



June 2006

**A new deal for welfare:
Empowering people to work**
Consultation report



A new deal for welfare:
Empowering people to work

Consultation report

Presented to Parliament by
the Secretary of State for Work and Pensions
by Command of Her Majesty
June 2006

Cm 6859

© Crown Copyright 2006

The text in this document (excluding the Royal Arms and departmental logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Any enquiries relating to the copyright in this document should be addressed to
The Licensing Division, HMSO, St Clements House, 2-16 Colegate, Norwich, NR3 1BQ.

Fax: 01603 723000 or e-mail: licensing@cabinet-office.x.gsi.gov.uk

Contents

| | |
|--------------------------------------------------------------------|-----|
| Ministerial foreword | v |
| Introduction | vii |
| Chapter 1: Consultation summary | 1 |
| Chapter 2: Health, work and well-being | 5 |
| Chapter 3: Helping ill or disabled people | 13 |
| Chapter 4: Helping lone parents | 23 |
| Chapter 5: Helping older workers | 29 |
| Chapter 6: Delivering welfare reform | 33 |
| Chapter 7: A radical new approach to Housing Benefit | 43 |
| Chapter 8: Long-term benefits reform | 49 |
| Chapter 9: What next? | 53 |
| Annex A: Welfare reform Green Paper distribution list | 56 |
| Annex B: Responses received | 63 |
| Annex C: Corrections to the Green Paper | 68 |



Ministerial foreword



The publication of our welfare reform Green Paper *A new deal for welfare: Empowering people to work* on 24 January 2006 marked the beginning of a 13-week formal consultation period on our proposals for the third stage of welfare reform.

The first two stages of our welfare reform (the launch of the New Deals in 1998 and the creation of Jobcentre Plus in 2002) led to a transformation in the labour market. Compared to 1997, an extra 2.4 million more people are in work and the employment rate for people of working age now stands at almost 75 per cent – something which would have been considered unachievable throughout the 1980s and early 1990s. We have managed to make a real difference to millions of lives and to many communities.

But we want to do more to deliver the opportunity of work to everyone in our society – despite our success, there remain groups and communities who have failed to fully share in the improvements in living standards that work brings. That's why we have set ourselves the challenging aspiration of an 80 per cent employment rate.

We have been overwhelmed by your response to the consultation – over 600 organisations and individuals have submitted feedback, much of it in itself a consequence of extensive consultation with service users. This response rate is in part a reflection of your hard work and enthusiasm in hosting events throughout the past year. This is much appreciated.

Our vision for the future direction of welfare reform has been widely welcomed. I believe this positive response reflects our close working partnership, particularly throughout the past year. There are of course areas where we need to do much better, but we now have a solid foundation upon which to build as we develop our proposals through to delivery.

I would like to extend my thanks to everyone who has taken the time to respond, and I very much look forward to working with you over the coming months.

A handwritten signature in black ink that reads "John Hutton". The signature is written in a cursive, flowing style.

Rt Hon John Hutton MP
Secretary of State for Work and Pensions



Introduction

Background to the welfare reform Green Paper

The welfare reform Green Paper *A new deal for welfare: Empowering people to work* was published on 24 January 2006. It marked the third stage of the Government's Welfare Reform programme, building upon the introduction of the New Deals in 1998 and the creation of Jobcentre Plus in 2002.

The Green Paper proposals are ambitious and wide-ranging. They provide the foundation upon which we can build towards the aspiration of an 80 per cent employment rate for people of working age. This aspiration reflects the Government's determination to provide the opportunity of work to everyone in our society. While we have achieved much over the past decade (the current employment rate of 75 per cent is among the highest in the developed world), some groups and communities have failed to share equally in our success. Providing the opportunity of work is one of the keys to realising an inclusive society.

What this report does

This report provides a summary of how we intend to take our proposals forward through the summer. It captures the key issues raised by respondents during the consultation period and sets out how your feedback has impacted upon our proposals. We have not, of course, been able to include absolutely every point raised or quotations from every organisation. But we have considered every contribution to ensure that this report provides a fair representation of the feedback.





Chapter 1: Consultation summary

Chapter 1: Consultation summary

Consultation duration

The formal consultation period ran from Tuesday 24 January through to Friday 21 April. However, we have continued to accept late responses (some as late as Friday 3 June).

Because of late publication of the easy-read version of the Green Paper, we agreed from the outset to extend consultation where necessary. However, none of the extensions offered were related to accessibility.

During the consultation period we attended or hosted almost a hundred events of all types and sizes, with an estimated total audience in excess of 5,000 people. The consultation was also supported by an on-line discussion forum (at www.welfarereformforum.net). This forum was a prototype devised with and moderated by the Hansard Society to test whether people might find this type of engagement useful. Over 80 people registered.

Green Paper distribution

The welfare reform Green Paper was available in a variety of formats: standard, Word, audio, Braille, Welsh, large print and easy-read. In total nearly 5,000 copies in various formats were distributed, in addition to those which might have been down-loaded directly from our website (www.dwp.gov.uk/aboutus/welfarereform). Annex A provides a list of the organisations and individuals who requested and/or were sent copies (although this list is not complete).

The (rough) volume of copies distributed is shown below by format.

| Format | Copies distributed |
|---------------|---------------------------|
| Standard | 4500 |
| Word | – |
| Audio | 50 |
| Welsh | 10 |
| Large print | 40 |
| Easy-read | 250 |
| Braille | 50 |

Volume of responses

To date we have received over 600 responses from a wide variety of organisations (see Annex A for a full listing), categorised as follows:

| Category | Volume of responses |
|--------------------------------|---------------------|
| MPs | 8 |
| Lords | 0 |
| Disability organisations | 96 |
| Lone parent organisations | 7 |
| Local Authorities | 95 |
| Employers | 41 |
| Health professionals | 32 |
| Supported employment providers | 27 |
| Non-departmental public bodies | 8 |
| Academics and think-tanks | 31 |
| Unions | 6 |
| Welfare rights advisors | 23 |
| Landlords | 15 |
| Staff | 2 |
| Public (lone parents) | 1 |
| Public (sick/disabled) | 86 |
| Public (learning disabled) | 7 |
| Carers | 8 |
| Public (older people) | 7 |
| Public (other) | 52 |
| Faith groups | 4 |
| NHS Trusts | 4 |
| Social housing providers | 19 |
| Training colleges | 8 |
| Charities (general) | 35 |
| Payroll organisations | 2 |
| Total to date | 624 |

Green Paper corrections

During the consultation we were alerted to two corrections to the text of the standard version of the Green Paper and one correction in the text of the easy-read version. Details are provided at Annex C.





Chapter 2: Health, work and well- being

Chapter 2: Health, work and well-being

What the welfare reform Green Paper proposed

- A new National Director for Health and Work.
- In partnership with employers, employees, GPs and other health professionals, we are developing a range of initiatives to improve knowledge and understanding, change perceptions and generally improve workplace health.
- Simplification of Statutory Sick Pay, including the removal of the three waiting days, removal of the linking rules (when people change employment) and removal of the Percentage Threshold Scheme (with resources being used in other ways to support employers to manage sickness absence).

What you said

- **There was support for the creation of a National Director for Health and Work.**

"The new National Director for Occupational Health will play an important part in co-ordinating all relevant agencies to deliver more effective rehabilitation."
Association of British Insurers

- **Respondents showed strong support for an accreditation scheme to recognise employer excellence in the provision of workplace health schemes.**

"An awards system for excellent employers might help change the culture ..."
London Borough of Hammersmith and Fulham

"Investors in People accreditation should include work-place health initiatives."
Chartered Institute of Personnel and Development

- **There were calls for changes in the tax system so that workplace health schemes are tax-free (and not classified as payment in kind).**

“Employers should not be penalised financially if they offer occupational health provision.”
Disability Rights Commission

“To encourage employers to provide occupational support services there could (also) be tax incentives for those who participate in the scheme and alterations to insurance premiums.” Healthy Working Lives

“Employers must be given incentives to rehabilitate workers who have been on long-term sick leave. We believe that information on current incentives is confusing and that the tax system must be amended so that employees are not taxed on health support they get from employers.” Institute of Occupational Safety

“Tax breaks for firms that provide healthy working practices for their employees and tax breaks/incentives for employer-funded healthcare schemes that will provide early rapid intervention to prevent long-term absences.” Society of Occupational Medicine

- **Respondents suggested that the Government might work with smaller employers and the organisations which serve them to fund an occupational health service which employers could access as required (perhaps by building upon existing contracts between such services and government departments).**

“The majority of employers in the UK are SMEs (Small and Medium-sized Enterprises) and as such are financially unable to invest in occupational health and support services. However, thought could be given to providing services on a regional/consortium/Chamber of Commerce/Federation of Small Business basis.” Healthy Working Lives

“We believe (however) that the DWP should take the lead in commissioning research which demonstrates to employers of all sizes in all sectors the business case for taking a more proactive approach, based on rehabilitation, to managing (such) employees.”
Engineering Employers’ Federation

- **There were mixed views on work-related incentives for GPs. There were some strong feelings against, because of fears that this might interfere with the relationship between doctor and patient, which might lead to sick people being pushed into work. However, there was also support for incentives through the GP contract.**

"While fully supporting occupational health education and support for GPs, cash incentives to meet targets will undermine doctor–patient relationships. This is a trust relationship that often takes time to build. The patient needs to feel the GP is acting in their best interests." Salford City Council

"Any activity that incentivises GPs into not signing people [off] sick will compromise patient care and disrupt the patient–practitioner relationship." Private individual

"Incentives for GPs to provide employment support are a welcome idea." Sainsbury Centre for Mental Health

"[We welcome] a review of the medical certificate and incentives to GPs who help people into employment... Providing best practice to GPs to prescribe interventions that help people into work (perhaps via a web toolkit) and including this in contracts with PCTs (and including this activity in the Quality Outcomes Framework)." Kent and Medway NHS Trust

- **There was a mixed response to the idea of placing employment advisers in GP surgeries, with many respondents in favour, but others expressing concern that would not be appropriate or might worry patients.**

"Employment advisers in GP surgeries should be monitored to make sure they do not deter people from visiting their GP." National Autistic Society

"We are interested to hear more about the Government's proposals to place employment advisers in GP surgeries, and the findings from the current very small-scale pilot projects. Such help and advice, if independent and sensitively provided, could be helpful to people wanting to remain in work, or considering returning to work. However, we would be very concerned if this affected the relationship of trust between doctor and patient, or paved the way for financial incentives for GPs and other health professionals preventing people going onto Statutory Sick Pay, or stopping people getting incapacity benefit (or the new Employment and Support Allowance)." Citizens Advice

"We are interested in the results of piloting employment advisers in GP surgeries."
The Stroke Association

- **There was strong call from disability organisations for measures to raise awareness of discrimination legislation.**

"Employers must accept more responsibility for low levels of employment among disabled people. There should be stronger requirements for employers to make the necessary adjustments to assist employment." Child Poverty Action Group

"... a budget needs to be established for an 'awareness-raising' campaign targeted at employers." Action for Blind People

- **Calls were made for any funds from the Percentage Threshold Scheme to be reused to provide or assist with the provision of occupational health services, or to be replaced by funding of Statutory Sick Pay for small employers.**

"Subsidised occupational health services should be offered to small employers."
Chartered Institute of Personnel and Development

"Savings could be used to provide occupational health services, counselling, etc."
London Borough of Camden

