valid study to confirm this does not exist at this point.

The impacts of benefit reforms, including: the implications for JCP staff roles of the implementation of Universal Credit, including the skills staff will need in order to offer effective in-work support; changes to staff roles brought about by the move to “digital by default”; and plans to support claimants affected by the benefit cap.

The Impact of Benefit Reforms

15. The Day One service of Universal Jobmatch provides DWP with a platform from which they can build and exploit the full range of digital service delivery options available, to support the “Digital by Default” agenda. It provides an opportunity for DWP to integrate in future with Universal Credit and to build on the growing UJ user base; by the time UC is rolled out nationally, a large proportion of the active users should be confident in the use of an online tool, and will be comfortable in navigating the digital journey that UC will bring. By providing a solution in Universal Jobmatch that automates what was previously a highly manual process, DWP advisers will be able to spend more time with claimants focussing on their needs, and drawing on the skills and experience of the advisors. This then brings to the fore the skills of the DWP advisers, and enables them to perform the functions they were employed to, rather than spending valuable time carrying out low-level tasks.

Maximising Universal Jobmatch

16. We believe that there are a number of ways in which the DWP could build on the initial deployment of Universal Jobmatch to help maximise the capabilities available to them and the benefits they could bring to jobseekers, employers and DWP operations. These are as follows:
Analysis of job search activity and behaviour

17. Universal Jobmatch provides a rich and growing seam of data on both jobseekers and employers that should be leveraged. There are opportunities for DWP to use this data to help shape the service for the future and to provide a more strategic and sustainable resource. From the postings that are logged in Universal Jobmatch it would be possible to analyse:

- The industries that are recruiting.
- The occupations that are in demand.
- The skills that are required.
- The regions in which these skills are needed.
- The qualifications needed to fill these positions.

18. Indeed to take this further, the Department increasingly has sources of raw data available in near real time as to the state of the employment marketplace. These could be mined and analysed to understand the trends about claimants searching and applying for jobs, as well as employers posting vacancies and the interplay between the skills offered and the skills required. It should be noted that any analysis work undertaken would adhere to the provisions of the Data Protection Act.

19. Analytical techniques applied to this data set would shed light on:

- Whether claimants are looking for jobs that progress their careers;
- The trends and correlations which exist between skills, job search behaviour, geography, current employment(s), career aspirations;
- The trends and correlations which exist between the types of vacancies employers post and the types of job that claimants are looking for, split by dimensions such as income, geography, skill level;
- Whether job vacancy types and volumes correlate to the provision of training opportunities, apprenticeships, further education courses and jobseeker career aspirations;
- Which interventions during job seeking activities provide the most consistent improvements in speed-to-recruit for employers;
- The level of matches between jobseeker aspirations and the employment market in an area or region;
- The combinations of characteristics and factors which drive in-work claimants most successfully to increase their working hours and income.

Enhancing the jobseeker’s experience

20. We believe that the DWP has a key role to play in enhancing the jobseeker’s experience by nudging and supporting jobseekers and benefit claimants during the job application process. Whilst this represents a shift away from a Department whose core purpose has traditionally been to pay benefits, it also signifies an opportunity for the DWP to play a key role in encouraging its customers to move into sustainable and developmental employment.

21. Accordingly, the use of technology need not be restricted to the process of matching jobseekers to vacancies. It has a far greater role to play in supporting jobseekers’ decision-making and minimising the proportion of jobseekers that drop out during the job application process. For example, UJ technology could be upgraded to:

- Automatically send jobseekers a calendar invitation for important activities, such as adviser meetings, job interviews and networking events.
- Make it easy for jobseekers to find travel information ie by linking job search sites with integrated travel sites.
- Make it easy for jobseekers to find local childcare facilities which fit in around the working hours of the jobs they are looking for.
- Send jobseekers reminders about job interviews, such as text messages/emails/social media alerts.
- Connecting jobseekers to others who have had or maybe having similar experiences.

22. These types of interventions need not be expensive. They are digital interventions that augment the existing offline interventions and processes that the Department’s advisers use on a day-to-day basis. The fact that they are digital means that it is relatively easy to pilot them and, if the Department desires, to conduct randomised controlled trials to test the efficacy of different combinations on job outcomes.104

104 See Test, Learn, Adapt: Developing Public Policy with Randomised Controlled Trials, Cabinet Office Behavioural Insights Team in collaboration with Ben Goldacre and David Torgerson, June 2012.
Career Profiling

23. The Department has a great asset: the CVs of its claimants. Analysing this data can provide information about the actual career paths that have been taken by actual claimants. Bearing in mind the provisions of the Data Protection Act, there is still data processing that can be done to produce anonymised career profiles and career paths, which can then act as guides or examples to future claimants.

24. This approach is known as “career profiling”, and has been used successfully in other countries and by commercial businesses. It supplements services such as the National Careers Service because it would be built upon DWP information and tailored for the use of DWP claimants (potentially both in-work and out-of-work claimants). Indeed this could be a valid extension of the National Careers Service’s “Lifelong Learning Account”, sending targeted guidance on learning opportunities.

Virtual Careers Fairs

25. For a large proportion of both the working and job seeking communities, attending careers fairs is likely to be an unfamiliar and potentially daunting prospect. It also brings logistical challenges and travel costs, which make attendance tricky—in particular for in-work claimants who may have a full diary of work and caring commitments.

26. By providing online access to dedicated Virtual Careers Fairs, claimants can explore and access a wide range of industry, career, employer and role-specific information giving access to industry expertise and advice. Virtual Fairs can provide the look and feel of a particular employer’s workplace including branded “reception” areas providing links to jobs, material for download, videos, access to live chat and the ability to upload CVs and other information.

27. For those claimants who are digitally excluded, there could be a role for DWP advisors in the job centres to play in helping claimants to use Internet Access Devices for example to register for and use the Virtual Careers Fairs.

28. The benefits of a Virtual Careers Fair include:
   - Time and cost savings for both seekers and employers.
   - National reach providing extended brand awareness for employers.
   - 24/7 access from any location for the duration of the fair.
   - Multi-channel options for contact between candidates and prospective employers.
   - Access to multiple forms of advice, support and training.
   - Option to share content via social media to boost visibility for employers.

29. Virtual career fairs would provide cost effective ways for large volumes of claimants (both in-work and out-of-work) to explore career opportunities with real employers. The digital nature of these events also provides the option, if appropriate, for the Department to record attendance and time spent by claimants engaging in career-enhancing activity.

Conclusion

30. Anecdotal evidence from employers, Jobcentre advisors and job seekers suggests that Universal Jobmatch provides a significant improvement over legacy systems and processes. The success of the service is therefore something which both DWP and Monster should look to build on. The balanced armoury of interventions that we propose does not require big investments in unproven methods. It provides techniques for both claimants and employers at all points along the process, which can be used to support income growth, job sustainability and skill development at every level.

31. Universal Jobmatch provides DWP with new, accurate and accessible data sources around the behaviours and needs of jobseekers, employers and DWP advisers. The ability for DWP to take this data and use it to inform how well their processes are performing and how quickly jobseekers are moving off benefit and into work will depend on the extent to which DWP chooses to exploit this data. A strategy and roadmap for the future development of Universal Jobmatch is required to ensure that DWP’s objectives in this area will be met.

