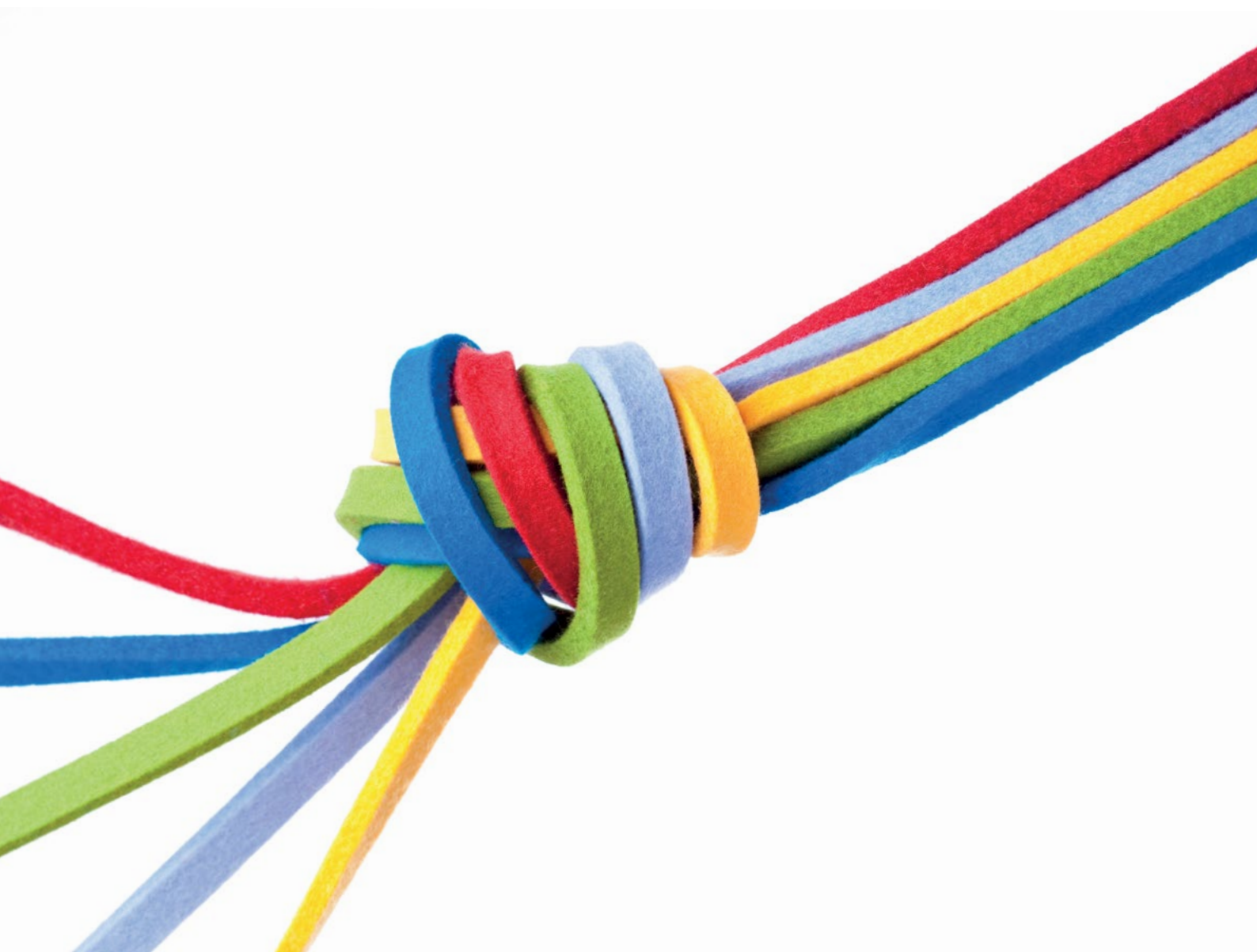


# Joined Up Welfare



The next steps for personalisation

Guy Miscampbell  
Edited by Ruth Porter



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# About the Economics and Social Policy Unit

Policy Exchange wants to see a high growth, enterprise led economy in the UK with freer markets driving growth and opportunity. Where individuals, families and communities are encouraged to take responsibility and are able to flourish. We are optimistic about the country's future and the power of freedom and responsibility to improve people's lives.