"This will remove the one mechanism that a small employer has to claim the costs of Statutory Sick Pay back from the Government. Forcing all employers, whether large or small, to bear the whole cost of SSP ignores the disproportionate burden this will place on the smallest employers." Federation of Small Businesses

"The FPB strongly urges the Government to maintain the Percentage Threshold Scheme. The current system assists smaller businesses, especially that suffer from persistent absence. Absenteeism among smaller businesses places a disproportionate burden on the business owner. The financial assistance that the scheme offers provides an invaluable resource in helping the business owner deal with gaps in the workforce."
Forum of Private Business

- **There was some agreement to proposals to simplify Statutory Sick Pay (SSP) and to remove bureaucracy (but concern from employer groups about the cost and effect on sickness absence of the proposals to pay SSP for the first three days of sickness).**

“The proposals represent a welcome reduction and simplification ... the proposed abolition of ‘qualifying days’ [waiting days] we consider likely to aggravate absenteeism rather than reduce it. In our view at least one day, if not two qualifying days [waiting], must be retained.” Small Business Council

“In particular, we oppose the proposal to abolish the current ‘three waiting days’ rule. This rule does not cause complexity for employers and would not, therefore, simplify the operation of SSP in any tangible way. Moreover, abolishing the three waiting days rule would create a perverse incentive for employees to take ‘occasional’ sick days. These occasional – or ‘isolated’ – sick days can often prove as difficult for employers to manage as longer periods of absence.” British Chambers of Commerce

“(The) CBI is strongly opposed to removing waiting days for Statutory Sick Pay ... This proposal would add to costs and increase short-term absence ... Employers must be free to use waiting days as part of their sickness absence policies ... a combination of carrot and stick is most effective in reducing absence levels.” Confederation of British Industry

“SSP payable from the first day a person is too sick for work is a tremendously welcome proposal.” Trades Union Congress

- **Suggestions were made that we should consider rehabilitation leave (on the same model as maternity leave) for people with known health conditions/ disabilities.**

"There are a number of areas where employers should become much more involved with the process. One major area would be the introduction of a system of 'rehabilitation leave'." Action for Blind People

"Would like to see government financial support to SMEs to support rehabilitation leave for newly disabled people." Disability Alliance

- **Strong support was voiced for Access to Work and other measures which support workplace adaptations and enable people to retain employment.**

"... there is a need to educate employers about aspects of working practices and job structures that create problems, particularly for those with fluctuating disabilities and mental health conditions. Incentives should be provided for employers, not least in the public sector, to improve their record on employing disabled people and those with mental health problems." Social Care Institute for Excellence

"Clearly this budget (Access to Work) will need to be increased considerably if it is to meet the rise in demand which will result from more people moving off benefits and into work." Action for Blind People

"Incentives could include rolling out the Access to Work programme so that employers can secure funding to adjust working practices to accommodate workers returning from ill health." London Borough of Hammersmith and Fulham

Impact on our health, work and well-being proposals

- We are pleased at the positive response to the idea of a new post of National Director for Health and Work. Professor Dame Carol Black has been appointed and will be starting in the role in July.
- We are also pleased at the positive reaction to the idea of an accreditation scheme for workplace health for employers (including possibly as part of the Investors in People (IIP) standard). Wales and Scotland already have successful Health at Work schemes, and we intend to investigate these (and current IIP standards) as we take proposals forward.
- We were interested to see strong support for tax relief in relation to occupational health. We are looking at all possible options to increase the range of occupational health support available to employees. We think there is already a strong business case for employers to do more, but further financial incentives are clearly an issue that we will need to consider in more detail across Government.
- There was support for a Government-funded occupational health service for Small and Medium-sized Enterprises (SMEs). Workplace Health Connect will, of course, be important in delivering occupational health support to SMEs, and we plan to extend this scheme nationally by 2008. We will examine the impact of this extension and the existing Safe and Healthy Working scheme in Scotland to determine future needs.
- We want to reassure people that there is no intention to incentivise GPs to force people back to work. We simply want to explore the possibility of providing some incentives to GPs to encourage them to improve the quality of the advice they give on fitness for work and the links between work and health.
- We agree that our pilots for employment advisers in GP surgeries need to be well managed to make a difference. The pilots are testing a range of different approaches and we will examine outcomes closely to determine which is the most appropriate and successful delivery model.
- Responses to the proposals to simplify Statutory Sick Pay were mixed: there were a number of positive responses, however there were also strong arguments from employers for not abandoning the three waiting days because of the potential increase in their costs. The package of changes we proposed was designed to represent a balance between keeping costs down and retaining protection for the most vulnerable employees. The original impetus for these proposals was to support employers by simplifying the process of administering the scheme. The response from employers is that the simplicity gained is not sufficient to warrant the loss of flexibility from waiting days. We are concerned that making the other simplifications while keeping waiting days could make the system less generous for some people, particularly part-time workers. We have therefore concluded that it is not sensible to proceed with the changes to Statutory Sick Pay at this time. We will obviously continue to work with employers' and employees' representatives to consider whether there are alternative approaches to simplification.



Chapter 3: Helping ill or disabled people

Chapter 3: Helping ill or disabled people

What the welfare reform Green Paper proposed

- A new Employment and Support Allowance comprised of an entitlement paid at basic Jobseeker's Allowance rates, with two additional tiers.
- An Employment Support Component which can be sanctioned if the claimant does not engage in return-to-work activities, or a Support Component paid to those whom we do not think it is reasonable to expect to engage in any activity.
- With a new 3-month assessment gateway paid at basic Jobseeker's Allowance rates, with adviser intervention from week eight.
- A revised medical assessment delivered within the 3-month gateway and incorporating a capability assessment.
- Supported by the national roll-out of Pathways to Work.

What you said

- **Strong support was shown for reforming the current incapacity benefits regime and for extending Pathways to Work.**

"The Disability Rights Commission welcomes the broad direction of travel in the Green Paper, the aim of increasing employment rates and a more proactive approach for employers and health professionals, together with the roll-out of the successful Pathways to Work pilots." Disability Rights Commission

"Disability Wales has long accepted the need for radical reform of the welfare state. We further welcome a reform of the welfare state that meets the needs and aspirations of disabled people." Disability Wales

"RADAR welcomes the Government's desire to improve employment prospects for disabled people. After previous false starts, RADAR commends the Green Paper as a positive attempt to reform incapacity benefits." Royal Association for Disability and Rehabilitation (RADAR)

- **The current medical assessment (the Personal Capability Assessment) needs to be more effective at gathering evidence, resolving disputes (new evidence and appeals), assessing mental health impairment, assessing those with fluctuating conditions and assessing those with learning disabilities.**

“MIND believes that any changes to the Personal Capability Assessment must include a proper assessment of mental health. Mental health must be given the same consideration as a person’s physical health when assessing them for ESA (the Employment and Support Allowance).” MIND

“Like other organisations, we welcome the planned shift from assessing the severity of impairment to assessing the severity of the impact of the impairment on the ability to function.” Trades Union Congress

“It is therefore troubling that a recent report [What the doctor ordered?, Citizens Advice, February 2006] highlighted problems with the quality and accuracy of decisions currently being made under Personal Capability Assessments).” Arthritis Care

- **There was concern that the adoption of Jobseeker’s Allowance rates in the Employment and Support Allowance will penalise disabled young people (often those with the most severe disabilities) and their families because of the age differentiations between those aged under 18 and those aged 18–24 within the Jobseeker’s Allowance regime.**

“The proposed lower levels of benefit for under-17s and under-25s will mean that families will have much lower levels of household income than currently ... We strongly urge the Government to reconsider this proposal.” Disability Alliance

“The Government appears to be proposing a massive cut in benefits from the age of 16 to 25. This is a direct attack on a group of people who are among the poorest in our society, impoverishing them still further. The support needs of a young adult with a learning disability are exactly the same as those of an older person ...” Down’s Syndrome Association

“The TUC is (also) concerned that the new allowance will have discriminatory lower rates of benefit for young people.” Trades Union Congress

- **There was strong opposition to the proposal for a two-tiered Employment and Support Allowance on the basis that defining a boundary between the two components would be very difficult and would create an incentive to demonstrate incapacity on a par with existing arrangements – there was a strong preference for tailored conditionality (action plans based upon the circumstances of the individual).**

"We are unhappy with the proposed structure of the new benefit. We do not believe it will be possible to distinguish in a fair way between people for whom 'work-related activity' is appropriate and those for whom it would be unreasonable." Disability Alliance

"The Disability Employment Coalition is worried that the Green Paper starts from a precept that accepts some people can work and others cannot work." Disability Employment Coalition

"... it would make more sense not to separate out a group that are exempt, and instead make conditionality proportionate to the individual's circumstances in all cases." SCOPE

"... we are concerned that having a dual benefit will add a layer of complexity which will increase the potential for administrative error and may leave disabled people without the support they need." Child Poverty Action Group

"TUDA would only want one level of benefit awarded for disabled people who face barriers into work. This is because disabled people with different degrees and types of impairments and health conditions face the same barriers into work." Trade Union Disability Alliance (TUDA)

- **There was support for a review of the existing arrangements for people trying work while remaining in receipt of benefits (including permitted work arrangements), people who are only able to work short hours and people moving into employment (including structured advice on in-work benefits when people make a claim to benefit, alignment with Housing Benefit support and improved financial incentives for people starting work).**

"We believe that to be successful, the Government must consider extending the Earnings Disregard to Incapacity Benefit (and to the new benefit) ... We would suggest that the disregard be set at 16 times the minimum wage." ENABLE Scotland

"Our preference would be for a system that 'pauses' benefits rather than suspends them during a 'work taster' period ... Due consideration should be given to lifting the threshold of what people can earn before benefits are removed." The Salvation Army

"We believe that one of the best ways of doing this would be to ensure that there is a smooth transition from benefits to work, which requires a major overhaul of the benefits system." London Borough of Camden

"Linking rules should be better promoted and the Government should develop fast-track procedures for restoring Housing Benefit and Council Tax Benefits ... The Department should explore whether permitted work rules can be amended to encourage work for 12–15 hours per week ... We urge the Government to continue with a transparent, flat-rate back-to-work credit after 2008." Age Concern

- **There was strong support for Access to Work and a call to extend financial support for workplace adaptations for people undertaking work placements and voluntary activities).**

"It is (therefore) vital that the Government undertake an awareness-raising programme to highlight to employers the Access to Work scheme." Action for Blind People

"For every £1 the Treasury spends on Access to Work, it recoups on average £1.48 in tax and NI contributions. ... Increase funding and publicity of Access to Work. Eligibility for Access to Work should equate to a right to the funding." MIND

- **There was a mixed response as to how support might be extended to existing claimants – with support for the proposal that engagement be voluntary, but some Local Authorities called for resources to be targeted at existing claimants.**

“In our view there should be systematic efforts to engage with existing claimants.”
Employment Opportunities

“By portraying their proposals for reform as measures which will largely affect future claimants (whatever the accuracy of this), are the Government not creating a major perverse incentive to trying work if existing claimants perceive that a future system will be significantly ‘tougher’?” Welfare Rights Advisers Cymru

“The proposals for reform should include adequate support for long-term claimants and for people who have recently left the benefit.” Age Concern

- **There was strong support for developing links with employers (through awareness-raising campaigns and strengthened legislation and financial incentives, including National Insurance ‘holidays’).**

“One of the main barriers for people with a history of mental distress who want to return to work is the attitudes of potential employers.” MIND