32. The introduction of Universal Jobmatch allows the automated service to take on some of the more manual, labour intensive tasks that previously DWP advisers would need to undertake. The process of assessing a claimant’s skills and experience and then manually searching for suitable jobs has been if not been removed completely, certainly significantly streamlined since the arrival of Universal Jobmatch. This allows advisors to spend more of their time with claimants bringing their knowledge and experience of the local job market to bear, which should help drive more successful and sustainable job outcomes over time, which is key. The operational savings that will be generated as a result of higher levels of productivity will clearly be of benefit to DWP, the Treasury and the UK taxpayer, but the longer-term ability of DWP to encourage jobseekers to
commit to and engage with a future career path has the potential for the unlocking of much wider-reaching benefits to society in general.

24 May 2013

**Written evidence submitted by NatCen Social Research**

1. The Work and Pensions Committee is interested in the support which Jobcentre Plus (JCP) currently provides to jobseekers and has begun an inquiry to gather evidence to inform its future as a public employment service.

2. NatCen Social Research is an independent organisation carrying out public policy research for a range of central government departments. We would like to draw the Committee’s attention to two recent pieces of research we have conducted for the Department for Work and Pensions which are of relevance to this inquiry.
   - The National Study of Work-search and Wellbeing.¹⁰⁵
   - The Evaluation of Support for the Very Long Term Unemployed (SVLTU).¹⁰⁶

3. The National Study of Work-search and Wellbeing was the first national study to focus on the psychological health of Jobseekers Allowance (JSA) claimants. It included a longitudinal survey, which allowed for measurement of what impacts on employment outcomes and change in mental health. It also included a qualitative study, which explored the experiences of claimants in greater depth. Findings with policy relevance for Jobcentre Plus are presented below.

4. Almost one quarter (23%) of new JSA claimants had clinical depression or an anxiety disorder. This is a higher rate than that found in the general population (16%). However, most of these claimants were not in any form of treatment. Just 12% had recently discussed their mental health with a GP. Contact with mental health treatment or services did not increase during a spell of unemployment. This suggests that there may be a need for Jobcentre Plus to play a role in signposting claimants to mental health services, eg through referrals to Improving Access to Psychological Therapies (IAPT) services.

5. Most claimants had not discussed their health or wellbeing with a personal advisor. However, when it had been discussed, claimants reported that they found this discussion to be "helpful". There may be scope for work-focused interviews to take a more holistic approach, tackling broader issues related to work search success. For example, we found that after controlling for other factors higher wellbeing at the start of a claim was associated with a faster return to work.

6. Personal advisors are more likely to discuss physical health with claimants than mental health. Discussion of mental health requires a different skills set, and this may indicate a training need among JCP staff.

7. Our survey data showed that social support predicts an earlier return to work as well as better mental health while unemployed. Our qualitative study found that, when the relationship was a positive one, face to face contact with a personal advisor was a source of social support. This evidence does not support a move towards online “signing on” with JCP.

8. The Evaluation of Support for the Very Long Term Unemployed assessed the relative effectiveness of two six-month trailblazer (or pilot) programmes of support designed to provide further assistance to jobseekers returning to JCP after completing the Work Programme:
   - The Ongoing Case Management Programme (OCM) was delivered entirely by JCP and intensified one-to-one support with jobseeking from Personal Advisers.
   - The Community Action Programme (CAP) was delivered by external providers who arranged full-time work experience placements of up to six months alongside jobsearch support.

9. The Committee is interested in the “support which JCP currently provides to jobseekers in the early months of their unemployment benefit claim, before referral to external providers”. To complement this line of enquiry our research offers useful insights into support offered through the OCM trailblazer option. This was designed for the stage following referral to external providers, at the pivotal point at which jobseekers are entering or continuing on the path to very long-term unemployment.

10. Firstly it is worth noting that there were no significant differences in job outcomes between OCM and the two other programmes (CAP and the standard offer of JCP support) at the point of evaluation. However OCM resulted in positive “softer” outcomes in the form of improved confidence and motivation to work, and the approach was highly valued by JCP advisers and jobseekers. It is possible that a longer treatment period would have achieved better job outcomes or that longer term analysis of job outcome data may in time see these softer impacts translate into job outcomes.


11. The design and delivery of OCM provides some useful lessons in relation to five areas outlined in the consultation.

12. Approaches to identifying jobseekers' needs and barriers to employment: OCM highlights the importance of spending more time with jobseekers to effectively understand their needs and barriers. OCM personal advisers had significantly smaller caseloads and saw jobseekers more often and for longer. This increased exposure to jobseekers and resulting trust and openness improved advisers’ ability to determine jobseekers’ needs and design support around these needs.

13. The effectiveness of the “Get Britain Working” measures: the full complement of “Get Britain Working” measures was available to OCM advisers. Satisfied with the range of measures available, advisers felt the approach to using them was in fact the key to supporting jobseekers most effectively. With a better understanding of jobseekers’ needs, greater flexibility and discretion to judge which measures would be most useful for individual jobseekers and when, advisers were more confident in their use of available measures. There was nevertheless a case for further tailoring support to the needs long-term unemployed jobseekers. More time due to smaller caseloads enabled advisers to develop new support options that were specifically tailored to the jobseekers on their caseloads. This was both in terms of creating potential job opportunities and in customising provision to meet jobseekers’ needs.

14. The effectiveness of benefit conditionality, particularly job-seeking conditionality: OCM advisers were given increased discretion in mandating aspects of the programme using Jobseekers Directions and sanctions. Whilst it could create conflict in the short term, increased conditionality was described as an important tool in helping jobseekers to progress and do things differently when used in conjunction with intensive one to one support.

15. The effectiveness of the mandatory “work-focused interview” (WFI): seeing jobseekers more often for WFIs meant advisers were better able to follow up on tasks they had set or directed. This helped jobseekers to become more proactive and take on more personal responsibility for their progress. The increased frequency of contact was also seen to underpin improvements in CVs, job-searching techniques and interviews because advisers were able to provide more practical and one to one help.

16. The effectiveness of JCP’s relationships with other key stakeholders, particularly local authorities: a joint delivery model between JCP and a Local Authority (LA) was tested as part of OCM through which jobseekers with wider support needs could be referred to the LA for support. On the whole, the building of relationships between the two organisations and referral between the two meant a more holistic model of support could be offered to jobseekers. However in practice few referrals were made to the LA perhaps reflecting the capabilities of JCP advisers to address wider needs or the limited nature of such needs in the long term unemployed population. In addition significant challenges in establishing a secure system for referrals and in data sharing were experienced and would need further consideration should joint working between LAs and JCP be implemented in the future.

17. Overall, OCM offered a more intensive, personalised and active kind of support from advisers compared to the standard JCP offer. This was made possible by allowing advisers more time with jobseekers as well as more flexibility and discretion in the use of support measures and conditionality. These appear to be important aspects of effective back to work support for this claimant group and should be considered in future design of employment services with careful consideration to cost and the training required for advisers in using a more discretionary approach.

18. Full reports on both of the studies cited above can be found at:

24 May 2013

Written evidence submitted by Policy Exchange

Jobcentre Plus’ Performance in Delivering Sustainable Employment

Overall it is clear that JCP (Jobcentre Plus) has not been effective at promoting retention and sustainable employment. In fact, an emphasis since the 1990s on moving claimants off benefit without any regard to the longer-term sustainability may have contributed to the problems now seen in the UK labour market.