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# The Research Process

As part of the research process we held several roundtable discussions to discuss how groups with multiple issues experience the current provision of services. The main purpose of these roundtables was to assess how uncoordinated services affected service users and providers at the local level, and to guide our policy recommendations.

We also launched a call for evidence, as well as consulting with multiple stakeholders and officials. This report has formed from a synthesis of the information we collected, and supporting research we undertook. Finally, we passed the report on to several expert reviewers in order to gain their feedback and views. More detail on the roundtables and the call for evidence can be found in the appendices.

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## Executive Summary

Mental health problems, low skills, family disruption, criminal history, social networks that don't encourage work, substance abuse, physical health issues, disabilities, unstable housing, lack of resources - more than one in ten adults in Britain suffer from multiple disadvantages of these kind at any one time, including many of the most vulnerable people in our society.

Finding a way to improve the quality of life for these people is essential. This requires a system that is as flexible as possible. Successive governments have attempted to create a more joined up and citizen-centred service and some progress has been achieved, but much remains to be done.

This is not an academic question. There are, for example, 11.5 million working-age people in Great Britain with a long-term health condition, and 18% of the working age population has a mental health problem. An estimated 10,000 16-18 year olds leave care each year. The welfare reforms have improved matters, but there is still too much duplication and inefficiency in the system for it to help many who deserve support.

A jobseeker might suffer from a range of issues which prevent them finding and sustaining work, but the current welfare system often does not deal with these overlapping problems from the beginning of the process. People can be referred to a variety of different services that operate independently of each other. For example, someone suffering from a lack of training, mental health issues and who has been out of work for a long period of time might receive support from six different providers including the jobcentre, a work programme provider, an external charity, the local authority, and health services.

The extent to which these services would then work together is limited, meaning cross-cutting issues are sometimes not addressed effectively. This is confusing for the user, and expensive for the government. Attempts to overcome this issue have been made with schemes such as the Troubled Families programme, but they only apply to specific groups or areas rather than fundamentally joining up the services most people receive.

Jobcentre Plus is not particularly successful at returning people sustainably to work. We have previously estimated that only 36% of JSA claimants would find a job within six months of claiming benefits and keep it over the whole of a 7-8 month period. Others do not find employment, or cycle in and out of work. Much of this can be attributed to them having barriers to work which are not fully dealt with.



## Why does this happen?

The roots of this problem come from the way that services are traditionally designed and commissioned. There are two issues:

- **Signposting** for services does not occur from one identifiable point.
- **Delivery** of services is not as specialised as it needs to be.

In general, even for those with multiple issues, services are funded and provided separately. The only thing which unifies them is the end user. This means that they do not take account of each other, and may not provide services in the most appropriate manner.

Our current welfare system has made great strides in recent years, and is aiming to reduce complexity, a goal best demonstrated by the objective of Universal Credit to streamline a number of separate benefits into a single payment. It has also made progress towards becoming more joined up and more personalised, but more is left to do. Currently a separated system persists because:

1. **There is no single, clear, and central point of contact for users.**
2. **The dominance of Jobcentre Plus on employment support services prevents the development of more specialist providers and personalised welfare services.**
3. **Government departments and budgets are frequently ‘siloed’**, hindering the development of cross-cutting policy, and preventing funding from effectively flowing to joined up approaches.
4. **Commissioning** generally occurs across diverse and overlapping commissioning zones, hindering effective design.
5. **A lack of local information** stymies coordination on the ground and hinders joinup.
6. **There are huge barriers to the effective use of data**, making it difficult to track the effectiveness of any single intervention and assess the needs of service users.
7. **There is a need to adapt to the changing nature of the welfare system.** Universal Credit, in-work conditionality, renegotiation of the JCP estate, and an increase in contracted out support all mean that over the next decade there will be significant questions as to how the welfare state should evolve.

## Recommendations:

Creating a central hub that comprehensively assesses people’s specific needs

In general, Jobcentre Plus performs well at the administration of benefits, and bringing certain groups closer to the labour market. However, there are legitimate concerns about how effective the organisation is at moving those with more significant barriers to work into the labour market. One way to join up services would be provide a single portal through which they are accessed, as is the case in Canada.

