



Revolving Doors Agency submission to the Work & Pensions Committee inquiry into the future of Jobcentre Plus

April 2016

About Revolving Doors

Revolving Doors Agency is a charity working to change systems and improve services for people who face multiple and complex needs, including poor mental health, and come into repeated contact with the police and criminal justice system. We work with policymakers, commissioners, local decision-makers, and frontline professionals to share evidence, demonstrate effective solutions, and change policy, while involving people with direct experience of the problem in all our work through our National Service User Forum.

Summary

Revolving Doors welcomes the opportunity to respond to this inquiry but will limit comments to the terms of reference most relevant to us and the groups we advocate on behalf of. There is persuasive evidence that employment, and activities that can improve employability such as volunteering and training, can improve outcomes for people affected by multiple and complex needs, including improved substance misuse treatment outcomes¹ and reduced reoffending².

Much of high quality evidence on employment interventions for people with multiple and complex needs comes from abroad; different social, welfare and labour market considerations make direct comparisons difficult. However, relatively few people with complex needs are in paid employment and the more needs the individual faces, the lower the likelihood of them being in paid employment is.³ Recovery and desistance can often be a complex journey in which employment can play a substantial part, but with limited information about 'what works', there is a need at each point of the system to involve people with direct experience in understanding what works for them, why and in what context.

Jobcentre Plus provides a 'work first' services and sanctions model. There is evidence that, at population level, this approach is highly effective and cost effective⁴. However, while there is limited official employment data on key needs such as mental ill health, substance misuse, homelessness

¹ Henkel, D. (2011). Unemployment and Substance Use: A Review of the Literature (1990-2010). *Current Drug Abuse Reviews*, 4(1), pp.4-27.

² Ministry of Justice, (2013). Analysis of the impact of employment on re-offending following release from custody, using Propensity Score Matching.

³ Bramley, g, and Fitzpatrick S (2015) Hard Edges Mapping severe and multiple disadvantage. Lankelly Chase Foundation.

⁴ Card, D., Kluve, J. and Weber, A. (2015.). What Works? A Meta-Analysis of Recent Active Labor Market Program Evaluations. NBER Working Paper 21431

and offending, it is clear that the employment rate for each of these groups is far lower than the current record high employment rate of 74.1%⁵.

For example, for people in treatment for opiate use during 2014-15 (a cohort highly likely to also experience barriers to employment relating to housing problems, offending histories and mental ill health), the proportion in employment at treatment start was 16%, rising to 19% after six months in treatment⁶. While there are questions around data quality and consistency, there is some evidence that fewer people are in paid work at treatment start in the UK than in most European countries⁷. For people in contact with secondary mental health services, the employment rate may be as low as around 7%⁸.

People who face severe and multiple disadvantages in their day to day lives are also likely to face disadvantage in the labour market. These will typically be of three types:

- Personal barriers: hindrances such as limited skills and educational attainment, a patchy employment history, poor health and/or an offending history;
- Attitudinal barriers: these can include the attitudes and recruitment practices of employers, and the support provided by employment support services;
- Structural barriers: these can include living in deprived areas with relatively scarce job opportunities.

Some of the proposals referred to in the terms of reference have the potential to make progress against some of the above and to deliver improved individual and social benefits, but caution is urged. Previous efforts to support the most disadvantaged into employment have had limited success, and most of those have benefited from more funding than will be available from now forward⁹, albeit often with a less clement job market.

Effects of changes on claimants and the quality of services offered

Jobcentre Plus staff have limited time to spend with clients. While time per customer visit may have benefited from the lower claimant count, more frequent interviews, the provision of in-work support to Universal Credit claimants and the longer duration of support provided may all serve to increase work coaches' caseload. A more sophisticated approach to performance monitoring, including the destination of off-flow, should be used to ensure that 'parking' of clients¹⁰ with more complex needs does not take place and to better establish good measures of performance and 'what works'.

Implications in relation to digital inclusion

⁵ Office for National Statistics, accessed March 2016

⁶ Public Health England (2015) Adult substance misuse statistics from the National Drug Treatment Monitoring System (NDTMS), accessed 23rd March 2016

⁷ European Monitoring Centre for Drugs and Drug Abuse (2015) treatment demand indicator dataset

⁸ Health and Social Care Information Centre, Social Care Outcomes, accessed March 2016

⁹ While Jobcentre Plus will resume a larger role in the provision of employment support, compared to the current Work Programme and Work Choice, the Department for Work and Pensions' contribution to the post-2017 Work and Health Programme represents a reduction of around 80%.

¹⁰ For further detail on creaming and parking, see Revolving Doors (2015) Adding Value

This is likely to prove challenging for people with complex and multiple needs. Levels of literacy and computer literacy are highly variable but tend to be low, and access to computers and/or the internet can be extremely problematic. This is likely to be a concern both for claimants and those who provide support to them. These might include substance misuse services, mental health services, homelessness services and probation services, all of whom are likely to already have high caseloads and competing demands.