Key to this failure is a serious flaw in how JCP outcomes are measured. Successive Employment Ministers have highlighted that JCP is successful just because it moves claimants off benefits. It is true that, even during the recession, around 75% of claimants were moving off benefit by six months of a claim and 90% by 12 months of a claim. However, little notice is taken over the destinations of those leaving benefit. Many simply move from JSA (Jobcentre’s Allowance) to claim another benefit (for example, Income Support or Employment and Support Allowance). For many of those who do find employment, it is in low paid, low skilled and temporary work at relatively short hours.
A recent DWP report demonstrates these points:

— Only around two thirds (68%) of those leaving JSA enter paid employment;
— Nearly one in five (18%) simply moved to another benefit or re-claimed JSA shortly afterwards;
— Some 30% of claimants leaving JSA are back on benefits again within eight months; and
— Of those who had started work, nearly one in ten (8%) were employed for fewer than 16 hours per week.107

Assuming that we can apply these proportions uniformly to the estimate of 75% of people moving off benefit by six months, this implies that by the sixth month of a claim:

— Only 51% of claimants will have entered paid employment;
— Only 45% of claimants will have entered paid employment of over 16 hours per week; and
— Just 36% of JSA claimants will find a job within six months of claiming benefits and remain employed for the following seven or eight months.

These figures demonstrate that the actual picture of sustainable employment is substantially worse than off-flow figures would suggest. This evidence is backed up by another recent report published by DWP that highlight the concept that churn as a significant issue. In 2010–11:

— For individuals aged 22–24 who made a new claim for JSA during the year, the average number of claims was 2.6. Some 40% of this group had claimed JSA at least once in the past.
— For individuals aged 32–34 who made a new claim for JSA during the year, the average number of claims was 1.6.
— Some 10% of people aged under 35 starting a new claim for JSA have spent more than half of the last four years on benefit.

This shows significant flows between unemployment and short-term employment for these groups. A small minority of the groups also have significant benefit histories. More than one in ten of both the 22–24 age group (12%) and 32–34 age group (11%) who made a new claim for JSA in 2010–11 had spent at least half of the previous four years on benefit.

In summary, much of the experience of JCP can be described as a revolving door for some as they move in and out of work, without receiving the necessary support. For others, who are further from the labour market, it is simply a place to wait until they can access the more effective support that external providers give under the Work Programme.

Why this matters—outcomes and wider welfare reform

You will no doubt receive representations arguing that targeting benefit off-flow through a “work-first” approach is an appropriate response to unemployment. It is true that international evidence suggests that the use of benefit conditionality and the work-first approach are effective at reducing the claimant count.

However, because there is little focus on sustainable employment, the evidence shows that the resulting “low-pay, no-pay” cycle is damaging to those trapped between low paid employment and benefits.108

This point has been well understood by the last two governments. The previous government launched a large scale randomised control trial (the Employment Retention and Advancement demonstration) to try to improve sustainability and progression in those moving from benefits into work. The Coalition Government’s welfare reforms have also looked to promote sustainability and progression:

— The Work Programme judges success of private and third sector contractors through measures of sustainable employment. It is perverse that for those judged hardest to help that enter the Work Programme, we judge outcomes on sustainable employment, yet we still measure JCP success through benefit off-flow.
— Universal Credit will also target progression. The Government recently launched a call for ideas for how extending labour market interventions to in-work benefit claimants could help them to increase their hours and earnings. As well as presenting major challenges to JCP in terms of bringing a new range of claimants into their offices, this approach is clearly at odds with the focus on measuring benefit off-flow.

Why this matters—claimant and employer satisfaction

JCP has two key groups of customers: claimants; and employers. Given the evidence provided above on the success JCP has in helping claimants into sustainable employment, it is unsurprising that recent evidence shows widespread dissatisfaction from both of these groups:

— Less than a third of employers use JCP. While small companies create around 80% of new jobs, only 20% of JCP to advertise.\textsuperscript{109}

— Only 29% of claimants expressed satisfaction with the outcome of their experience at JCP, and only 33% for the overall experience.\textsuperscript{110}

— Only 20% of claimants are satisfied with the number of vacancies advertised in JCP which match their skills.\textsuperscript{111}

\section*{Approaches to Identifying Jobseekers' Needs and Barriers to Employment}

The administrative system available to Jobcentre Plus to diagnose the needs of claimants and support their search for work is inadequate and primarily focused on information to assess eligibility rather than barriers to employment. Policy Exchange research has previously found that the administrative system available to JCP advisers only provides details on:

— Personal Characteristics:
  Gender, age, whether a lone parent, Government Office Region, existence of a bank account.

— Claim History:
  For Income Support, Jobseeker’s Allowance, Employment and Support Allowance or Incapacity Benefit: number of days spent claiming in the last two years, number of individual claims in the last two years and the pattern of claims.

— Income information:
  Amount of each benefit being paid, excluding Housing Benefit and Council Tax Benefit; total capital and other income.

However, this information offers few opportunities to determine:

— Anything relating to claim history over a period longer than two years, for instance, how long an individual has claimed in total over their lifetime;

— Whether or not they have been “cycling” in and out of the system;

— Anything about that individual’s employment history;

— Any information about barriers to work.

\section*{JCP’s Role as a Gateway to Contracted-out Services}

This lack of information relating to personal circumstances and barriers to employment means that the existing system of segmentation and referral to contracted out employment support through the Work Programme is ineffective. It means that some claimants with significant barriers to employment are “parked” in JCP for up to 12 months because their age and primary benefit type mean that they do not receive earlier access.

For instance:

— someone aged over 25 on JSA will have basic support and conditionality through JCP for around 12 months before being transferred to Work Programme providers;

— Someone under 25, or someone moving off Incapacity Benefit will be referred to Work Programme far more quickly.

However, it is not possible to say from this basic categorisation which of these claimants actually needs the greatest support. In principle, some of these issues could be alleviated by use of the “Payment Group 3”, which allows early referral on a discretionary basis for some groups such as care-leavers, or those with substance dependency or learning disabilities, for example.

However, as figure 1 shows, referrals through this route are patchy, with large variations in use across the JCP network.


\textsuperscript{110} Ipsos MORI survey, 1,332 unemployed adults who visited a Jobcentre Plus office, 24 April–13 May 2011.

\textsuperscript{111} Ibid.
JCP’s Role Regarding Rights and Responsibilities of Benefit Claimants

For the welfare system to be fair, both to claimants and the taxpayer, it is vital to ensure that the right of the claimants to benefits comes with the responsibility to do all they can to enter work. Ongoing reforms to promote personal responsibility through tightening up the conditionality system and ensuring sanctions are tough but effective at changing the behaviour of those who shirk their responsibilities are a key part of this. However, this is not a one sided relationship. If we are to expect more from individuals, we also need to recognise that it is the government’s responsibility to ensure that appropriate employment support is provided so that claimants are able to fulfil these conditions. If Jobcentre Plus fails to provide this service, the government’s part of this bargain breaks down.

As we have outlined, strength of conditions continue to be largely applied based on primary benefit type and length of claim, rather than individual ability and barriers to work. A more sophisticated characterisation of claimants would allow for variation in the conditions applied to different jobseekers, with those most able to make their way into work facing more stringent conditions.