Since being created in 2005, Service Canada has been the place where Canadians access programs, services and benefits from the Canadian Government. It functions as a single point of access which provides administrative services and other functions at around 600 points throughout the country

Where Service Canada does not directly provide services, it helps Canadians access other programmes. In this sense it brings together access to a vast number of services and reflects citizens' expectations of government, referring them on to others where necessary. It achieved this through establishing a 'one-client' view of services in order to avoid duplication such as having to provide personal information multiple times over each interaction.

We believe this approach of having a single portal to access services should be replicated. Ideally users would have a single journey where advisers can identify an individual's specific barriers to work and refer them to the appropriate provider as soon as possible. To achieve this type of experience we recommend a number of reforms to the existing employment support framework:

- **Jobcentre Plus as it currently exists should be split into two constituent parts. The first would be the 'Citizen Support' centre** which would act as the primary and central hub for accessing government services.
- **Citizen Support centres would encompass referral for a much wider range of services than just employment support**, including skills support and other services which tackle barriers to work, such as mental health or substance abuse.
- **The employment support element of JCP should be established as a separate body and transformed into a mutual.**

This would mean that from first contact the whole of the user's barriers would be addressed together rather than by a series of separate services. Transferring to this sort of system would entail a number of logistical changes. Therefore we suggest that:

- **In the shorter-term, the referral aspect of services should move to co-locating where possible** in order to begin adjusting user expectations. This could occur either in existing JCP facilities, or in other community spaces.
- **In the longer-term decisions regarding the estates of government services should be made with a view to rolling referral and administrative services into Citizen Support centres.**

#### Creating a more diverse range of employment services

Having specialist services tackle different combinations of needs necessarily means involving a more diverse set of providers than currently exists, and an ability for individuals to receive services from them much earlier in their journey than is currently the case. As such, we recommend that

- **The default settings for employment support services should be that they are contracted out to private, third sector or local bodies.**

- **The employment support element of Jobcentre Plus should be spun out into a mutual or social enterprise which is then subject to competition with other providers.**

Individuals would then be referred to the most appropriate provider through a combination of user preference and the provider's history of success. If a provider is more effective then it will survive. If it is not then there is no reason individuals should be using that service before other forms of support. Our priority should be finding the most effective support possible rather than supporting one particular provider. Mutualising the employment support element of JCP would be an appropriate way of transferring responsibility and funding to more of a private-sector structure without compromising its identity.

The provider an individual was referred to would act as a 'lead provider' who would then coordinate specialist support suited to that person's needs, and operate as a specific point of contact for other services the individual was using.

In order to ensure the market for providing these services is competitive, referral will have to occur on the basis of the most suitable provider rather than pre-existing relationships. This means selecting programs on their merit rather than who is providing them. As a consequence we suggest:

- **A 'purchaser-provider' split should exist between Citizen Support centres and those providing employment support services. Allocation to services should depend on two criteria:**
  - The performance of the provider when dealing with similar individuals.
  - The preferences of the individual receiving services.

This also means that instead of creating new government run or directly commissioned services, government should instead commit to a system targeted purely at need and demand. As such, if it wants to take action on specific issues such as youth unemployment, we recommend that:

- **Government should instead control the overall budget, rather than creating micromanaged or targeted schemes.**
- **Where discrete government schemes are created, they should compete for funding on a level playing field with other providers.**

There would also be important implications for how government commissions services. Currently this is undertaken on the basis of geographical boundaries, an arrangement which would have to be rethought. One way that this could be done is by investigating a system of licence-based commissioning similar to that used by General Practitioners. To assess how feasible this is, we recommend that:

- **DWP and other relevant departments should consult on how a licence-based system would operate, and whether or not it is an appropriate way of expanding access to the market.**

Shift funding so it follows the individual to the provider they select, rather than funding providers directly.

Joining up services around the citizen necessitates that funding is accurate, responsive, and citizen-centred. We suggest that instead of funding services directly:

- **The Citizen Support centre should attach a bespoke payment to the individual on the basis of their barriers to employment. This should then be the sum available to the provider if they help the individual sustainably find employment.**

This would mean that services would have to be centred on the individual and their needs, rather than allocated through eligibility criteria. Providers would become subject to competition for customers and resources, rather than lobbying policymakers for resources to be allocated to specific services. This approach would create a system which focuses on solving the issues an individual faces, putting sustainable goals first and foremost in the minds of providers.