“We have observed that the process of getting employers – in particular those operating SMEs (Small and Medium-sized Enterprises) – actively engaged and committed to working within the Government’s agenda is lagging far behind what is needed to open the labour market to people with health conditions and/or disabilities (in particular those relating to mental health), and to provide an environment in which such people can be supported in sustained employment.” Social Security Advisory Committee

“Full penetration of the Disability Discrimination Act is a necessary ingredient to improving the conditions under which disabled people can enter the world of work.” RADAR

- **There was concern that the Pathways to Work support package must respond to the needs of those with mental health conditions and those with learning disabilities.**

"MIND is very concerned that 'independent job search' may be included in claimants' action plans, as this will, in effect, require claimants to actively seek work in order to receive their full benefit entitlement." MIND

"An issue of particular concern is how the reformed system will deal with mental health."
Law Centre

"We would urge the Government to give consideration to the level of training needed for people who may be long-term unemployed and for those who have never worked before due to mental health problems or having a learning disability." Mental Health Foundation

- **There was concern about contracting methodology (particularly the impact of outcome-based funding) and whether this would exclude smaller voluntary sector organisations. There was also some anxiety about maintaining national standards while encouraging local flexibility.**

"There was huge concern about the lead provider model and outcome-based incentives."
MENCAP

"These need to be considered carefully, as there may be problems with outcome-based contracts creating a disincentive to use resources supporting those people who are currently furthest from paid employment." SCOPE

"We would expect the Government to set out quality standards for service providers which include direct feedback and involvement from those individuals who have been or are being provided with services." Disability Employment Coalition

Impact on our proposals to help ill or disabled people

- We welcome the strong support for reforming the current incapacity benefits regime and for extending Pathways to Work, and we accept that we need to review the Personal Capability Assessment to transform it into a process that is fair and robust, reflects the latest evidence and causes as little distress to our customers as possible. We have therefore created review groups, involving both technical and stakeholder experts, to look in more detail at the mental health and physical components of the assessment and at the evidence-gathering and reconsideration processes. We will also develop the new element to the assessment that will identify what an individual can do and the help they need to manage their condition and make a successful return to work.
- We understand respondents' concern about the alignment of the basic rate of Employment and Support Allowance with Jobseeker's Allowance (and particularly the impact of age-related payments within Jobseeker's Allowance), but this is a key element of our desire for benefit simplification.
- However, it is not our intention to penalise young people, and therefore everyone in the main phase of the Employment and Support Allowance will get the same basic allowance – regardless of age. Additionally, we have decided that young people will also have special provisions to gain access to contributory Employment and Support Allowance without the necessary contribution record, as is now the case with incapacity benefits.
- We appreciate the strength of feeling about the two-tier Employment and Support Allowance. However, we feel it is important to make a clear distinction between people who can engage in a programme of activity and those who cannot. We believe that the more focused 'support' group will be much smaller than the current Personal Capability Assessment exempt group. We also think that it is right that this group should get additional financial support, as they are most likely to be on benefit for a longer time.
- However, we are concerned about the naming of the two tiers (currently proposed as the 'Employment Support Component' and the 'Support Component'), and we intend to revisit this to remove the potential for confusion. We think that 'Work-Related Activity Component' is a more appropriate name for the Employment Support Component.

- We acknowledge that there may be scope for further improvement to our provision for people who are preparing to undertake the transition from benefits to full-time work. Although we will maintain the basic distinction between permitted work and work that is not allowed, we intend to make the new Employment and Support Allowance system flexible enough that people can undertake a level of work appropriate for their circumstances (as a stepping stone into sustained work). We have already made improvements – changes to permitted work rules took effect in April this year, and there will also be revised linking rules which will take effect from October. Additionally, steps have already been taken to ensure that claimants and staff have better information available to them about voluntary work, linking rules and permitted work.
- We place great value on the Access to Work programme and have increased the budget five-fold since 1997. However, the programme has finite resources and Jobcentre Plus has a responsibility to use taxpayers' money wisely. Access to Work teams work closely with customers and employers to ensure that any solutions put in place offer value for money, allowing the programme to help as many people as possible.
- We have listened to views about existing incapacity benefits claimants and have decided that they will be migrated across to the Employment and Support Allowance in time. This is to bring all claimants under the same system, helping to smooth the administration of the new benefit and reduce dual-system complexity. And, as has been the case in all of the original seven Pathways to Work pilots from their inception, anyone already on incapacity benefits may volunteer for the support we offer. We intend, as resources allow, to require all existing claimants to complete an action plan and participate in a minimum number of work-focused interviews. The evaluation of interventions with existing claimants in the original seven Pathways to Work pilot districts will help inform our approach in this area. However, we will ensure that existing claimants' benefit levels will be protected.
- We acknowledge the need to change the current culture and raise the expectations of employers, health professionals and disabled people themselves that the range of barriers they face in the labour market can be overcome. This is a challenge for society at large. In addition to the introduction of legislation which has marked the most profound extension of disability rights this country has ever seen, we have embarked on and will continue a campaign of employer engagement to raise awareness of their role in the recruitment of disabled people.
- We recognise that our Pathways to Work contract structures must not be unduly exclusive and must not lead to the introduction of perverse incentives for service providers. We will focus on the design of our contracts, payment systems and performance management systems to minimise the risks, while maintaining a balance with our intention to avoid creating overly complex monitoring systems and over-specification within contracts.





Chapter 4: Helping lone parents

Chapter 4: Helping lone parents

What the welfare reform Green Paper proposed

- Work-focused interviews every six months from 2007 for claimants whose benefit has been in payment for at least a year and whose youngest child is aged less than 14.
- Work-focused interviews every three months for claimants whose youngest child is at least 11, initially in Work-Related Activity Premium pilot areas.
- Piloting more intensive support during the first year of a claim.
- Piloting a new Work-Related Activity Premium for those whose youngest child is aged at least 11 and who are taking active steps to prepare for work.

What you said

- **Respondents welcomed more help for lone parents and were anxious that the Government should recognise that, for many lone parents, readiness for work would need to develop over a period.**

"One Parent Families very much welcomes the recognition that there may be steps that lone parents need to take before they enter employment, and the idea of a progression route into work rather than a single leap." One Parent Families

"Scottish Women's Aid welcomes the Government's commitment to tackling poverty set out in the welfare reform Green Paper. We fully endorse the Government's intention to provide more support to people who are often excluded from the labour market." Scottish Women's Aid

- **Engagement in work-related activity must remain voluntary.**

"Compulsion will cause further anxiety, and financial insecurity, when benefit is reduced as a result of non-attendance, to many individuals and their children who are already under extreme stress." Scottish Women's Aid

- **There was support for the Work-Related Activity Premium, but most thought that it should be available to all lone parents on an opt-in basis. Most respondents felt that family circumstances are more important than the age of the child but that, if an age of youngest child is to be set, that 11 would be about right.**

"We would therefore prefer to open [the] Work-Related Activity Premium to all lone parents, on an opt-in basis, rather than targeting this group ... If the Work-Related Activity Premium is to be run on an 'opt out' basis, we think that it should be restricted to those whose youngest child is aged 11 or over." One Parent Families

"[The Work-Related Activity Premium] should be available to all lone parents – regardless of the age of their children. It should be linked to voluntary participation in work-related activities, and we would argue against conditions being imposed." London Borough of Camden

- **Some argued that £20 per week was not enough.**

"Our initial thoughts are that the £20 premium is not adequate for lone parents and will not add any significant value to their household costs." Liverpool City Council

"In relation to work-related activities it is essential that there is funding for childcare on top of the proposed £20." London Borough of Camden

- **Payment of the premium for six months is not long enough – reasons for extending it on a case-by-case basis might include training courses which extend beyond six months; where a lone parent could not continue an activity if payment ended; where the lone parent has a learning disability or some other disability; where activity has been interrupted because of illness (in the lone parent or their child); or seasonal factors such as school holidays.**

"We welcome the concept of Work-Related Activity payments for lone parents as long as the conditions for payment are sufficiently flexible and the period of payment can be extended beyond six months where required." One Parent Families Scotland

"If the Premium is to meet the needs of lone parents fully, it should be a flexible payment that meets the needs of the individual and is not restricted to 26 weeks." Gateshead Council

- **Some suggested that the payment duration should be left to advisers to determine.**

"[It should be] at the discretion of the New Deal for Lone Parents Advisers."
One Parent Families Scotland

- **There was some concern that the New Deal for Lone Parents fails to address the skills shortage, and that it is already under-funded.**

"The package of support would be more effective in London if ... [there were] a stronger emphasis on access to skills training, given the characteristics of London's labour market."
Association of London Government

- **There was widespread concern that Jobcentre Plus would not have adequate resources.**

"We are already extremely concerned that the freezing of Jobcentre Plus' budget is impacting negatively on their ability to deliver employment outcomes for lone parents. Moreover, we do not believe that an extension of work-focused interviews would be the best use of any additional resources." One Parent Families

- **Increased lone parent employment requires more good quality, flexible jobs and employers need to be monitored to ensure that they deliver flexible working and don't just pay lip service to it.**

"Employers have the responsibility to provide well-remunerated, sustainable, family-friendly job opportunities for lone parents." Child Poverty Action Group

"Flexible workforce practice should enable 10am–3pm working hours, across term time, to be available." Leeds City Council

- **Many respondents stressed that there must be suitable, affordable childcare in place before lone parents can be expected to think about work.**

"The clearest constraint for any lone parent remains, despite progress in recent years, a lack of childcare ... our own recent research suggests that the costs of childcare are still too high for some." One Parent Families

"... concerns about the quality and cost of childcare act as a major and understandable deterrent to employment. After-school, half-term and holiday provision all remain an issue." Child Poverty Action Group

"For Carers UK the key issue is accessible childcare for children with disabilities. This is a major barrier for these parents returning to work." Carers UK

"There also needs to be continued investment in affordable, flexible childcare and in the development of the childcare workforce in London. The high cost of childcare has been identified as one of the barriers to accessing employment for parents." Association of London Government

"Childcare should also be available for lone parents who wish to take up training or continue their education before returning to work." Tomorrow's People

Impact on our proposals to help lone parents

- We welcome support for piloting the Work-Related Activity Premium and appreciate the wide range of ideas on how it might best be applied. We are committed to working up the details further in consultation with the major lone parent representative organisations.
- Undertaking work-related activity will be voluntary; lone parents will continue to be able to do nothing and still get their normal Income Support. For the pilot we intend to limit the Work-Related Activity Premium to lone parents whose youngest child is aged 11 or over – but we will keep this under review in light of findings from the pilots.
- We accept many of the suggestions about the circumstances under which the Work-Related Activity Premium might be extended beyond 6 months. We intend to build in some discretion for advisers so that they can take account of individual circumstances, but we do want to be certain that the Work-Related Activity Premium is only paid to people who are making serious moves to get back to work.
- We accept the need to maintain the skills set of advisers.
- We agree we must retain the quality and effectiveness of work-focused interviews, and we will only introduce additional interviews as resources allow. We will retain the existing waiver and deferral arrangements to ensure that no one is seen if the timing is not appropriate.
- We already talk to lone parents in venues other than Jobcentres, and will continue to consider other options, such as children's centres.



Chapter 5: Helping older workers

Chapter 5: Helping older workers

What the welfare reform Green Paper proposed

- New Deal 25+ extended to those aged 50–59.
- Face-to-face sessions for those approaching 50.
- Working with employers to encourage wider use of flexible working patterns.
- Greater support for jobseekers over 50 and their partners.