Overall, the evidence suggests that while JCP acts effectively to manage the benefit claims process and conditionality regime, there are significant problems relating to its ability to deliver employment support services in a personalised and effective manner. This is true of both its internal provision and its contracted services. Below are outlines of key areas where we believe reforms will be needed to improve service provision. More detail can be found in the attached reports.

Measuring JCP performance

The availability of real time reporting of earnings data under Universal Credit offers a chance to better track sustainability and to change JCPs key performance metric. We believe that the current off-benefit measure should be supplemented by three key measures:

1. The proportion of claimants finding a sustainable job within certain time periods of their claim. This should match any measure used within the Work Programme so that comparisons in performance can easily be made between the different types of provision;

2. The proportion of claimants finding employment that lifts them out of conditionality, as defined for in-work claimants by Welfare Reform Act 2012; and

3. The mean and median earnings of cohorts of claimants signing on each year.

This would create incentives to move claimants into positions which are sustainable, and bring performance measurements in line with what is expected of Work Programme providers. This wider focus also means that claimants moving into temporary, part-time or fixed-term contracts should be given support to help them increase their hours or earnings.
Improving targeting/personalisation of support for jobseekers

Policy Exchange has previously supported the development of a diagnostic tool to be administered on day one of a claim to help identify claimants who would benefit from more intensive employment support. Similar tools have been developed and used in other welfare systems. This includes use by the German Federal Labour Agency to test outcome data for its placement programmes, reducing the spend on active labour market policies from €13.5 billion to €4.3 billion between 2003 and 2010 as well as contributing to a 27% fall in unemployment and an increase in other outcomes such as user satisfaction.\(^\text{113}\) Such tools can also have wider uses, such as the “Rome III” matching platform used in Europe.

DWP have made steps towards developing such a model, with the most recent model explaining 59% of the variation in the data.\(^\text{114}\) This is obviously a welcome step. However, there are longstanding concerns within government that such approaches would lead to large-scale deadweight costs as support is targeted at those who might have found work without intervention. Many also argue that it is impossible to develop an accurate segmentation tool. These concerns are warranted, but short-sighted:

1. The question is not how accurate a new tool is, but whether it is more effective than the existing segmentation based on benefit type and broad characteristics. To our knowledge, no assessment of this has been made.
2. It is clear that more needs to be done to improve the process used in other countries and to go beyond approaches like the Jobseekers Classification Instrument used in Australia. Given recent advances in data collection and analysis capability in both the private and public sector, this should not be difficult.

We believe that the government must continue to invest resources in designing a tool to assess distance from employment for jobseekers. This should use data:
- Gathered from the claimant;
- Held by DWP and other government departments; and
- From the private sector (for example the use of profiling data such as that used in credit rating tools).

Future of employment support

Once a new profiling tool is developed and tested, it will be possible to refer claimants to more intensive employment support more quickly. Such an approach would replace the existing Payment Groups within the Work Programme and base support on distance from employment (or likelihood of reaching long-term unemployment), rather than benefit type and broad characteristics. Such an approach raises questions as to who delivers employment support.

In the short-term we believe that a pilot should be launched that splits the administrative element of JCP provision from the employment support element. The former would manage benefit claims, the conditionality regime and administration of the profiling tool. The latter would have individuals judged to need employment support transferred across to them based on an assessment with the profiling tool. This would allow the model to be tested and improved in a relatively safe environment and results fed back in order to improve the model.

In the longer-term and to coincide with re-tendering of Work Programme contracts we believe that the provision of employment services should be open to competition with providers in the private and third sector. Access to support and levels of payments for each individual should be based on the profiling model, with those needing the most intensive support being transferred immediately, with the highest contract payments. Those judged to need little support would remain with the administrative arm of JCP as now, until they had reached a later stage of unemployment.

By opening up all employment support services to competition it will be possible to judge which providers (private/third sector/public) are most effective at delivering the employment outcomes desired.

This more sophisticated approach is already used in many countries with positive results. As a result of implementing this type of approach, Australia managed to deliver efficiency savings of over 20% and cut overall costs by half.\(^\text{114}\) Replicating the success of Australia’s reforms in the UK would likely realise over £700 million in efficiency savings alone.\(^\text{115}\)

The approach also opens up distinct opportunities within JCP. For example, the administrative element of JCP could be developed as a much wider access point to government services, acting as a single portal to benefit claims, skills and careers advice, childcare, and other government services and support. For the employment support arm, there could be opportunities to take on a mutual model.

\(^{113}\) McKinsey Global Institute, Big data: The next frontier for innovation, competition and productivity, 2011, pp. 59-61.

\(^{114}\) Matty S, Predicting the likelihood of long-term unemployment: the development of a UK jobseekers’ classification instrument, Department for Work and Pensions, 2013

\(^{115}\) Finn D, Lessons for contracting out welfare to work programmes in Australia and the Netherlands, 2008

JCP and conditionality, including under Universal Credit

Whilst moving towards a system of separated assessment and more specialised employment support is a desirable long-term goal, there are a number of shorter-term flexibilities and actions JCP could take to prepare for wider welfare reform (in particular the introduction of Universal Credit). They could also provide opportunities to test what sorts of interventions could be effective for new types of claimants—like those claiming in-work benefits. Options include:

- Flexing sign-in variations including frequency of signing-in and the method used to do so;
- Testing stronger conditionality regimes and what effects they have on claimants finding sustainable employment;
- Testing the award of bonuses to advisers or claimants if the claimant finds sustainable employment for a certain period;
- Allowing successful cities flexibility around some elements of welfare policy and the provision of welfare support as part of the City Deals process; and
- Reviewing the types of activities that count as jobsearch activities (to include job applications and interviews), with different “scores” attached reflecting their importance, making up a minimum total jobsearch conditionality score each week.\footnote{For details see \textit{Something for Nothing: Reinstating conditionality for jobseekers}, Policy Exchange 2011, p. 8, http://www.policyexchange.org.uk/images/publications/something%20for%20nothing%20-%20sep%2011.pdf}

Conclusion

The combination of these reforms would allow the JCP structure which currently exists to be transformed into a more responsive system which the provision of effective employment support around the needs of individual claimants. The use of accurate segmentation tools would allow specialised support to be provided on day one of a claim, whilst the improved structure of the administrative element of JCP would allow more effective access to other services through a “one-stop-shop”. Tailoring and targeting for conditionality would also be improved. Combined with assessment of outcomes on the basis of sustainable employment, these steps would help improve JCP’s performance through helping claimants find employment and reducing the need for welfare in the long-run.

24 May 2013

\textit{Written evidence submitted by the Public and Commercial Services Union}

1. PCS, the Public and Commercial Services union, is one of the largest trade unions in the UK, representing around 260,000 members. We are organised throughout the civil service and government agencies, making us the UK’s largest civil service trade union. We also organise widely in the private sector, usually in areas that have been privatised.

2. PCS represents the majority of staff who work for Jobcentre Plus/Department of Work and Pensions (DWP). Jobcentre Plus no longer exists as an agency of DWP but it does remain as a public facing “brand name” for the Jobcentre network of DWP.

3. There has been a publicly funded employment service in the UK dating back to the late nineteenth century. The need for such a service today, with two and a half million people unemployed, is as essential as it has ever been in supporting claimants of benefits back into work and providing a free at the point of use service to anyone seeking employment, whether in receipt of benefits or not.