In order to ensure that claimants were provided with the right treatment, and that the correct incentives were created for providers, it would be necessary to ensure this payment varies depending on how severe the user's barriers to work are. We recommend that to achieve this:

- **The Department for Work and Pensions should develop a diagnostic tool that assesses the barriers faced by claimants and the intensity of those barriers.**

There have been several attempts to develop these tools so far. It is unclear at this time which approaches may yield the most useful results. Therefore we recommend that a number of different tools are developed and trialled:

- **The Department for Work and Pensions should continue with its attempts to develop diagnostic tools which segment on the basis of how likely claimants are to respond to specific interventions.**
- **Alongside predictive tools the Department should develop one based on an accumulation of claimant data and an assessment of how severe those barriers to work are, rather than an attempt to predict the likelihood of long-term employment.**

One way this type of assessment could be facilitated is the collection and use of more relevant data at an individual's first interaction with the Citizen Support centre. We suggest that this could be facilitated by:

- **The Citizen Support centre undertaking a full assessment of each individual's needs at initial contact, in order to gather all of the data that would previously have been collected by a plethora of referral bodies and organisations.**
- **Wherever possible, Citizen Support centres should utilise existing data to help assess the barriers service users will face. This should be achieved by**

**data sharing agreements between the Department and other central and local government bodies.**

This information could then be used to communicate the correct information and outcome payment to providers. This would allow them to correctly gauge the individual's distance from the labour market, and incentivise them to carry out the appropriate interventions. We suggest that this could be achieved by:

- **The collected data being incorporated into a model which provides a summary of the individual's service needs, their intensity, and the corresponding outcome payment.**
- **This system then producing a digestible summary which can be included with the referral that follows the individual.**
- **The model focusing on existing barriers to work and service needs rather than attempting to predict more variable long-term outcomes.**

### **A path forward**

Over the next decade a number of choices will have to be made on the future of the welfare state and how welfare to work services can be best provided. We believe that a system which focuses on the individual and puts their needs at the centre of consideration is the most appropriate approach.

Through increased personalisation, and a structure which emphasises making services simple and accessible, we believe that a more joined up and cohesive service could be created. This is the next logical step in the direction of the welfare reforms. It would mean less waste, and more individuals who can tackle their barriers to work and fulfil their potential. As such, this report lays out a direction of reform we believe should be pursued, and which should shape the welfare to work system over the next decade and beyond.

---

# 1

## Multiple Disadvantage

Mental health problems, low skills, family disruption, criminal history, social networks that don't encourage work, substance abuse, physical health issues, disabilities, unstable housing, lack of resources - more than one in ten adults in Britain suffer from multiple disadvantages of these kind at any one time, including many of the most vulnerable people in our society.<sup>1 2</sup>

Finding a way to improve the quality of life for these people by providing exactly the right help is essential to promoting employment and addressing social exclusion.<sup>3</sup> This requires a system that is as flexible as possible.<sup>4</sup> Successive governments have attempted to create more joined up and citizen-centred services and some progress has been achieved but much still remains to be done. The recent Department for Work and Pensions' social justice strategy identified this as a priority, commenting that:

*"It is clear that the number of people facing multiple disadvantages which damage their life chances and those of their children, is unacceptably high."*<sup>5</sup>

These issues are often analysed and measured separately, making it very hard to gain an exact sense of the problem.<sup>6</sup> However, the figures below provide some insight into how many people may be affected:

- There are 11.5 million working-age people in Great Britain with a long-term health condition and more than half are classified as disabled. Compared to a rate of 77% for those without health issues, the employment rate for working-age people with long-term health issues is 58% and for disabled people it is 45%.<sup>7</sup>
- Up to 18% of the working age population has a mental health problem, and there is an increasing prevalence of sickness benefit claimants claiming mental or behavioural disorder as their primary condition.<sup>8</sup>
- The UK government estimates that there are some 120,000 'troubled families',<sup>9</sup> defined as having at least five out of seven<sup>10</sup> of the possible problems they consider.<sup>11</sup> However, the accuracy of this figure has been disputed.<sup>12 13</sup>
- An estimated 10,000 16-18 year olds leave care each year. In 2013, 34% of all care leavers were not in education, employment or training by the age of 19 - more than double the number in the general population.<sup>14</sup>

These examples may overlap in some areas, but they demonstrate how many people rely on multiple state services at any one time. The current way public

1. Defined as suffering from three or more of six areas of disadvantage: Education, health, employment, income, social support, housing and local environment.