We note that 'digital by default' does not mean 'digital only'. However, the move to an increasingly internet-based claim making and management process emphasises the potential importance of Universal Support (formerly the Local Support Services Framework). In addition to the claim process, the concerns around a default large, single payment to a single member of the household are clear. We welcome the inclusion of needs or histories such as substance misuse, mental ill health and homelessness as Tier 1 factors indicating a likely need for alternative payment arrangements and being a prison leaver indicated as a Tier 2 factor indicating a possible need¹¹, and would welcome similar guidance being provided to assist triage to or within local Universal Support services.

With regard to Universal Support more generally, we await the evaluation of the trial sites¹² with interest and echo the call for more clarity and guidance from DWP and DCLG made by the Social Security Advisory Committee¹³.

Providing a tailored service for people with multiple and complex needs

Jobcentre Plus should aim to work more consistently at a higher standard. The Jobcentre Plus Offer¹⁴ (introduced in April 2011, including and offer for people with histories of substance misuse) and the Claimant Commitment (introduced in 2013) offer the possibility of more flexible support for those with particular barriers to employment. This is, in some situations, backed up by legislation that permits conditionality to be tailored or relaxed. Our 2015 evidence review of services for people with complex needs highlighted common factors of effective support, including:

- Taking a holistic approach, rather than addressing single needs in isolation;
- Responding to the individual needs and preferences of service users;
- Focus on recognising and developing people's strengths, including the 'natural support' of families and communities;
- Developing positive, supportive relationships between practitioners and clients;
- Ensuring that the service user's voice is heard and they are placed at the heart of the approach.¹⁵

The transition to the work coach model is mostly welcome, particularly the commitment to provide claimants with a single individual throughout their stay at Jobcentre Plus. However, to obtain the best results from this more consistent approach, all staff will need to be appropriately skilled, or

¹¹ Department for Work and Pensions (2015) Personal Budgeting Support and Alternative Payment Arrangements

¹² Derby City, Islington, South Staffordshire, Argyll and Bute, Dundee City, Blaenau Gwent and Carmarthenshire

¹³ Social Security Advisory Committee (2015) Localisation and Social Security: A Review, Occasional Paper No.

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¹⁴ Department for Work and Pensions (2013) The Jobcentre Plus Offer: Final evaluation report

¹⁵ Revolving Doors (2015) Comprehensive Services for Complex Needs: A summary of the evidence

DWP should consider the merits of providing specialist staff for particular groups, such as the District Drug Coordinators available in Jobcentres between 2009 and 2012.

Low rates of disclosure of stigmatised conditions or barriers to employment such as mental ill health, substance misuse and homelessness remains low, and this will need to change before resources can be targeted appropriately. A number of approaches might be worth exploring. Addressing staff skills and knowledge may assist with disclosure in the way it may assist with employment support. Jobcentre Plus currently adopts an unsophisticated and incurious approach to assessment or segmentation. This is not a straightforward task (and some approaches have been piloted in the UK with limited success¹⁶) but other countries have succeeded in developing models that appear to succeed in their aims of assessment and/or prediction of likelihood of long-term unemployment.

Coordination with other services & configuration of offices

The proposal to dispose of some of the current Jobcentre Plus estate and collocate with other services, primarily local authorities, is welcome. However, Jobcentre Plus must continue to find ways of working with harder to reach populations. For example, collocation with substance misuse services is recommended by DWP and Public Health England,¹⁷ although it is unclear how regularly, consistently and effectively this happens. Intelligence from Jobcentre Plus and treatment providers suggests that collocating Jobcentre staff in treatment provider premises may be more effective than the reverse.

Modern Jobcentre Plus offices are open-plan, more comfortable and more welcoming than old Jobcentres and Benefit Offices. However, discussions with service users suggest that the open-plan layout can sometimes inhibit disclosure and frank discussion of needs and barriers. Where practicable, claimants should be offered the opportunity to meet their work coach in private and consideration should be given to the environment and layout when potentially sensitive matters are discussed.

Co-location with, in particular, may also help to facilitate links to housing and local welfare assistance. The introduction of Universal Credit, where payments (including payments for housing costs) could be delayed by up to 7 weeks even when a claim proceeds without difficulty, seems likely to pose challenges for many claimants, and particularly those with multiple and complex needs.

We would also welcome more transparency about interactions between Jobcentre Plus and services such as the Community Rehabilitation Companies established under Transforming Rehabilitation, and clear guidance about the expectations that each service should have of one another – this should, of course, also include current and future contracted-out provision.

Supply side interventions

With few exceptions, recent labour market policy around the long-term unemployed in the UK has focussed on supply-side interventions. This has been effective at a population level, but there is

¹⁶ Department for Work and Pensions (2011) Predicting likelihood of long-term unemployment: the development of a UK jobseekers' classification instrument

¹⁷ Department for Work and Pensions & Public Health England (2012) Employment and recovery: a good practice guide

limited evidence of much shift in the employment rates for groups who may seem unattractive or risky to employers. It is not clear that merely providing the same sort of support that has met with limited success in the past, but more intensively or for longer, will deliver the change needed.