   “In 2013 its back into work and providing a free the skills and ability to find and flourish in work. We know that those with disadvantages often face greater difficulties in getting into work, requiring intensive specialised support. That is why we are harnessing the expertise of providers in the private and voluntary sectors, paying them for the results they achieve in sustaining the hardest to help in work.”

Unfortunately this is the wrong conclusion. Attempting to use the private and voluntary sector to get the hardest to help into work is an expensive mistake.

5. Recent initiatives, whether the Flexible New Deal or Pathways to Work under the Labour Government or the Work Programme under the current government, have experimented with greater involvement of the private and voluntary sectors in supporting people into employment. Time and again, experience has shown that the private sector is less successful at supporting people into work than their counterparts in Jobcentre Plus. Not only is it less successful it also provides very poor value for the taxpayer.
The Work Programme was recently examined by the Committee of Public Accounts. They reported on 22 February 2013 that:

The Work Programme is absolutely crucial for helping people, especially the most vulnerable, get into and stay in work. However its performance so far has been extremely poor. The first set of data on job outcomes shows that between June 2011 and July 2012, only 3.6% of people referred to the Work Programme moved off benefit and into work, less than a third of the target of 11.9%.

In fact, performance was so poor that it was actually worse than the Department’s own expectations of the number of people who would have found work if the Programme didn’t exist. None of the providers managed to meet their minimum performance targets. The best performing provider only moved 5% of people off benefit and into work, while the worst managed just 2%. The Programme is particularly failing young people and the hardest-to-help.

6. By way of contrast when Jobcentre Plus was faced with the sudden increases in unemployment as a result of the economic downturn in 2008–09 it was able to rapidly readjust itself to deal with the challenge by quickly introducing new processes (such as group interviews to manage the much larger demand for its services) while it took the time required to hire additional staff. This clearly played a significant part in ensuring that unemployment caused by the 2008–09 recession did not increase at the rates forecast by many commentators.

7. This response by Jobcentre Plus demonstrated the ability of the public sector to react and reorganise much more quickly, and with greater cost-effectiveness, than if there had had to be negotiations with a series of contractors restricted by unwieldy contracts that had been drawn up to service a different labour market.

8. PCS is concerned how the role of advisers in Jobcentres has been changing in recent years. The way that Jobcentre Plus operates now is, as the Select Committee has alluded to—as a sign posting outfit. Advisers are used more as compliance officers than as employment advisers. The government’s preference for the private and voluntary sector to carry out Jobcentre Plus work is a complete waste of the thousands of experienced and highly skilled advisers that the department has built up over many years. As we know from the figures already produced, the Work Programme has failed to deliver. Moreover many of the smaller voluntary organisations/providers that were expecting referrals from the Work Programme have folded as the lead contractors choose not to spend money on specialist support as this eats into their profits.

9. PCS believes that the evidence shows that the Work Programme has failed and should be brought back into Jobcentre Plus as soon as possible This should be combined with a new emphasis on Jobcentre Plus advisers being the main specialist support to get people back to work, aided where appropriate by outside experts, in specialist fields such as drug abuse or domestic violence where the voluntary sector can add real value to the work of Jobcentre Plus.

10. In terms of the rights and responsibilities of benefit claimants, the focus here needs to be on the impact of the regime of increased conditionality and more severe sanctions. This regime has not only had a severe impact on customers’ finances leading to cases of financial destitution, reliance on food banks and pay-day loan sharks. It has also resulted in increased aggression towards Jobcentre Plus staff and an increased risk of violent incidents and assaults on our members in DWP Jobcentres.

11. On the question of whether the sanctions regime increases the likelihood of someone getting a job, PCS can see no evidence that this is the case. Instead it seems to be more of a political measure to satisfy the anti-welfare lobby rather than a constructive measure to help people into work. In fact, the Social Security Advisory Committee concluded similarly in 2008, as does DWP Research Report 533 (December 2008).

12. It is clear that staff in Jobcentres have both office and individual targets for sanctioning claimants. Jobcentre Plus management have denied that there are targets, saying instead that there are “expectations” for sanctioning claimants. It is however the case that members of staff can be put on an improvement plan, potentially leading to performance inefficiency action and even dismissal for not achieving these “expectations”.

13. As far as PCS is concerned, these expectations are targets by another name. PCS is opposed to any targets or expectations for sanctions, and have made clear to management that we believe advisors should be allowed to use their own judgement in individual cases as to whether a sanction is appropriate. We have concerns that the increased use of sanctions is designed to increase the rate of off-flow and plays little or no purpose in helping people into work.

14. We have also had reports that some offices are operating what has become known as “botherability”. This involves asking claimants to come in to appointments in their Jobcentre at weekends, and if they miss these appointments they will be sanctioned or their claim closed. In local offices where “botherability” is being used, the clear intention is to “bother claimants off JSA”.

15. In relation to the mandatory Work Focused Interviews this is largely effective. One issue here is for Jobseeker’s Allowance (JSA) customers who have a diagnostic interview, which should identify barriers to work and advisers then sign post the customer to other organisations. For example, if a customer struggles with English as a first language they may be referred to English for Speakers of other Languages (ESOL) classes but at the same time are expected to be available for and actively seeking employment. This does not
make sense as obviously some customers will take longer to be in that position to allow reasonable time for their English to improve.

16. The targets for off flows at 13, 26, 39 and 52 weeks are unnecessarily prescriptive. The strong steer on advisers to meet these "off flow" targets leads to unrealistic expectations on customers, particularly those that are struggling to even get their basic skills sorted out. Also these targets do not relate to job outcomes, sustainable or otherwise, they are just off benefit targets. Such targets must be changed to allow for a much greater focus on getting people into sustainable employment rather than simply getting them off benefits.

17. The Get Britain Working measures have led to large numbers of customers being placed in a variety of unpaid work experience programmes. These have little or no monitoring in relation to employers masking real jobs with unpaid labour and the regime of placing sanctions for people leaving it before the end of the actual placement needs to be reviewed. There is little evidence that these schemes lead to many people actually getting into paid employment as a result of them.

18. With regard to the introduction of Universal Jobmatch (UJ) this risks removing essential job broking activity from Jobcentres. The quality of many UJ adverts is poor. The labour market knowledge of staff is being eroded as there is less and less employer engagement. PCS is concerned that UJ vacancies are not being checked in relation to basic standards such as compliance with the minimum wage and the use of zero hour contracts. This is leaving some jobseekers accepting jobs that put them in a worse financial position.

19. The care industry is a classic example of this, particularly for lone parents who generally need fixed hours due to the impact upon tax credits and childcare etc. The new Employment Adviser roles seem to be focussed on finding Work Experience and Sector Based Work Academy placements rather than proper job vacancies. Fewer people seem to be working with major employers nationally and there seems to be poor co-ordination between employers, colleges and local authorities, resulting in a complete lack of focus in relation to jobseeker skills and skills needed for vacancies in the local economies.

20. The accommodation in Jobcentres is increasingly tight. The large number of Jobcentres that have closed in recent years has put pressure on the remaining estate. This may be a particular concern with Universal Credit where it is planned to extend conditionality to millions of in-work Universal Credit claimants. The existing Jobcentre network does not have the estate to accommodate this.