2. Department for Work and Pensions, *Social Justice: Transforming Lives*, HM Government, 2012

3. A working definition of social exclusion provided by Levitas et al., *The Multi-Dimensional Analysis of Social Exclusion*, Department of Sociology and School for Social Policy Townsend Centre for the International Study of Poverty, 2007 stipulates that: "Social exclusion is a complex and multi-dimensional process. It involves the lack or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities, available to the majority of people in a society, whether in economic, social, cultural or political arenas. It affects both the quality of life of individuals and the equity and cohesion of society as a whole." From this, and the range of risk factors the article identifies, it is reasonable to assume that social exclusion is wide and varied, requiring different interventions in different circumstances.

4. See McNeil, C, *Now it's personal, Personal advisers and the new public service workforce*, IPPR, 2009: "Personalised employment programmes are the most effective, including cost effective, way of providing active employment support." And Gregg P, 'Realising Potential: A Vision for Personalised Conditionality and Support', DWP, 2008: "[A] combination of personalised support and conditionality will ensure that claimants undertake activity that both they and their personal adviser agree will support an eventual return to work."

5. Department for Work and Pensions, *Social Justice: Transforming Lives*, HM Government, 2012

6. For example, the English Indices of Deprivation can be used to identify the relative deprivation of an area, but not to identify deprived people themselves. See: Department for Communities and Local Government, *The English Indices of Deprivation 2010 - Neighbourhoods Statistical Release*, 2011 & Department for Communities and Local Government, *English Indices of Deprivation 2010 - Guidance document*, 2011

services are structured and provided is simply not adequate to deal with many of these scenarios.<sup>15</sup> This causes multiple problems:

- **In some cases, services don't help the end client sufficiently:**
  - **They are confusing** making it hard for a user to know which services are available, and what they are entitled to.<sup>16</sup>
  - **They can be ineffective**, not addressing problems properly, or in an appropriate order.<sup>17</sup>
  - **They can cause clients to miss out on help** due to strict eligibility criteria.<sup>18</sup>
- **They can be expensive**
  - Ineffective interventions and services can **waste** resources put into the system if they do not achieve their desired outcomes.
  - There is too much **duplication**, with the same functions being carried out multiple times by multiple agencies.<sup>19</sup>
  - They **don't achieve their goals**, causing higher costs down the line.<sup>20</sup>

Combined, the resources allocated to tackle barriers to work are not as effective as they should be. Frequently, people cannot or do not access the most appropriate forms of support.<sup>21</sup> When they do, it often does not take account of other forms of assistance they may be receiving. In some cases this is because providers are unaware of the other services. In others there may be institutional barriers to cooperation, or insufficient resources and incentives to encourage providers to work together.<sup>22</sup>

For example, currently if an unemployed individual has little work history, a poor education, and undiagnosed mental health issues, they could receive varying levels of support from Jobcentre Plus, Work Programme providers, social work departments, local authority employment schemes, the National Careers Service, skills training from an FE college, and potentially several charities. This is before underlying mental health issues have been treated.

In short, they may be dealing with a wide array of different programmes and schemes in what can be a convoluted experience. If that is not the case, they may have 'slipped through' the net and would not be receiving services they would need to overcome their barriers to work.<sup>23</sup>

This is best highlighted by comments from an attendee at one of the roundtables hosted by Policy Exchange. He described his experience with a child he had known for a decade. The child's family was involved with selling drugs and in the period of time that he had known him, the boy had been expelled from school, involved in a local gang and eventually went to jail. The entrenched family, drugs and skills issues he had would have required a comprehensive approach to tackle, whereas instead a piecemeal approach was used and failed to resolve the problems:

"Every now and again, we'd bring him over to our offices and we'd talk about the potential for getting him work and every now and then he'd say yes I want to get work, I want to stop doing the drugs, but he has no skills ... He came to us a couple of weeks ago and said "you know what, it's finally clicked he wants to go back to college to do an access course.