What you said

- **There was widespread agreement with extending support to older workers.**

“Age Concern warmly welcomes the principles and direction of travel behind the Government’s proposals for welfare reform. A million-and-a-half more over-50s are in work today than in 1997, but a further million are out of work and want a job.”
Age Concern

“We agree with the proposed change to align the amount of mandatory activity for the over-50s with the regime New Deals for those under 50.” Third Age Employment Network

- **Promoting flexible working practices with employers is vital.**

“The Green Paper rightly draws attention to the new flexibility in both state and occupational pension schemes to encourage part-time working and gradual retirement. We suggest DWP should put in place monitoring of operational progress in implementing these changes.” Third Age Employment Network

“The Green Paper states that Government will build on the success of the ‘Age Positive’ campaign to encourage employers to realise the business benefits of adopting more flexible approaches to retirement.” Disability Rights Commission

- **There was support for raising awareness of discrimination legislation.**

"A range of employer-focused programmes should be put in place. These are about going beyond the age legislation to demonstrate good practice in the workplace."
Third Age Employment Network

"We welcome a campaign on flexible work in later life, but it will need to be co-ordinated with awareness-raising relating to new legal duties." Age Concern

"... the role of employers is particularly important given that one in ten employers use age criteria when selecting recruits and people over 50 are also more likely to be made redundant." Disability Rights Commission

- **Support should not be removed once an individual reaches 60, but should be available to everyone on an opt-in basis.**

"We recommend the Department publishes its employment strategy for people aged 60 to 64 well in advance of 2008." Age Concern

- **The recent falls in people joining the New Deal 50+ raise concerns that the Government is not committed to investing in older people.**

"The number of people moving into work from the New Deal 50+ has halved since 2003 so initiatives to revive the programme are very welcome." Age Concern

Impact on our proposals to help older workers

- We welcome the support for our plans to extend help for older workers.
- We recognise the need to ensure that employers are aware of their responsibilities under the new legislation. The Advisory, Conciliation and Arbitration Service (ACAS) is leading on the issue until October 2007, when the Commission for Equality and Human Rights will take on the support of the legislation and promotion of good practice. We will continue to support work in this field.
- We will build on the success of the Age Positive campaign in promoting the business benefits of an age-diverse workforce and more flexible work patterns.
- We will continue to monitor and evaluate the performance of New Deal 50+, with a particular focus on the effects of our proposals for improving participation in the programme.
- Our overarching strategy for increasing the employment rates for older workers is described in the Pensions White Paper we published in May 2006. It comprises a number of strands, including the implementation of age legislation, improvements to back-to-work support, work to effect Age Positive culture change and the introduction of more generous options for State Pension deferral. Chapter 4 of the White Paper, 'Extending working life in an ageing society', sets out the social and economic context of the strategy and illustrates how the different strands will help us to achieve our aims.



Chapter 6: Delivering welfare reform

Chapter 6: Delivering welfare reform

What the welfare reform Green Paper proposed about the city initiative

- Piloting a new initiative for cities to help local partners work together to improve economic regeneration through skills, employment and health.
- Delivering a significant improvement in employment rates among those of working age, with a particular focus on the most disadvantaged, especially benefit claimants, lone parents, older people and people from minority ethnic groups.
- Testing the creation of a consortium comprising local partners with a shared interest in working together to raise local employment rates and improve the local economy.
- Allowing greater flexibility over the way resources can be deployed to meet negotiated outcome targets that reflect the needs of each local community; for example through a process of alignment or pooling of budgets.
- Successful proposals will receive initial investment from the Department for Work and Pensions and a financial reward for meeting their aims.
- A key aim of this initiative will be to provide a solution that offers the maximum degree of flexibility, so local areas can provide local solutions to local problems.

What you said

- **There was concern over which areas the initiative is aimed at, as areas of persistently low employment rates and high levels of deprivation may not necessarily be in cities.**

"I strongly urge a wider approach to piloting than the idea of 'City Consortiums'. This must be extended to natural groupings of Local Authorities, such as an Ayrshire-wide Consortium." Sandra Osborne, MP for Ayr, Carrick and Cumnock

"Areas should be selected on the basis of worklessness and existing engagement in strategies such as skills and local strategic partnership." Knowsley Council

"High levels of economic activity are not unique to cities. North Lanarkshire is second only to Glasgow in terms of employment and income deprivation in Scotland. The priority should be increasing co-ordination of services where they are needed, not a preoccupation with cities." North Lanarkshire Council

"This is not just an issue for cities. It should be extended to larger towns in shire counties and some rural areas. In shire counties there is greater complexity in partnership arrangements and pockets of deprivation in towns and in remote rural areas." Staffordshire County Council

"People not living in cities face greater problems due to fewer employment opportunities, poor transport links and limited access to childcare." Commission for Rural Communities

- **There was support for targeting disadvantaged groups, with the freedom to tackle the 'stock' of incapacity benefit customers, not just 'new claims'.**

"We also want to tackle the 'stock' of IB customers, but Jobcentre Plus have asked us not to promote such services." Salford Council

"Consortia should include expertise on older customers as well as IB and lone parents." Third Age Employment Network

- **Some thought that full integration of employment and skills programmes will require an unprecedented level of commitment from all involved.**

"Discussion of the relationship between existing funding for economic regeneration, the funding of lifelong learning and the funding of Welfare to Work is absent from these proposals and yet all three are essential for achieving success. This will only work to best effect if bureaucracy is minimised, and if best practice and budgets [are] shared at city level. Referral of individuals from one agency to another must be made to work well if the system is to be built round the needs of the individuals, not the needs of the system." Beth Johnson Foundation

"Government must make a clear commitment to Local Area Agreements and provide explicit guidance on funding and strategies. Control over funding must pass from Government to stakeholders at the city level. National programmes must be flexible to respond to local issues; the Government needs to reduce the number of national targets." Centre for Cities

"In order for the proposal to be effective, there is a need to ensure there is clarity in the relationship between the proposed city consortia, the city-regions agenda initiated by the Department for Communities and Local Government and the work taking place on Local Area Agreements, particularly in relation to block 4." Learning and Skills Council

- **Joining up local activity was strongly supported, as it was seen as the best way of meeting local needs. Examples of partnerships that include local GPs, dentists, the primary care trust, the police, as well as Jobcentre Plus were cited as facilitating a seamless delivery of services. Respondents also felt that the voluntary and community sector must be included.**

“Consideration should be given to taking a ubiquitous approach to shared service arrangements for working-age citizens, by learning from the many good examples of where local authorities are creatively joining up services with local partners to share assets and estate to help provide a truly citizen-centric service. This would facilitate the seamless delivery of services – from the initial assessment of an individual for work to take place and be able to see other service providers who could provide further advice and support to other services the person would be eligible for.” Rotherham Council

“It is important that the business community and voluntary sector are represented in these mechanisms. It is also important that user groups and lobby groups working in the welfare reform sector, including NACAB, LASA, MIND and Rethink, are represented.” Homeless Link

“We welcome the concept of redirecting funding on a local basis to tackle local problems. However, we are very concerned that there is little or no practical community input into this process. To make a demonstrable difference to local communities within the overall city area, measures need to be community driven, but regionally co-ordinated to ensure consistency; a top-down approach from Local Authorities, particularly in larger Local Authorities, has not proven to be a success in the past.” Oxfam GB

“We would like to see the inclusion of voluntary sector providers in local consortia at a strategic level, as well as in implementation. Voluntary sector service providers can provide specialist knowledge of individual client groups and have a unique perspective on the needs of local communities.” Stoneham

- **Respondents commented that Local Area Agreements have not yet achieved the expected benefits in aligning programmes and funding streams, and there were questions about the likely success of this initiative. However, the concept of redirecting funding on a local basis to tackle local problems was welcomed.**

"While welcome, previous such initiatives (Local Strategic Partnerships) have floundered. There may have to be a shift in central silos to effect a change in local behaviours. The Learning and Skills Council sees its job as delivering a qualification rather than getting someone a job. Some Local Authorities have little knowledge of the role of mainstream employment services already in existence, which can lead to duplication of services. Success will depend on alignment between objectives and methodological approaches – adding health, crime and mainstream schooling to skills work and regeneration." Work Directions UK

"What impact will there be on local strategic partnerships? Local Area Agreements have not yet achieved the expected benefits in aligning programmes and funding streams." Gateshead Council

"Proposed city consortiums should build upon, not duplicate, existing partnerships." London Borough of Camden

- **Some respondents thought that pilot areas would impose increasingly harsh conditionality on claimants. Government can set targets, but must not prescribe programme designs.**

"... would be deeply concerned if pilot areas could simply impose increasingly harsh conditionality on existing claimants to try to force them back to work in order to meet targets. This could be potentially hugely detrimental to an individual claimant." Leonard Cheshire

- **Some felt that control over funding must pass from central government to stakeholders at the local city level and that the number of national targets should be reduced. However, it was widely agreed that effective and robust monitoring procedures must be in place.**

"While a consortium approach to tackling city problems has great potential, a large number of organisations working together can be non-productive. It is important that Government supervises and monitors the outcomes of consortia initiatives to ensure best use of the resources invested in the partnership." Falkirk Council

"Relevant parties must have flexibility to be able to adapt activities and programmes. Government can set targets, but must not prescribe programme designs." Capital City Partnership

“Risk must be accepted if innovation is to be encouraged. Local discretion should be encouraged. Important to fully understand local problems and why people are not working.” Community Links

“We welcome the proposal to tackle worklessness in cities and support the principle that joined-up funding is an effective use of resources. The key here is the quality and strength of local partnerships/consortia and their ability to align their services and funding streams. Our experience shows that key to the success of partnership working is genuine involvement of employers at local level. Employer input offers a strong voice and an insight into the local labour market, which is what will make the real difference between success and failure.” Working Links

“Joining up local activity is a good way to meet local needs. However, they need to deliver to agreed standards and appropriate targets. There needs to be a network of local branches across the UK delivering job search, support, and training services.” Remploy

“There are too many (often conflicting) targets and not enough real discussion about the nature of work and its role in a social and economic context.” GATE

- **The proposals for a local consortium were welcomed in principle, but respondents also felt that it is important to understand local problems and why people are not working. The Green Paper was seen as an opportunity that would only be effective if bureaucracy is kept to a minimum.**

“Reforms must be linked to wide social exclusion, cultural and unemployment issues. There is a culture of worklessness in some areas which needs to be resolved.”
Centre for Local Economic Strategies

“Welcome proposals but [are] concerned that it will introduce an additional tier of bureaucracy – [the] Northern Way model might provide a good template.” FERN

“We welcome this suggestion. Programmes must be joined up at a local level. We need a visible cross-departmental approach.” SKILL

“While we agree that cities will have better outcomes through closer working, more needs to be done to ensure that we don’t develop a bureaucratic monster that makes life even more difficult than now. We need to recognise where skills and expertise lies in any given geographical area and for employers to match their needs with the skills and competencies of recruits. Employers must have a central role in this initiative.”
Tomorrow’s People

Impact on our proposals to deliver welfare reform

- Areas putting forward proposals will be free to propose the area to be covered by the consortium, taking account of the geography of local disadvantage and other factors, such as the relevant local labour market.
- We recognise that disadvantage can be found in different kinds of communities. The first phase of the city initiative will focus on areas furthest from the Government's long-term national aim of an 80 per cent employment rate – these areas are principally, but not exclusively, in major cities and towns. Depending on the success of the model, it will potentially be extended more widely.
- This will be a bottom-up approach, with areas encouraged to be ambitious and innovative in putting forward proposals that reflect each particular locality's needs – for example in terms of geographical coverage, membership of the consortium and the degree and nature of alignment of funding.
- The initiative aims to build on existing local partnership arrangements and strategies, such as Local Area Agreements and Regional Economic Strategies and their equivalents in the devolved administrations. Local Area Agreements, for example, have empowered local partners to pool and align funding to deliver improved outcomes in a locally flexible way. Areas will be expected to take appropriate steps to ensure proposals for employment consortia are consistent with, and can be nested within, these existing structures and, in particular, that agreed outcomes and targets are reflected in the Local Area Agreement framework.
- Our aim is to ensure the minimum of bureaucracy. Areas will need to consider appropriate governance and performance monitoring arrangements, but central government monitoring will focus strongly on delivery against outcome target, not processes.
- It is important that areas provide evidence for the freedoms and flexibilities they need, focusing on why there is a problem, how it can be resolved and what benefits this will bring. Government will actively engage with successful areas to see how barriers can be reduced or removed. Alongside this, Government will send clear messages that local agencies need to join up and flex their own resources as much as possible in pursuit of the shared aims of the consortium.