21. The year on year staffing reduction in Jobcentre Plus has also weakened the ability of the organisation to deal effectively with its workload. 20,000 jobs have been cut from DWP since 2010, leaving many of its services stretched to breaking point. PCS believes current present challenges dealing with high unemployment and the fallout from the economic downturn. Extra staff are also essential if DWP is to effectively implement and run the huge DWP programme associated with Universal Credit.

22. The staffing pressures in DWP are not only felt in the Jobcentre side of the business. The call centre network is severely understaffed and the staff that are there are unable to resolve many of the calls. This results in 30% of calls into Jobcentre Plus requiring a call back from a different member of staff to the one who took the call. This is inefficient and very poor customer service. DWP has recently begun to recognise this problem and is starting to put in place sensible measures to reduce the telephony handoffs. PCS believes however that this work needs to move faster towards a complete reintegration of the contact centres side with the processing side of the business. The requirement to address the problems of Jobcentre Plus is not for radical future changes but rather for realistic investment in Jobcentre Plus and its staff.

28 May 2013

Written evidence submitted by Recruitment and Employment Confederation

Executive Summary

This submission is made on behalf of the Recruitment and Employment Confederation (REC), the professional body for the UK’s £25 billion recruitment industry.

The REC has developed a Partnership Agreement with the Department for Work and Pensions (DWP) which underpins how our members, private recruitment agencies, can work more effectively with Jobcentre Plus (JCP). This response is informed by those interactions with JCP.

The key points made in this submission are as follows:

- Collaboration between JCP and local recruitment agencies can help both organisations deliver on their stated aims.

- Recruiters have strong relationships with both employers (their clients) and jobseekers (their candidates). Their expertise in careers guidance, job matching and their local labour market should be harnessed by JCP. Whilst we have some excellent examples of collaboration to date, we believe that even more can be done to facilitate these relationships by government.
Our members have achieved positive results through collaboration with JCP and primes on the Work Programme. Data from one member, Randstad, shows that 40.2% of their contactable participants in the Work Programme achieved hard outcomes in the last year. These results are above the national average and demonstrate how public and private partnerships can work effectively.

Whilst good examples like this exist, some of our members and their clients report that they are unaware of how to get involved in initiatives like the Work Programme and the Youth Contract. Recruiters need to be made more aware of public sector schemes that help get people back into work, as they can then be an effective channel for disseminating this information to employers and jobseekers.

Payment by Results models may be suitable for some forms of public sector contracts but before rolling this out further as part of the welfare to work programme and Universal Credit, there needs to be sufficient understanding of the recruitment sector. Recruitment is a short-term business and employers expect efficient responses and quick turn-around times. This is particularly important in order to support the flexible labour market. Adequate funding is required to support the up-front costs of placing people into jobs.

Furthermore, employment services from JCP need to be aware of the time pressures in recruiting, especially for flexible work. The infrastructure and IT capabilities at JCP need to be quick and responsive if jobseekers are to be given sufficient time to apply.

Building the relationship at a local level between a recruitment agency and JCP staff is vital to better collaboration. JCP districts can cover a wide area and so it is important that there is the facility for JCP and recruitment agencies to know the relevant contact name. Professional bodies, like the REC, can help broker these relationships and share information on behalf of DWP and our members.

Introduction

1. The Recruitment and Employment Confederation is the professional body for the UK’s £25 billion recruitment industry. Our corporate members (approximately 3,500 businesses) represent 80% of the UK recruitment sector by turnover. We also represent 5,000 individual members of the Institute of Recruitment Professionals (IRP).

2. The REC is in regular dialogue with key government departments and renewed its formal “Partnership Agreement” with the Department for Work and Pensions in 2012. The purpose of this agreement is to create a shared understanding of how public and private sector recruitment experts can work together to find the staff needed by a business and to get individuals back into work. Never has this been more important than during one of the worst recessions of all time. A copy of our partnership agreement is attached as an appendix to this submission.118

3. This submission is made based on the experiences of the REC and our members of working in partnership with Jobcentre Plus.

Experiences of JCP Employment Services

4. A renewed Partnership Agreement between the REC and DWP was signed by the Minister of State for Employment, Mark Hoban MP, and Kevin Green, CEO of the REC, in November 2012. The agreement sets out a baseline for how REC members and local jobcentres can work together, and focuses on the potential benefits that can come about from open communications between the private and public recruitment sector. Our partnership to date has shown just how much the private sector can support public sector recruitment. Benefits of collaboration include more efficient advertising of vacancies, providing a forum to receive feedback on performance, and broadening opportunities to help the most disadvantaged jobseekers into employment.

5. We wanted to renew the agreement to reflect the improvements derived from collaborative working. It is also true that both parties realised that even more could be done to improve the experiences of employers and jobseekers. This is now our focus. We are seeking to embed the principles of our partnership agreement by holding a series of regional roundtables for REC members and local JCP staff, in order to share their experiences, put forward changes and agree priorities. These meetings have raised a number of topics which we believe are of interest to the Select Committee.

6. Members have commented that the Work Programme has, in some instances, been well received and demonstrable successes have been achieved. One of our members, the leading recruitment agency Randstad, has recently completed an analysis of their involvement in the Work Programme for a Prime, across the three main groups.119 From September 2011 to September 2012, the team held 120 workshops over three contract package areas. 927 customers attended these workshops. Following the workshops, the team managed to contact 470 of the attendees. 189 of the respondents (40.2%) had achieved “hard” outcomes in the last year.
It starts with the economic backdrop. Our research shows highly skilled contract workers are in constant demand across a number of key industries. Last year, our Flexible Work Commission, chaired by David Frost, former Director General of the British Chambers of Commerce, brought together leading employers and policy advisors to consider how recruiters and industry can continue to support those who want to work on a more flexible basis.

7. Members are clear in discussions with JCP of where the Work Programme and work experience trials are helping people into meaningful employment, and a number of members recently emphasised this point again at a meeting with the 10 policy unit. Further research into what is working and what needs to be changed is fundamental to the future success of JCP’s employment services. We also believe that if employers are to be fully engaged in the Work Programme, due consideration needs to be given to the impact and feasibility of Payment by Results models. Recruitment is a short-term business and employers expect quick turn-around times, which can make the concept of upfront investment without the promise of payment difficult for some businesses to countenance; this is particularly true for SMEs dealing with the excesses of a recession. 65% of REC members are small-medium sized enterprises (SMEs) and the vast majority of our members work with SMEs, so they understand these pressures only too well. In order to participate fully in government programmes, the business case needs to be made to employers and this can only come about through an impartial and in depth analysis of Payment by Results. Further decisions on whether to extend Payment by Results should then be made on the basis of this evidence.

8. The feedback from our meetings between recruiters and JCP has also demonstrated how much the relationship depends on personal and local contacts. Frequently, both sides have commented on how difficult it can be to find the right contact who could help with a particular vacancy. We agreed at one of our roundtables that the most important relationship for a recruitment agency is with the JCP District Partnership Manager. Publishing details of the appropriate contact within JCP (and then keeping this information up to date) would be a simple solution to this and REC members could commit to doing the same.