While Jobcentre Plus focuses on activation, where jobseekers are primarily responsible for meeting conditionality and much of the onus for finding work is placed on the individual claimant, better access to skills provision and training is needed for those who lack key employability skills and work experience. This will inevitably come at a cost, but better coordination between Jobcentre Plus and adult skills and training provision utilising current adult skills budget provision should mitigate this.

There is good evidence that the Individual Placement and Support model (IPS), a particularly personalised supply-side approach, can be effective for people with severe and enduring mental health problems¹⁸, and emerging evidence from the UK that it can also be effective for people with complex needs, including those with primary needs relating to substance misuse and secondary needs relating to offending.

While IPS is often described as a high-cost intervention, care must be taken to distinguish between cost per person receiving the service, and cost per job outcome. A cost per participant of £2000¹⁹ is significantly higher than, for example, current Work Programme spend per person, but the cost per job outcome – estimated at £4,640 for the Work Programme by the National Audit Office²⁰ – is likely to be closer.

It should be noted that while there is good evidence for effectiveness and that IPS programmes, to retain fidelity, commit to working with anyone at any stage of the recovery process, as a voluntary programme it would be reasonable to assume at least a degree of motivation on the part of participants.

Employers

There is evidence that employers are reluctant to recruit individuals that are perceived to have risks around reliability and honesty, who may pose reputational risks. For example, 75% of employers surveyed by Working Links²¹ said that they would discriminate against a candidate if they disclosed a criminal conviction, and the majority of employers contacted by the UK Drug Policy Commission in 2008 stated that they would not employ a former heroin or crack cocaine user, even if they were otherwise suitable for the job²².

Some recent developments, such as the 'Ban the Box' campaign²³ are promising and have been associated with improved employment rates for ex-offenders elsewhere. Changes to the Rehabilitation of Offenders Act contained in the Legal Aid and Sentencing and Punishment of

¹⁸ Drake, R; Bond, G (2011). IPS Supported Employment: A 20-Year Update. *American Journal of Psychiatric Rehabilitation* 14 (3): 155–164

¹⁹ £2,000 per person estimated by the Centre for Mental Health

²⁰ National Audit Office (2014) *The Work Programme*

²¹ Working Links (2012) *Prejudged: Tagged for life. A research report into employer attitudes towards ex-offenders*

²² UK Drug Policy Commission (2008) *Getting problem drug users (back) into employment: employer, provider and service user perspectives*

²³ <http://www.bitc.org.uk/programmes/ban-box> accessed March 2016

Offenders Act 2012 should also help employment of ex-offenders in providing for reduced periods after which convictions become 'spent' for many jobs.

In many parts of the country, employer reluctance may be compounded by weak local job markets. For example, dependency on heroin and/or crack cocaine is more prevalent in the most deprived areas compared to the least deprived²⁴. In areas where there are limited job opportunities, more active policies may be beneficial, including intermediate labour markets (ILMs) and subsidies to employers who recruit individuals meeting particular criteria. Other mechanisms might include reserving some public service contracts for targeted social enterprises, or establishing funding and tax regimes that are favourable to social firms and that might better enable them to compete for contracts for goods and services.

Culture change

Attention has been paid in recent years to DWP's post-2012 sanctions regime, and the increased number and proportion of people who have found themselves deprived of income since 2010. This increase, in broad terms, applies both to JSA and ESA claimants, although both the number and rate of ESA claimants being sanctioned is lower. While the number and rate of JSA claimants being sanctioned has fallen to 12.9% in 2014-14 from a high of 18.4% in 2013-14²⁵, it should be noted that non-take-up of JSA is exceptionally high.

There are multiple, non-exclusive potential explanations for this, among which is that some of those with chaotic lives have simply stopped claiming out of work benefits entirely. Where this has happened, this will also disconnect the individual from the public employment service. Discussions with services for people with complex needs and Revolving Doors' national forum suggest that sanctions (and perhaps just as importantly, reports about sanctions) have reduced trust in Jobcentre Plus and engendered misapprehensions, such as volunteering to gain work experience being prohibited.

The fall in the rate and number of sanctions is welcome, but a more fundamental change in culture and approach will be required from now on, assuming that the economy and labour market suffer no further shocks. The claimant count is extremely low, and most claimants spend relatively little time on JSA. This means that Jobcentre Plus's out of work caseload, while smaller, will increasingly consist of the harder to help, and people who faced substantial and multiple barriers to work, plus ESA claimants who, by definition, will experience at least health related barriers to work. To engage these people effectively and to encourage disclosure and frank discussion, developing effective professional relationships between claimants and work coaches will be essential.

For more information, or to discuss these issues with members of our National Service User Forum, please contact:

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²⁴ Public Health England Fingertips, accessed March 2016

²⁵ Webster, D (2016) The DWP's JSA/ESA Sanctions Statistics Release, 17 February 2016

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