What the welfare reform Green Paper proposed about innovative delivery arrangements

- To realise our aspiration of an 80 per cent employment rate, we will need to reach individuals and communities that have so far failed to be engaged.
- Achieving this requires innovation and flexibility in delivery – attributes which are typically found in the private and voluntary sector.
- We intend to test whether the private and voluntary sector can rise to this challenge and the national roll-out of Pathways to Work will therefore be delivered through the private and voluntary sector.

What you said

- **Respondents expressed widespread concern about the Department's procurement practices, which are considered to exclude smaller organisations.**

"The voluntary sector is asked to tender using actual costs, so if performance is not 100% the provider will be out of pocket. Private companies are allowed to build in a margin... contracting arrangements for the voluntary and community sector should reflect this approach to level the playing field." St Mungo's

"We would recommend full-cost recovery be implemented for all tendered contracts."
Capability Scotland

"Many providers, particularly specialists, are not able to deliver outcomes-only based provision, as their clients may be such a long way from job readiness that they cannot afford to operate this type of contract." A4e

- **There was a mixed reaction to outcome-based contracts.**

"Because outcome-based payment assumes a degree of 'job readiness', it will further contribute to those with most need receiving nothing." Mersey Care NHS Trust

"... 'outcomes' may constitute not only the 'end goal' (employment) but also milestones along the way. The goal has to be about increasing employability, rather than just employment." The Salvation Army

"The ALG supports the principle that some element of payment should be based on the job and qualification outcomes achieved. However, a balance needs to be struck to ensure that such a payment system does not result in significant cash flow problems, particularly for voluntary organisations or smaller private sector providers." Association of London Government

- **Respondents expressed concern that specialist agencies will not have an opportunity to work with large contract-holders (and thereby meet the needs of their users).**

"There is a danger in letting bulk contracts that small and specialist providers are lost and that the breadth of clients receiving specialist support is reduced." CRISIS

Impact on our proposals to deliver welfare reform

- We recognise that our Pathways to Work contract structures must not be unduly exclusive and must not lead to the introduction of perverse incentives for service providers. We will focus on the design of our contracts, payment systems and performance management systems to minimise the risks, while maintaining a balance with our intention to avoid creating overly complex monitoring systems and over-specification within contracts.





Chapter 7: A radical new approach to Housing Benefit

Chapter 7: A radical new approach to Housing Benefit

What the welfare reform Green Paper proposed

- Reforming Housing Benefit by introducing a Local Housing Allowance for new claimants in the private sector. The Local Housing Allowance uses a simplified formula to calculate benefit rates based on family size and location, with payments made to the claimant in most cases.
- Making changes to the Local Housing Allowance scheme tested in the pathfinders to include an upper limit (a cap) on excess allowances, amended size criteria and calculation of rates based on median rents.
- Exploring options for reform of Housing Benefit for tenants in the social rented sector.

What you said

- **There was considerable support for the need to reform Housing Benefit, which was seen as complicated and which can act as a barrier to taking up employment. Local Housing Allowance (LHA) is widely seen as contributing to simplification, and private tenants in the pathfinder areas are benefiting in terms of greater financial inclusion.**

"The evaluation reports on the 18 pathfinder authorities have indicated that the scheme appears to be working well and is on course to meet the majority of its objectives."

Local Government Association

"We welcome the development of proposals for a Local Housing Allowance to provide a fairer and more transparent system, which also supports financial inclusion and tenant choice."

Housing Corporation

- **Comments on the proposed changes to the Local Housing Allowance were mixed. There was a good deal of support for the need to limit excess allowances, which were widely seen as a disincentive to work. However, there was concern that capping excesses will add complexity.**

"It is disappointing that the DWP is proposing to cap excess allowances ... [as this] introduces a level of complexity and makes the scheme less transparent." Association of London Government

"Capping large excess allowances will mean that LHA will not be as simple as at present, but even with capping it will remain far less complicated than the current HB scheme." Leeds City Council

- **There was agreement that the size criteria should be changed, so that LHA is based solely on bedroom entitlement.**

"Setting and advertising the rates according to the number of bedrooms will be simpler and fairer." Brighton and Hove City Council

"The revised definition of size criteria is to be welcomed. The additional living rooms under the current scheme are simply unsustainable." City of Edinburgh Council

- **There was broad agreement about the proposal to base allowance rates on the median of local rents, rather than the mid-point.**

"CIH supports this proposal. We agree that at least half the properties in the broad market area should be available at rents which are at or below the level of the LHA." Chartered Institute of Housing

- **Respondents offered mixed views over the proposal to roll out the scheme to new claimants only.**

"In general we believe that a phased approach focusing on new claims will cause an additional administrative burden to local authorities over an extended period of time.."
Institute of Revenues Rating and Valuation

"We strongly support the phased approach ... phasing in the reforms will help authorities develop their own support networks and will help reduce anxiety among tenants."
Chartered Institute of Housing

"The LGA recommends that further consideration be given to this issue and suggests either a very short transitional period or a full take-on from the roll-out date."
Local Government Association

- **In respect of reform in the social sector, many of the responses focused on the possible extension of LHA to tenants in the social sector. While there was a degree of support for this approach, many respondents highlighted the difficulties of introducing an LHA approach in this sector.**

"We believe that as a general principle, the LHA approach should be extended to the social sector. However, a range of complex issues need to be addressed when considering how this might be achieved ..." Housing Corporation

"Although we support the principle of extended LHA to the social housing sector, we believe that any roll-out must proceed with extreme caution. The relatively high proportion of ... vulnerable people in social housing could result in widespread financial instability for both tenants and landlords." Tenant Participation Advisory Service

"In terms of the flat-rate element of LHA, Citizens Advice can see no merit in introducing this in the social rented sector ..." Citizens Advice

"We are strongly against introducing a flat-rate for the social sector." Shelter

"The introduction of LHA would have serious negative consequences for the sector."
Council of Mortgage Lenders

- **There was also a mixed reaction to proposals that Housing Benefit should be paid to tenants in social housing, rather than to their landlord. While some agree that this would be empowering and that it increases personal responsibility, others emphasise the problems.**

"In the short term it would be easier to make payment to the claimant the default method rather than, as now, payment direct to the landlord." Joseph Rowntree Foundation

"A voluntary approach should be taken to the promotion of direct payments to tenants." Citizens Advice

"We believe that the way to achieve personal responsibility is through financial inclusion initiatives, not by withdrawing choice over how tenants pay their rent." National Housing Federation

"... suggest that some form of pilot scheme be introduced to examine the effect of a benefit direct scheme within the social sector." Local Government Association

- **Several respondents suggested that we should also consider reforming other aspects of the Housing Benefit scheme. Suggestions included changing the way that a claimant's income is assessed and helping to promote training and skills development for those looking for work.**

"Review of current HB tapers to make them more generous (which we believe is a disincentive to work)." London Borough of Hammersmith and Fulham

"Reduce tapers so that Working Tax Credit and other income does not have such an impact on the level of Housing Benefit/Council Tax Benefit when someone starts work." Newham Council

"There should be stronger links made with skills development and training initiatives in the support provided to people affected by the reforms." Association of London Government

Impact on our housing benefit proposals

For private sector tenants:

- We will take forward legislation to allow roll-out of the LHA as described in the Green Paper.
- The cap on the amount of LHA that a claimant can receive above their rent will be set at £15 a week.
- We will undertake a review of the scheme after two years. We will use this opportunity to consider whether existing Housing Benefit claimants should be transferred onto the LHA.
- We will continue to review the details of LHA in light of the final evaluation reports from the pathfinder phase.

For social sector tenants:

- We recognise concerns about introducing LHA for tenants in social housing and we have decided not to take forward legislation to extend the LHA approach to this sector.
- However, we will develop proposals for using Housing Benefit to help address the high levels of worklessness in social housing. This will include encouraging tenants to take greater personal responsibility for managing their own rent payments.



Chapter 8: Long-term benefits reform

Chapter 8: Long-term benefits reform

What the welfare reform Green Paper proposed

- Reducing complexity and delivering incentives.
- Moving in the longer term to a single system of benefits for all people of working age.

What you said

- **There was widespread concern that current proposals for the new Employment and Support Allowance and Housing Benefit add complexity and have not fully addressed the financial incentives for moving into work.**

"The Government's intention is to simplify benefit administration, but the reforms risk introducing further complication." Darlington Borough Council

"... the enquiries we receive from clients on a daily basis clearly show that work does not always pay." Scottish Low Pay Unit

"We are very concerned that proposals intended to simplify the system will in fact have the opposite effect." Citizens Advice

"People to be guaranteed to be better off in work than on benefit ... we had several examples of the financial difficulties that people had found themselves in by having a go at work ..." National Institute for Mental Health

"The LGA considers that [the] Green Paper misses the opportunity for a radical rethink to solve some of the problems inherent in the current system, such as earning disregard and allow more flexible responses to undertaking paid and unpaid work."
Local Government Association

- **There was support for simplification of the customer experience, but concern that a more broad-brush approach could mean less money for people in greater need.**

"In the longer term, a single working-age benefit should be judged in pragmatic terms: levelling up rates and conditions to the Employment and Support Allowance standard would be welcome, levelling them down to Jobseeker's Allowance levels would not."
Trades Union Congress

"Complexity causes real problems for claimants and administrators alike, but it often arises from the need to meet complex needs. Attempts to simplify must minimise the numbers of losers from any reform." Child Poverty Action Group

- **The complex transition from out-of-work benefits to in-work benefits and tax credits – and its implications for work incentives – was raised regularly.**

"Current arrangements are complex and do not offer sufficient incentives to overcome people's concern about the effect on their income of returning to work ... Tax credits and earnings should interact with benefits in such a way as to make it financially worthwhile for people to do as much work as they can comfortably cope with ..." Citizens Advice

"Housing Benefit remains one of the greatest barriers to moving into employment, because of the high rate (at which) it is withdrawn as income from employment rises (85p in the £1 of after-tax income)." Hertfordshire County Council

"For many homeless people, especially those living in temporary accommodation, high rents and the housing taper is the biggest disincentive to finding employment."
Off the Streets and into Work

"Reduce tapers so that Working Tax Credit and other income does not have such an impact on the level of Housing Benefit/Council Tax Benefit when someone starts work."
Newham Council

Impact on our proposals for long-term benefits reform

- We will continue to develop our longer-term thinking on how best to simplify the benefits system, building on the reforms in the Green Paper. We would consult on any further proposals.
- Your comments confirm the challenges we face in creating an affordable and deliverable single system with fair and effective solutions.
- We agree that a key issue must be to ensure that we provide the right incentives for people moving into work and that we get the interaction right between working-age benefits, tax credits and Housing Benefit, to ensure a smooth transition into work.
- In the meantime, we are determined to simplify the benefits system – and are putting simplification at the heart of the policy-making process. We have set up a Benefit Simplification Unit, which has published a best practice guide as a means of embedding simplification in all plans to change benefits policy and operations.
- The Employment and Support Allowance is an important step forward by providing a single integrated benefit to people with an illness or disability, whereas the existing benefit arrangements mean that claimants have to claim two separate benefits. The new benefit also gives claimants a single point of access to a menu of support that can meet their individual needs.
- Chapter 7 discusses in more detail our proposals for a new approach to Housing Benefit.