9. Most recruiters are specialist—they often work in a particular region of the UK and they may focus on certain industry sectors. For this reason, their knowledge of the local labour market is second to none and this is why employers choose to work with them. From our experience, JCP advisers may have a far broader range of sectors and a much wider geographical location to cover. For example, we are aware of one JCP “district” that covers the whole of the West and East Midlands and stretches all the way across to Cambridgeshire and Norfolk. This seems like a very wide area to cover and the labour market needs across such a region must vary considerably. At this time when public resources are stretched to full capacity, we understand that there may be few alternatives to this broad regional structure. This is where we believe the expertise of private sector recruiters, who are employed because of their deep specialist knowledge, could be of real benefit to public employment services.

10. At the same time, we have experience of JCP advisers who are committed to serving their local communities, almost to the exclusion of businesses or jobseekers from a neighbouring community. The twin pressures of focusing on a local community and at the same time having to be part of a very wide regional structure could, in fact, be pulling the advisers in opposing directions. We applaud the commitment and dedication that our JCP colleagues often show in getting people into work, but we want to work with them to help them deliver even more against their goals. We would suggest, therefore, that it may be worth further examination as to whether the current regional structures within DWP and JCP support the delivery of their overarching objectives.

Supporting a Flexible Labour Market

11. The REC is an active supporter of the flexible labour market. One of the features of this recession has been how unemployment levels have not been as high as in previous downturns. Recruiters were increasingly aware that this may be due to the flexible labour market. REC and KPMG’s monthly publication, Report on Jobs, has provided specific data that highlights the strength of the temporary placement market. Our evidence shows highly skilled contract workers are in constant demand across a number of high growth industries in the UK economy, whilst employers also have vacancies for part-time workers in the hospitality and health and social care sectors. In May 2013, REC published findings from our Jobs Outlook survey of 500 employers. 41% of employers said they plan to use agency workers in the next three months. Last year, our Flexible Work Commission, chaired by David Frost, former Director General of the British Chambers of Commerce, brought together leading employers and policy advisors to consider how recruiters and industry can continue to support those who want to work on a more flexible basis.
12. If flexible working is to deliver for both the employer and the individual jobseeker, then the employment services supporting both parties need to be efficient. As referenced above, recruiters work in the short-term to very tight timeframes. At one recent meeting, recruiters highlighted that they want to use JCP services to promote their job vacancies, to attract a diverse range of applicants and deliver for their clients. Employers, especially when seeking flexible workers, can have quite short turn-around times for recruiting. Members have flagged with us and with JCP directly that sometimes the online facility for advertising vacancies with JCP does not work. This seems to be down to a technical error where the vacancy information is not transferred across to JCP, even though facilities exist to upload vacancies onto thousands of online jobs boards around the world (for example vacancy information is not transferred across to JCP, even though facilities exist to upload vacancies onto advertising vacancies with JCP does not work. This seems to be down to a technical error where the for recruiting. Members have flagged with us and with JCP directly that sometimes the online facility for

13. Recruitment agencies are the bridge between supply and demand. They hold the relationship with the employer who is looking for staff, and they also need to have a strong relationship with the jobseeker. Our members have proven expertise in careers advice and guidance, and it is why so many of them have signed up to the REC Youth Employment Charter. Young people are particularly open to more flexible work opportunities. Under the Charter, members agree to support young people into work by sharing their knowledge of how employment is structured in a particular sector, the types of jobs available and the skills required, and by offering practical support for CV writing and interview techniques. We would be happy for local JCPs, through our partnership agreement and other delivery mechanisms, to make best use of the expert advice that private recruiters can offer. We believe that public-private partnerships have a positive role to play in the economy and more steps should be taken by government at the highest level to encourage such engagement.

14. One example where we have direct experience is the Youth Contract. Last year, the REC conducted a survey of employers and found that 31% of those surveyed were unaware that the Youth Contract even existed. A further 36% of respondents told us they were aware of the Youth Contract but did not intend to act upon it. The reason most often quoted for this was that they assumed the Youth Contract would be unduly bureaucratic. Based on this evidence, we contacted DWP and offered to support efforts to improve knowledge around the Youth Contract. Recruiters would be ideally placed to do this because of their frequent interactions with employers. We also suggested that DWP could place the incentives with private providers on a trial basis, in order to increase take up of the scheme. Whilst we have excellent relations with DWP, this was an area that the team at DWP declined to discuss further with us. We believe that preventing further discussion in this way meant that government lost an opportunity to shape and design something that actually delivers for employers and young jobseekers.

15. Universal Jobmatch is another offer where we believe even more needs to be done to promote the features and benefits, particularly to business, if it is to deliver as intended. At a recent roundtable for REC members and a local JCP team, our members shared anecdotal evidence of successes associated with Universal Jobmatch. Despite this success, the private recruiters attending the meeting reflected on the same point as other REC members: far more needs to be done to raise awareness of government activities in this space. A number of our members have explained they had limited experience of Universal Jobmatch, with some very high profile members saying they had yet to encounter it at all. Given that REC members are at the forefront of the labour market and are in business precisely for the purpose of getting people into work, this is surprising. We understand that a “soft” launch for Universal Jobmatch gives DWP and JCP staff an opportunity to pilot the programme but without sufficient buy-in from the private sector and employers, it will never deliver on its stated aims.

**Suggested Future Improvements**

16. In summary, we believe that the working relationship we have built up between JCP and recruitment agencies can be extended even further to better support jobseekers and employers. To do this, we believe the following steps should be taken:

   — **Share knowledge and information:** JCP and DWP should work with industry stakeholders, including the relevant professional bodies, to ensure that key messages around new and existing government initiatives are promoted and disseminated effectively. Professional bodies have direct channels with their members and private recruiters have excellent communication strategies for engaging a wide range of employers.

   — **Value local partnerships:** JCP and recruitment agencies should be encouraged to work together in partnership to deliver sustainable job outcomes for the hardest to reach, and mechanisms like the REC Partnership Agreement offer a platform to extend that engagement. Through our membership compliance and audit processes, REC membership provides a badge of quality and gives an employer, jobseeker and third party confidence in the services of that member. A first stage towards greater collaboration is for JCP to make available key contact details to trusted recruiters.

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— Improve private sector engagement: pilots have demonstrated the positive outcomes from strong public and private sector partnerships. Good practice derived from such partnerships should be highlighted so that others can learn from these case studies. It may be appropriate to conduct further research into exemplars of good practice from other countries and to conduct a full cost-benefit analysis into Payment by Results schemes before further roll out to ensure that this is an effective way of engaging industry.

24 May 2013

Written evidence submitted by Scope

1. About Scope

1.1 We all want to live in a world of opportunity—to be able to live our own life, play our part and be valued for the person we are. At Scope we’re passionate about possibility. It inspires us every day and means we never set limits on people’s potential. We work with disabled people and their families at every stage of their lives. From offering day to day support and information, to challenging assumptions about disability and influencing decision makers—everything we do is about creating real and lasting change. We believe that a world where all disabled people have the same opportunities as everyone else would be a pretty incredible place for all of us. Together we can make it happen.

1.2 Scope works closely with Jobcentre Plus (JCP) as a sub-contractor of two Work Choice contracts in England and Wales, delivering specialist employment support to disabled people. We previously delivered one Work Programme contract as part of a wider consortium of charities, but have now withdrawn. Our experience demonstrates that there is a definite need for an inquiry into the role of JCP in the reformed welfare system, so welcome the Committee’s focus and are pleased to submit written evidence to the inquiry.

2. Executive Summary

2.1 Scope recognises that JCP face significant challenges in the reformed welfare system and appear to be coping well with increased system demand. However, our experience of delivering employment services indicates that for the employment support system to be more effective, JCP should play a more proactive role in identifying claimants’ support needs, and in supporting them to engage voluntarily with the system.

2.2 Currently, assessment of disabled people’s needs continues to rely heavily on the failing Work Capability Assessment (WCA) which is leading many claimants to be referred onto the wrong form of support. In addition, the primary way of encouraging and motivating disabled people to engage with employment support happens primarily through the use of conditionality and sanctions, which impact negatively on disabled people’s lives without making them more likely to find work.

2.3 As such Scope recommends introducing two immediate measures:

2.3.1 A more sophisticated needs assessment: A new holistic assessment of employment support needs should be introduced so that disabled people’s actual distance from work is recognised, allowing JCP to more accurately place disabled people into appropriate employment support.

2.3.2 Greater claimant involvement: Understanding disabled people’s motivations to work more carefully would lead to better client engagement with programmes and reduced need for sanctions. To do this we recommend involving disabled people far more in the development of their JCP Action Plan, giving them a greater sense of ownership and responsibility for their back to work journey.

3. Detailed Recommendations for Action

3.1 A more sophisticated needs assessment: The challenges of the Work Capability Assessment are well known. It’s focus on medical capacity rather than distance from work mean that it is inaccurate, harmful for disabled people, and leads to difficulties in the wider welfare to work system, particularly as providers of Work Programme are being referred clients who have been found inappropriately fit for work.¹

3.2 Therefore Scope believes that a new holistic assessment of employment support needs should be introduced so that disabled people’s actual distance from work is recognised. JCP should deliver this so as to both place disabled people more accurately into appropriate employment support, and to draw on the other local support services a disabled person may need to move into work.¹
3.3 Greater claimant involvement: Evidence shows that conditionality and sanctions are inappropriate and damaging for disabled people’s lives. Mandating disabled people to participate in employment support decreases their living standards, negatively affects their condition or impairment, and yet has little or no impact on the likelihood of their getting into work.

3.4 As such, Scope strongly recommends JCP take actions to involve disabled people more systematically in the development of their JCP Action Plan. Greater user involvement in planning and decision-making—as is standard practice now in other public services such as social care—has been shown to give greater ownership over processes and outcomes, and consequently improve voluntary engagement with programmes without the need for sanctions regimes.

4. Factual Information

4.1 Jobcentre Plus face significant challenges in the reformed welfare system. In particular, the recession has driven a large increase in caseloads even as DWP have implemented radical changes to the social security system. As JCP prepare to manage claimants through the shift to Universal Credit and Personal Independence Payment (PiP), and begin to cope with claimants returning from Work Programme without a job, the pressures they face will mount even further.

4.2 In order to manage this challenging time, Scope believes JCP should be taking a more proactive role in supporting disabled claimants into work. Our experience of working with JCP shows that their primary role in the employment support system currently is managing referral numbers across different programmes, which is happening unevenly and without sufficient attention paid to disabled people’s actual employment support needs. In addition, the uneven way JCP’s engage with disabled customers means there is insufficient attention paid to individual motivations to work, leading to an overemphasis on inappropriate sanctions.

4.3 Identification of client needs

4.3.1 There are three places in the employment support system a disabled person’s needs are currently assessed: at the Work Capacity Assessment (WCA), which assesses benefit entitlement; at a work-focused interview in JCP; or at an interview following referral to providers. There are challenges at each stage which affect the accuracy with which clients’ needs are identified.

4.3.2 The challenges of the Work Capability Assessment are well known. Its focus on medical capacity rather than distance from work mean that it is inaccurate, harmful for disabled people, and leads to difficulties in the wider welfare to work system, particularly as providers of Work Programme are being referred clients who have been found inappropriately fit for work. It was never intended as an assessment of distance from work so it is questionable whether it should continue to play a role in directing people into support schemes.

4.3.3 Beyond the WCA, it is unclear whether any formal assessment of customer needs currently takes place in JCP or how decisions are made about where to refer clients. For instance, Official Work Choice statistics show that in 40% of referrals the basic information about clients’ primary impairment is either missing or unknown. This is concerning: if the client is not a disabled person then the referral to Work Choice should not have been made, as the programme is a specialist scheme intended for disabled people only. If the impairment is simply unknown, it implies that there has been no assessment of needs at all, which would appear to be a major issue in the potential role of JCP as a “gateway” to other programmes.

4.3.4 Providers are also currently delivering assessments of needs, but the challenge here is that providers may not be able to put in place the support disabled people need even once an assessment has taken place. Particularly given the low levels of specialist support currently being used on the Work Programme, and the low resources available to Work Choice providers, it is questionable whether an assessment at this stage of the welfare to work journey can address all the employment barriers a disabled person might have.

4.3.5 Therefore Scope believes that a new holistic assessment of employment support needs should be introduced so that disabled people’s actual distance from work is recognised, and allowing JCP to both place disabled people more accurately into appropriate employment support, and to draw on the other local support services a disabled person may need to move into work.

4.4 Use of conditionality and sanctions:

4.4.1 Currently JCP advisers spend too little time with disabled people planning their back to work journey. This is reflected in the extremely variable client information passed to providers. Scope Work Choice advisers report that they can receive as little as two sentences about a clients’ previous work history or barriers to work. Because of this lack of user involvement in support planning, there is typically a low understanding of individual motivations to work which means JCP recommend too easily benefit sanctions as a way of motivating engagement with programmes.
4.4.2 However, Scope continues to question whether benefit sanctions are an effective or appropriate way of incentivising disabled people into work.\(^i\) Evidence shows that mandating disabled people to participate in employment support decreases their living standards, negatively affects their condition or impairment, and yet has little or no impact on the likelihood of their getting into work.\(^x\)

4.4.3 The heavy emphasis placed on conditionality and sanctions sends a clear signal that disabled people’s (un)willingness to engage is seen as a principal barrier to their return to work. However, evidence shows that the majority of people struggling to engage with programmes do so because of the impact of their condition or because the support on offer is inappropriate and limited in scope.\(^xi\) Neither of these issues is likely to be addressed by threatening to remove disabled people’s benefits.

4.4.4 Additionally, use of sanctions also misunderstands disabled people’s motivation to work, which is much more related to a desire for self-realisation and independence than financial gain or loss.\(^xii\) Involving disabled people more in their own journey to work—through co-development of their JCP Action Plan, for instance—would create a greater sense of ownership and responsibility over the return to work, in turn boosting engagement with programmes and reducing the need for sanctions.

24 May 2013

References


\(^iii\) Work Programme evaluation: Findings from the first phase of qualitative research on programme delivery, DWP, 2012.

\(^iv\) Ibid; Devins, D et al (2011), The Role of Skills from Worklessness to Sustainable Employment with Progression, UK Commission on Employment and Skills.


\(^x\) Devins, D et al (2011), The Role of Skills from Worklessness to Sustainable Employment with Progression, UK Commission on Employment and Skills.

\(^xi\) Work Programme evaluation: Findings from the first phase of qualitative research on programme delivery, DWP, 2012.

\(^xii\) Devins, D et al (2011), The Role of Skills from Worklessness to Sustainable Employment with Progression, UK Commission on Employment and Skills.

\(^xiii\) Ibid.