Chapter 9: What next?

Chapter 9: What next?

Each of the preceding chapters sets out our response to consultation feedback. In the main this encompasses a commitment to continuing our engagement with stakeholders in developing the detail of our proposals.

Legislative process

But, of course, some of the proposals in the Green Paper require primary legislation (that is, legislation which needs to be covered in a Bill and agreed by Parliament). This includes our proposals for:

- the new Employment and Support Allowance; and
- Housing Benefit reforms.

The timescale is now pressing (given that we intend to have the new Employment and Support Allowance in place from 2008). We therefore hope to introduce a Welfare Reform Bill in this Parliamentary session and to seek Royal Assent by Easter 2007.

Ongoing consultation in developing the detail of our proposals

Even in areas where we are moving towards legislation, there remains much detail to develop and we will continue to work with you. Indeed, we have recently launched the next phase of our ongoing consultation strategy, with an event for larger stakeholder groups across the Welfare Reform agenda. We intend to build upon this platform to ensure that in each area of work we are engaged with stakeholders, and that your experience and know-how help us to transform our services to customers.

Contact details

If you have any questions about this report, or the next steps outlined in each chapter, please feel free to contact Greg Chammings on 020 7712 2830 or by e-mail to welfarereform@dpw.gsi.gov.uk.

Annexes

Annex A: Welfare reform Green Paper distribution list

A4e
 Abbeyfield School
 Abbeyfield Society
 Association of British Insurers
 Access to Training and Employment
 Action 4 Employment
 Action for Blind People
 Action on Elder Abuse
 Adam Smith Institute
 Adults Divisional Manager, DfES
 Advance Housing & Support Ltd
 Age Alliance in Wales
 Age Concern
 Age Concern Cymru
 Age Concern England
 Age Concern Northern Ireland
 Age Concern Scotland
 Alan Tyler
 All-Party Disability Group
 All-Party Parliamentary Group on Poverty
 Alzheimer's Society
 Anchor Housing Trust
 Andrew Arden QC
 Anti Discrimination Division Northern
 Ireland
 Anti-Social Behaviour Unit
 Apex Scotland
 ARP Over 50
 Arthritis Care
 Ashiana Housing Association
 Association for Residential Care
 Association for Tenant Involvement and
 Control
 Association of British Chambers of
 Commerce
 Association of British Insurers
 Association of Charity Officers
 Association of Chief Police Officers of
 England, Wales and Northern Ireland
 Association of Chief Police Officers in
 Scotland
 Association of County Councils
 Association of Directors of Social Services
 Association of Directors of Social Work
 Association of District Judges
 Association of Electricity Supply Pensioners
 Association of Friendly Societies
 Association of London Government
 Association of Pension Lawyers
 Association of Retired Persons Over 50
 Association of Retirement Housing
 Managers
 At Work!
 ATD Fourth World
 Atos-Origin Medical Services
 Audit Commission Housing Inspectorate
 Audit Commission Wales
 Audit Scotland
 Back to Work Team (ES-SW)
 Banking Code Standards Board
 Barnardo's
 Barnet Welfare Rights Unit
 Basic Skills Agency
 Bath South Community Mental Health Team
 BEMIS (Black and Ethnic Minorities
 Infrastructure in Scotland)
 Beth Johnson Foundation
 Bethany Group (DHP Enterprise Ltd)
 Bethlem Royal Hospital
 Better Government for Older People (BGOP)
 Better Regulation Task Force
 Birmingham City Council
 Bow Group
 Bradford Consortium
 Bransholme
 Breakthrough
 Briefing Team, Sure Start Unit
 Bright Grey
 British Association of Social Workers
 British Banking Association
 British Chamber of Commerce
 British Council of Organisations of Disabled
 People (BCODP)
 British Deaf Association

British Diabetic Association
 British Dyslexia Association
 British Epilepsy Association
 British Heart Foundation
 British Housewives League
 British Institute of Industrial Therapy
 British Institute of Learning Difficulties
 British Medical Association (BMA)
 British Medical Journal
 British Property Federation
 British Psychological Society
 British Society of Rehabilitation Medicine (BSRM)
 Cabinet Committee Secretary
 Cabinet Office
 Cabinet Section, DEFRA
 Caerphilly County Borough Council (Pan Hovac)
 Cambridge Interdisciplinary Research Centre on Ageing
 Campaign for Homosexual Equality
 Capital City Partnership
 Carers National Association
 Carers UK
 Carnegie UK Trust
 Centre for Accessible Environments
 Centre for Analysis of Social Exclusion (CASE)
 Centre for Economic and Social Inclusion
 Centre for Housing Management and Development
 Centre for Housing Policy
 Centre for Policy on Ageing
 Centre for Policy Studies
 Centre for Regional Economic and Social Research
 Centre for Research in Social Policy
 Centre for Research on Families and Relationships
 Centrepont
 Chancellor of the Duchy of Lancaster, Minister for the Cabinet Office
 Chancellor of the Exchequer
 Changing Faces
 Chartered Institute of Housing
 Chartered Institute of Housing in Scotland
 Chartered Institute of Public Finance and Accountancy (CIPFA)
 Chartered Institute of Taxation
 Chartered Management Institute
 Chartered Society of Physiotherapy
 Chief Medical Officer for England
 Chief Medical Officer Scotland
 Chief Medical Officer Wales
 Child Poverty Action Group (CPAG)
 Child Poverty Action Group Scotland
 ChildLine
 Children, Young People and Families Directorate, Department for Education and Skills
 Children's Rights Alliance
 Children's Society
 Chronic Pain Management Group Wales (CPMGW)
 Church Action on Poverty
 Citizens Advice
 Citizens Advice Scotland
 Citizens Income Trust
 City University
 Coffin Mew & Clover Solicitors
 College of Occupational Therapists
 Commission for Social Care Inspection
 Commission for Racial Equality
 Communication Workers Union
 Communications Strategy Team
 Communities Directorate
 Communities Scotland
 Community Action Network
 Community Law Partnership
 Community Pride
 Confederation of British Industry
 Confederation of Co-operative Housing
 Confederation of Occupational Pensioners' Associations (COPAS)
 Consumers Association
 Convention of Scottish Local Authorities (COSLA)
 Co-operative Party
 Corporate Development Group
 Council for Disabled Children
 Council of Ethnic Minority Voluntary Sector Organisations
 Council of Heads of Medical Schools
 Council of Mortgage Lenders
 Council on Tribunals
 Counsel and Care for the Elderly

Countryside Agency
 County Training (Shrewsbury)
 Criminal Records Bureau (CRB)
 Crisis
 Cymorth Cymru
 Darlington Borough Council
 Daycare Trust
 Deafblind UK
 Department for Constitutional Affairs (DCA)
 Department for Culture, Media and Sport
 Department for Education and Skills
 Department for Environment, Food and Rural Affairs, Rural Services Division
 Department for International Development
 Department for Transport
 Department of Constitutional Affairs
 Department of Health
 Department of Trade and Industry
 Depression Alliance
 Derby City Council
 DIAL UK
 Director General, Clients and Policy, DCA
 Director, New Policy Institute
 Disabilities Charities Consortium
 Disabilities Trust
 Disability Agenda (Scotland)
 Disability Alliance
 Disability Awareness in Action
 Disability Benefits Consortium
 Disability Employment Advisory Committee (DEAC)
 Disability Income Group
 Disability Living Allowance Advisory Board (DLAAB)
 Disability Matters
 Disability Rights Commission
 Disability Studies
Disability Times
 Disability Wales
 Disabled Persons Transport Advisory Committee
 Disablement Income Group
 Down's Syndrome Association
 Dudley Job Brokerage Service
 Economic and Social Research Council, Growing Older Programme
 Economic Labour Market Division, DWP
 Edinburgh University Settlement (Microbeacon)
 Elderly Accommodation Council
 Employers Forum on Age (EFA)
 Employers' Forum on Disability
 Employment and Regeneration Partnership Ltd
 Employment Opportunities for People with Disabilities
 Employment Service Policy and Planning, Department for Employment and Learning, Northern Ireland
 Enable
 Enabling Partnership (aka Enham Trust and Shaw Trust)
 End Child Poverty Coalition
 Engineering Employers Federation (EEF)
 English Community Care Association
 Enham Trust
 Equal Opportunities Commission
 Ethnic Minority Foundation
 European Anti-Poverty Network
 Experience Works
 Fabian Society
 Faith Regen UK
 Families Need Fathers
 Family Law Association
 Family Welfare Association
 Fawcett Society
 Federation of Black Housing Organisations
 Federation of Information and Advice Centres
 Federation of Small Businesses
 FERN Training and Development Ltd
 Fibromyalgia Association UK (UK Fibromyalgia)
 Fife Council Social Work Service
 First Asian Support Trust
 Foresight
 Forth Sector
 Foyer Federation
 General Municipal Boilermakers and Allied Trades Union
 Gingerbread
 Glasgow Braendam Link
 Glasgow City Council
 Gloucestershire Partnership NHS Trust

Government Actuary's Department (GAD)
 Greater London Action on Disability (GLAD)
 Greater London Assembly
 Greater London Authority
 Groundwork
 Guidance Services Ltd
 Habinteg Housing Association Ltd
 HACT (Housing Associations Charitable Trust)
 Haemophilia Society
 Hanover Housing Association
 Hatcliffe, Hayridge and Withywood Sure Start
 Headway – The Brain Injury Association
 Health & Case Management Limited
 Health and Safety Executive
 Help the Aged
 Help the Aged Cymru
 Hindu Forum of Britain
 HM Revenue and Customs
 HM Treasury
 Home Office
 Homeless Link
 Homeless Link Cymru
 House of Commons
 Housemark
 Housing 21
 Housing and Older People Development Group
 Housing Corporation
 Housing Finance Corporation
 Housing Justice
 Housing Law Practitioners Association
 Housing Quality Network
 Human Focus
 IAD Business Information Centre
 Institution of Civil Engineers
 Imperial Pensioners Action Call
 Independent Employment Advocacy Project
 Independent Living Fund
 Independent Pensions Research Group
 Industrial Injuries Advisory Council (IIAC)
 Instant Muscle
 Institute for Fiscal Studies
 Institute for Public Policy Research
 Institute for Rural Health
 Institute for Social and Economic Research
 Institute of Directors
 Institute of Health Promotion and Education
 Institute of Occupational Safety and Health
 Institute of Revenues Rating and Valuation
 Interdisciplinary Research Centre on Ageing
 Intowork
 ITB Pensioners' Association
 John Grooms Association for Disabled People
 Joint Committee on Postgraduate Training for General Practice
 Joint Forum
 Joseph Rowntree Foundation
Journal of Social Policy
 King's College
 King's Fund
 KMG Health Partners Ltd
 Landon School
 Law Commission
 Law Society
 LAWN
 Learning and Skills Council
 Learning Disability Task Force
 Leicester Business School
 Leicester City Council
 Leonard Cheshire Foundation
 Linkage Community Trust
 Liverpool City Council
 Local Government Association
 Local Solutions
 London Advice Services Alliance
 London Borough of Camden
 London Borough of Hackney
 London Borough of Lewisham
 London Borough of Newham
 London Housing Unit
 London School of Economics and Political Science (LSE)
 Long-term Medical Conditions Alliance (LMCA)
 Lord Privy Seal and Leader of the House of Commons
 Low Pay Commission
 Maatwerk
 Macmillan Cancer Relief
 Manchester City Council

Marilyn Howard (independent policy analyst)
 ME Association
 Medical Technology Group
 MENCAP
 MENCAP (Cymru)
 MENCAP (Northern Ireland)
 Mental Health Foundation
 MIND
 Minister for Communities and Local Government
 Minister without Portfolio
 Ministry of Defence
 Ministry of Defence Veterans Agency
 Motability
 Motor Neurone Disease Association
 Multiple Sclerosis Society of Great Britain and Northern Ireland
 Munich Reinsurance
 NACRO
 National Alliance of Women's Organisations (NAWO)
 National Association of Citizens Advice Bureaux (NACAB)
 National Association of Welfare Rights Advisers (NAWRA)
 National Assembly for Wales
 National Association of Pension Funds
 National Association of Primary Care
 National Autistic Society
 National Back Pain Association
 National Care Homes Association
 National Centre for Independent Living
 National Children's Bureau
 National Consumer Council (NCC)
 National Council for One Parent Families (NCOPF)
 National Council for Voluntary Organisations
 National Council of Voluntary Child Care Organisations (NCVCCO)
 National Council of Women of Great Britain
 National Deaf Children's Society
 National Director for Older People's Services
 National Federation of ALMOs
 National Federation of Residential Landlords
 National Federation of Tenant Management Organisations
 National Federation of the Blind (NFB)
 National Foster Care Association
 National Heart Forum
 National Housing Federation
 National Institute of Adult Continuing Education (NIACE)
 National Institute of Economic and Social Research
 National Landlords Association
 National League for the Blind and Disabled
 National Meningitis Trust
 National Pensioners Convention
 National Probation Service
 National Rent Deposit Forum
 NCH Action for Children
 Neighbourhood Renewal Unit
 Neil Bateman and Co.
 New Beginnings
 New Directions
 New Policy Institute
 Newcastle City Council
 Newham Town Hall
 Nightstop UK
 North Highland College
 North Wessex Training
 Northern Housing Consortium
 Northern Ireland Anti-Poverty Network
 Northern Ireland Association of Citizens Advice Bureaux
 Nottingham City Council
 NSPCC
 NTL Retirement Association
 NW E.NET
 Off the Streets and into Work
 Office for National Statistics (ONS)
 Office of the Deputy Prime Minister
 Office of the Elected Mayor, Stoke on Trent
 Office of the First Minister and Deputy First Minister, Northern Ireland
 Office of the Pensions Ombudsman
 Office of the Prime Minister
 OFSTED
 OK Club
 One Parent Families Scotland
 Overseas Development Institute
 Oxfam
 Oxfam GB

Oxford Employment Services (Oxfordshire County Council)
 Pain Concern UK
 Pan-London Providers Group
 Papworth Trust
 Parentline Plus
 Parkinson's Disease Society
 Patients Association
 Penreath Industries Limited
 Pensioners Association
 Pensioners Rights Campaign
 Pensions Institute
 Pensions Ombudsman
 Pensions Policy Institute
 Pensions Trust for Charities and Voluntary Organisations
 People First
 Policy Research Institute on Ageing and Ethnicity (PRIAE)
 Policy Studies Institute
 Portsmouth Craft & Manufacturing Industries
 PosAbility
 Poverty Alliance
 Pre-Retirement Association
 Prince Philip House
 Prince's Trust
 Priority Estates Project
 Prisma Health
 Psychiatric Rehabilitation Association
 Public and Commercial Services Union (PCS)
 Public Health Statistics
 Refugee Council
 Regional Co-ordination Unit and Government Offices
 Regions and Regeneration Division, DfES
 Registered Nursing Homes Association
 Rehab UK
 Relate
 Remploy Ltd
 Rethink (National Schizophrenia Fellowship)
 Revolving Doors Agency
 Richmond Fellowship
 Rights Advice Scotland
 Road Safety Division, Department for Transport
 Royal Association for Disability and Rehabilitation (RADAR)
 Royal British Legion Industries (RBLI)
 Royal College of General Practitioners
 Royal College of Nursing of the United Kingdom
 Royal College of Physicians
 Royal College of Psychiatrists
 Royal Commission on Long Term Care
 Royal Institute for Public Health
 Royal National Institute for Deaf and Hard of Hearing People (RNID)
 Royal National Institute of the Blind (RNIB)
 Royal Society of Medicine
 Salvation Army
 Samaritans
 SANE
 Save the Children
 SchlumbergerSema Medical Services
 SCOPE
 Scotland Office
 Scottish Accessibility Information Forum
 Scottish Association for Mental Health
 Scottish Association of Landlords
 Scottish Care Association
 Scottish Centre for Research on Social Justice
 Scottish Council for Single Homeless
 Scottish Council of Voluntary Organisations
 Scottish Executive
 Scottish Federation of Housing Associations
 Scottish Low Pay Unit
 Scottish Office
 Scottish Parliament
 Scottish Poverty Information Unit
 Scottish Trades Union Congress
 Scout Enterprises
 Seetec
 SENSE (The National Deafblind and Rubella Association)
 Services Against Financial Exclusion
 Shaw Trust
 Shelter
 Shelter Cymru
 SHIRLIE Project Ltd
 Sickle Cell Society
 Single Parents Action Network UK
 Skill: National Bureau for Students With Disabilities
 Social and Community Planning Research

Social Care Association
 Social Care Institute for Excellence
 Social Firms UK
 Social Fund Commissioner
 Social Market Foundation
 Social Policy and Grants Division
 Social Policy Research Unit
 Social Services Policy
 Social Statistics Research Unit
 Society of Local Authority Chief Executives
 Society of Occupational Medicine (SOM)
 Society of Pension Consultants
 Solicitors Family Law Association
 South Birmingham PCT
 South London & Maudsley NHS Trust
 (SLAM)
 Spinal Injuries Association
 St Loyes School of Occupational Therapy
 Status Employment
 Stonewall
 Support Shop
 Sure Start Unit
 Surrey County Council Services
 Swiss Life (UK) plc
 Swiss Re Life and Health
 T&G Retired Members' Association
 Tai Pawb
 Teacher Training Agency
 Tenant Participation Advisory Service
 Tenant Participation Advisory Service Cymru
 Tenant Participation Advisory Service
 Scotland
 Tenants and Residents Organisations of
 England
 Tenants' Sounding Board
 Terrence Higgins Trust
 Thalidomide Society
 Third Age Employment Network (TAEN)
 Thomas Pocklington Trust
 Trades Union Congress
 Trade Union Disability Alliance (TUDA)
 Training into Employment, Metropolitan
 Borough of Oldham
 Transport and General Workers Union
 (TGWU)
 Turning Point
 UK Advocacy Network
 UK Coalition Against Poverty
 UK Poverty Programme
 Unemployment Unit
 Union of Shop, Distributive and Allied
 Workers (USDAW)
 Union Pension Services Ltd
 Unison
 United Response
 University of Aberdeen
 University of Bristol
 University of Cardiff
 University of Leeds
 University of Leicester
 UnumProvident
 UPDATE
 Wakefield Metropolitan District Council
 Wales Centre for Health
 Wales Council for Voluntary Action
 Wales Ethnic Minority Association
 Wales Office
 Wales Pensioners
 WCTS Ltd
 Welfare Right and Debt Advice Service
 Welsh Assembly Government
 Welsh Consumer Council
 Welsh Federation of Housing Associations
 Welsh Local Government Association
 Welsh Tenants Federation
 Welsh Women's Aid
 West Country Training and Consultancy
 Services Ltd
 West Kent Housing Association
 West Midlands Employers Network on
 Disability
 Wigan Independent Advice Centre
 Wise Group
 Women's Aid
 Women's National Commission
 Work Foundation
 Work in Progress (WIP)
 Workbridge Enterprises Ltd
 WorkDirections UK
 Working Links
 Yes2Work
 Youth Justice Board for England and Wales
 Zone 4/3

Annex B: Responses received

A4e
 Aberdeen Welfare Rights
 Accent GP
 Access Group for Kent and Canterbury
 Action for Blind People
 ADDS Business Unit
 Advice NI
 Advice Shop [Edinburgh welfare rights]
 Age Concern
 AGENS Int BV
 Amicus
 Argyle and Bute Council
 Arthritis Care
 Association of British Insurers
 Association of Charity Officers
 Association of Chief Police Officers in
 Scotland
 Association of London Government
 Association of Scotland Colleges
 Asthma UK
 Audit Commission
 Backcare
 Barnardo's
 Barnsley Chamber of Commerce
 Bath Association of Graduate Women
 Bedford Borough Council
 Beginnings
 Beth Johnson Foundation
 Blackburn and Darwen Borough Council
 Independent Living Centre
 Blackburn and District Trades Council
 Blackpool Council
 Bolton Council
 Bracknell Forest Council
 Breakthrough UK
 Breast Cancer Care
 Brent Council
 Brighton and Hove City Council
 British Association for Supported
 Employment
 British Chambers of Commerce
 British Council of Disabled People
 British Heart Foundation
 British Medical Association
 British Pain Society
 British Psychological Society
 British Society of Rehabilitation Medicine
 BUPA
 Bury Employment Support and Training
 Business Action on Homelessness
 Camden and Islington Mental Health and
 Social Care Trust
 Campaign for Learning
 Canterbury County Council
 Capability Scotland
 Capital City Partnership
 Care Services Improvement Partnership
 (CSIP)
 Care Services Improvement Partnership
 – East Midlands Centre
 Care Services Improvement Partnership
 – North West Centre
 Careers Scotland (Scottish Enterprise)
 Carers UK
 Centre for Cities (Institute for Public Policy
 Research)
 Centre for Economic and Social Inclusion
 Centre for Full Employment
 Centre for Local Economic Strategies
 Centrepoint
 Charter Housing
 Chartered Institute of Housing
 Chartered Institute of Personnel and
 Development
 Chartered Society of Physiotherapy
 Cheshire County Council
 Child Poverty Action Group
 Church of Scotland (Church and Society
 Council)
 Church of Scotland (Hamilton Presbytery)
 Ci Research
 Circle Anglia
 Citizens Advice
 Citizens Advice Northern Ireland

Citizens Advice Scotland
 City of Bristol College
 City of Edinburgh Council
 College of Occupational Therapists
 Combat Stress
 Commission for Rural Communities
 Community Links
 Community Mental Health Service,
 Chesterfield
 Condition Management Programme
 Confederation of British Industry (CBI)
 Contact a Family, incorporating The Lady
 Hoare Trust
 Council of Mortgage Lenders
 Counsel and Care
 County Durham and Darlington Primary
 Care Trusts
 Coventry City Council
 Coventry City Council Landlord Liaison
 Crisis
 Crucible Care
 Cymorth Cymru
 Developmental Adult Neuro-Diversity
 Association
 Darlington Borough Council
 Department for Social Development
 Depression Alliance Wales
 Derby City Council
 Derry Health Cities
 Derwentside District Council
 Disability Action
 Disability Agenda Scotland
 Disability Alliance
 Disability Employment Coalition
 Disability Rights Commission
 Disability Wales
 Disablement Income Group Scotland
 Down's Syndrome Association
 Dynamic Ceramics
 Dundee City Council
 East Ayrshire Council
 East Riding of Yorkshire Council
 East Riding of Yorkshire Partnership Board
 Eastern Health and Social Services Board
 (Northern Ireland)
 Eastern War Pensions Committee
 Eden District Council
 Employers' Forum on Disability
 Employment Opportunities
 Enable Job Retention Service
 Enable Scotland
 Enfield Council
 Engineering Employers Federation
 Enham Trust
 Equality Officer (disability) Community
 Governance
 Ergonomics Society
 ERSA
 Esher and Walton Constituency Labour
 Party, Claygate and Esher Branch
 Eurosafe Training Ltd
 F G Moucher
 Faculty of Occupational Medicine
 Falkirk Council
 FERN Training and Development Ltd
 Fife Council
 Forth Sector
 Forum of Private Business
 Foundation for Assistive Technology
 Foyer Federation
 Garston Citizens Advice Bureau
 GATE
 Gateshead Carers Association
 Gateshead Council
 Genetic Interest Group
 Glasgow Association for Mental Health
 Glasgow Centre for Social Inclusion
 Glasgow City
 Glasgow Homeless Network
 Glasgow Housing Association
 Glasgow's Community Colleges
 GMB Union
 Grapevine
 Greater Glasgow NHS
 Greater London Authority
 Greater Manchester Chamber of Commerce
 Greater Manchester Forum
 Greater Manchester Welfare Rights
 Greater Pollok Development Company
 Groundwork
 Group Risk Development
 Hammersmith and Fulham Borough Council
 Hampshire County Council
 Haringey MIND service user consultation

Harrow Council
 Health Promotion Agency Northern Ireland
 Hertfordshire Council
 Highland Council
 Homeless Link (including Off the Streets
 and Into Work)
 Homeless Link Wales
 Hounslow Borough Council
 Housing Action Group
 Housing Corporation
 Housing Justice
 Housing Rights Service
 Hull and East Riding Mental Health
 Incapacity Action
 Inclusion Scotland
 Independent Living Funds
 Independent Review Service for the Social
 Fund
 Infinite Resource
 Institute for Employer Studies
 Institute of Occupational Safety
 Institute of Payroll and Pensions
 Management
 Institute of Revenues Rating and Valuation
 Ipswich Borough Council
 Joint Forum
 Joseph Rowntree Foundation
 JPR Properties
 Kent and Medway NHS Trust
 Kirklees User Voice Group
 Knowledge Transfer International Ltd
 Knowsley Council
 Kynixa
 Lambeth Borough Council
 Lambeth Council
 Lancashire Condition Management
 Programme
 Lancashire County Council
 Law Centre Northern Ireland
 Law Commission
 Learning and Skills Council
 Leeds City Council
 Leonard Cheshire
 Liverpool City Council
 Local Government Association
 Local Government Information Unit
 London Borough of Camden
 London Borough of Lewisham
 London Borough of Southwark
 London Borough of Sutton
 London Tenants Federation
 Long-Term Medical Conditions Alliance
 Lothian Centre for Integrated Living
 Macmillan Cancer Relief
 Manchester City Council
 Manchester Users Network
 Mayor of London's Office
 MCA Regeneration Ltd
 MDF The Bipolar Organisation
 MENCAP
 Mental Health Foundation
 Mentoring and Befriending Foundation
 Mersey Care NHS Trust
 Merseyside Disability Federation
 Methodist Church
 Middlesbrough Council
 Migraine Trust
 MIND
 MIND (Croydon)
 MIND (Haringey)
 MIND (Stratford)
 Momentum Scotland
 Moray Council
 Moray Resource Centre
 Morecambe Bay Primary Care Trust (alcohol
 services)
 Motor Neurone Disease Association
 Multiple Sclerosis Society
 National Advisory Group on Learning
 Disabilities and Ethnicity
 National Aids Trust
 National Assembly for Wales
 National Association of Welfare Rights
 Advisors
 National Autistic Society
 National Community Forum
 National Council for Voluntary
 Organisations
 National Deaf Children's Society
 National Employment Panel
 National Federation of Residential Landlords
 National Housing Federation
 National Landlords Association
 National Schizophrenia Fellowship Scotland

National Social Inclusion Programme
 National Union of Journalists (disabled members)
 Netherthorpe and Upperthorpe Community Alliance
 New Charter Housing Trust Limited
 Newham Council
 NHS Employers
 North Ayrshire Council
 North Derbyshire Forum of Mental Health Carers
 North East Employment Strategic Direction Group
 North East Lincolnshire Council
 North Lanarkshire Council
 Northamptonshire County Council
 Northern Ireland Neurological Charities Alliance
 Northern Way
 Northwest Regional Development Agency
 Norwich Union Healthcare
 Notting Hill Housing
 Nottinghamshire County Council
 NOVAS Group
 Oaklands Community Care and Support Services
 Ochil View Housing Association
 Off the Streets and into Work
 Oldington and Foley Park Neighbourhood Pathfinder
 One Parent Families
 One Parent Families Scotland
 Open Assembly
 Our Celebration
 Ownership Options
 Oxfam GB
 Papworth Trust
 Parkinsons
 PCS
 Percy Hedley Foundation
 Pluss (formerly Industrial Services Group)
 Plymouth City Council
 Positively Women
 Poverty Alliance
 Prime Initiative
 Prince's Trust
 Princess Royal Trust for Carers
 Private Sector Payrolls Group
 RJ Lewis Projects Ltd
 RADAR
 RADAR/Remploy Task Force
 Recruitment and Employment Federation
 Red2green
 Redditch Friends Housing Association Limited
 Reed
 Regional Development Agencies
 Relate
 Remploy
 Rethink
 Revolving Doors Agency
 Rhondda Volunteer Information Centre
 Richmond Fellowship
 Rights Advice Scotland
 Ripplegen Ltd
 RL Glasspool Charity Trust
 Rochdale Council
 Rotherham Council
 Royal Borough of Kingston upon Thames
 Royal College of General Practitioners
 Royal College of Psychiatrists
 Royal College of Physicians
 Royal National Institute for Deaf and Hard of Hearing People (RNID)
 Royal National Institute of the Blind (RNIB)
 RSI Action
 Sainsbury Centre for Mental Health (SCMH)
 Salford City Council Welfare Rights and Debt Advice
 Salisbury District Council
 Salvation Army
 Sandwell Mental Health Commissioning and Development Team
 Sandwell NHS PCT
 SCOPE
 Scottish Accessible Information Forum
 Scottish Association of Mental Health
 Scottish Centre for Healthy Working Lives
 Scottish Council for Single Homeless
 Scottish Disability Forum
 Scottish Federation of Housing Associations
 Scottish Low Pay Unit
 Scottish Widows
 Scottish Women's Aid

Sedgefield NHS
Seetec
Sefton Recovery Group Network
Shaw Trust
Sheffield City Council
Sheffield Homes
Sheffield Mental Health CAB Ltd
Sheffield Occupational Health Advisory Service
Sheffield Welfare Action Network
Shelter
SITRA
SKILL
Small Business Service
Social Care Institute for Excellence
Social Firms Scotland
Social Security Advisory Committee
Society of District Council Treasurers
Society of Occupational Medicine
Solihull Mind
Somerset City Council
South Lanarkshire Council
South Norfolk Council
South Tyneside Council
South Yorkshire Partnership
Southampton Information, Training and Employment Scheme
Southern Health and Social Services Board, Northern Ireland
Southwark Council
Spinal Injuries Association
St Helen's Council Revenue and Benefits Section
St Mungo's
Staffordshire County Council
Stirling Council
Stockton on Tees Borough Council
Stoneham
Stroke Association
Surrey Supported Employment
Surrey Users Network
Swiss RE
Tameside Metropolitan Borough Council
Teignbridge District Council
Telford & Wrekin Council
Tenant Participation Advisory Service
Tenants and Residents Organisations of England and the Welsh Tenants Federation
Terrence Higgins Trust
Third Age Employment Network
Together
Tomorrow's People
Tower Hamlets Council
Trade Union Disability Alliance
Trades Union Congress
Trafford Metropolitan Borough Council
Turning Point
Ufi
UnumProvident
Vale Royal Citizens Advice Bureau
Vertex Business Development
Vocational Rehabilitation Association
Voluntary Organisations' Network North East
Volunteer Development Scotland
Wales Council for Voluntary Action
Wales Employment Advisory Panel
Wandsworth Council
Wandsworth MIND
Wansbeck District Council
War Widows Association of Great Britain
Warwickshire Welfare Rights Advisory Service
Welfare Rights Advisors Cymru
Welsh Assembly
West London Mental Health Trust
West Sussex County Council Shared Intelligence Manager
Western Health and Social Services Board, Northern Ireland
Whitefriars Housing
Wise Group
Wokingham District Council
Women's Forum Northern Ireland
WorkDirections UK
Working for Health Implementation Group, Northern Ireland
Working for Wellbeing
Working Links
Wrexham Council
YMCA
YYWCA
Zacchaeus Trust

Annex C: Corrections to the Green Paper

We have been alerted to two corrections in the standard version of the Green Paper:

- At page 10, paragraph 41 of the Executive summary, where we talk about the city initiative, we said “There will be an expectation in England that local partners will work together to improve economic regeneration through skills, employment and health.” The city initiative does, of course, apply to England, Scotland and Wales. The paragraph should therefore have said “There will be an expectation that local partners will work together to improve economic regeneration through skills, employment and health.”
- At page 85, in the text box entitled ‘Objectives of Local Housing Allowance’, there is a missing ‘t’ in paragraph 4: the sentence should read “Empowering people to budget for and to pay their rent themselves, rather than having it paid for them, helps develop the skills unemployed tenants will need as they move into work.”

And there has been concern that the easy-read version has caused confusion about the way the new Employment and Support Allowance will be paid. At page 15 we say that the new benefit will “give extra money to people who try to do things to help them go back to work”. This gives an impression that the additional benefit paid on top of the Jobseeker’s Allowance basic rate is paid as an incentive to those people who agree to do things. Our proposal is that everyone receives this additional benefit, but that it can be reduced where people fail without good cause to engage.



Published by TSO (The Stationery Office) and available from:

Online

www.tso.co.uk/bookshop

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-call 0845 7 023474

Fax orders: 0870 600 5533

E-mail: book.orders@tso.co.uk

Textphone 0870 240 3701

TSO Shops

123 Kingsway, London, WC2B 6PQ

020 7242 6393 Fax 020 7242 6394

68-69 Bull Street, Birmingham B4 6AD

0121 236 9696 Fax 0121 236 9699

9-21 Princess Street, Manchester M60 8AS

0161 834 7201 Fax 0161 833 0634

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

18-19 High Street, Cardiff CF10 1PT

029 2039 5548 Fax 029 2038 4347

71 Lothian Road, Edinburgh EH3 9AZ

0870 606 5566 Fax 0870 606 5588

TSO Accredited Agents

(see Yellow Pages)

and through good booksellers

ISBN 0-10-168592-0



9 780101 685924