7. Department for Work and Pensions, *The disability and health employment strategy: the discussion so far*, DWP, 2013

8. van Stolk. Et al. *Psychological Wellbeing and Work*, DWP & DH, 2014

9. Pickles. E, *Written statement to Parliament – Troubled Families programme*, Department for Communities and Local Government, 2013 – Accessed at: (<https://www.gov.uk/government/speeches/troubled-families-programme--2>)

10. No parent in work, poor quality housing, no parent with qualifications, mother with mental health problems, one parent with a longstanding disability/illness, low family income, family unable to afford some food/clothing items.

11. Department for Communities and Local Government, *Troubled Family Estimates Explanatory Note*, 2013 – Accessed at: (<http://webarchive.nationalarchives.gov.uk/20120919132719/www.communities.gov.uk/documents/newsroom/pdf/2053538.pdf>)

12. Portes. J, *"Neighbours from hell": who is the Prime Minister talking about?*, National Institute for Economic and Social Research, 2012

13. Portes. J, *"The Government continues to abuse the data on "troubled families"*, National Institute for Economic and Social Research, 2012

14. HM Government, *Care Leaver Strategy – A cross-departmental strategy for young people leaving care*, 2013

15. Dunleavy. P, *The Future of Joined-up Public Services*, 2020 Public Services Trust at the RSA, 2010

16. See Gardiner. L & Wilson. T, *Hidden Talents – Analysis of fragmentation of services to young people*, CESI, 2012 - which notes confusion in the case of services for young people.

17. For example one charity responding to our call for evidence stated that: *"There is no real coordination and people often find themselves on a treadmill repeating the same courses and programmes and never getting a job."*

“We’re looking out the window a few days later and he was there with all his friends, all his family. Still selling drugs. The likelihood that he ends up, at this stage in his life he will go to college, to read law, or read anything, is very very small. And he is inherently a nice boy, it’s all about the family he happened to be with.”<sup>24</sup>

No service will ever be perfect, but trying to solve each issue in isolation would not be sufficient to tackle the type of entrenched issue this family faced. Solving cross-cutting issues requires a bolder approach than simply tinkering around the edges or relying on excellent local practice to patch over the flaws in service design.

### Why does this happen?

The roots of this problem come from the way that services are traditionally designed and commissioned. There are two issues:

- **Signposting** to services does not occur from one identifiable point.
- **Delivery** of services is not as specialised as it needs to be.

As an illustration, someone suffering from skills needs, mental health issues and long-term unemployment is likely to be receiving some of the various services depicted below:

**Table 1.1: Services and Departments – An Example Service User**

Service	Source of Funding
Jobcentre Plus	<ul style="list-style-type: none"> <li>• Department for Work and Pensions</li> </ul>
Council Services	<ul style="list-style-type: none"> <li>• Department for Communities and Local Government</li> <li>• Local Authorities</li> </ul>
Mental Health Services	<ul style="list-style-type: none"> <li>• Department for Health</li> <li>• National Health Service</li> <li>• Local Authorities</li> </ul>
Work Programme Providers	<ul style="list-style-type: none"> <li>• Department for Work and Pensions</li> </ul>
Further Education Institutions	<ul style="list-style-type: none"> <li>• Department for Business, Innovation and Skills</li> <li>• Department for Education</li> </ul>
Charities	<ul style="list-style-type: none"> <li>• Independent Sources</li> <li>• Various Government Departments</li> </ul>

In general these would be funded and provided separately. They will often be accessed independently and will not be coordinated. An example of how a hypothetical citizen with these types of needs might interact with those services is given below. Funding flows from departments to bodies which then assess eligibility and deliver support.

18. For example one Housing Association responding to our call for evidence stated that: “There is often duplication and job seekers are often hampered by a range of specific criteria to access them [services].”

19. For example a group of councils responding to our call for evidence stated that in their experience: “Multiple programmes mean a variety of different referral routes ... This can lead to overpayment for outcomes, high levels of deadweight, double funding and duplication of provision.”

20. See Allen. G, *Early Intervention: The Next Steps*, HM Government, 2011 for a discussion of early intervention and how savings may be attained by effective intervention.

21. For example see Lane. K, *Fair welfare: supporting claimants into work*, Citizens Advice Bureau, 2010 - Surveys found that many were not happy with the support offered and that it was not tailored. See Gingerbread, *Submission of evidence to the Work and Pensions Select Committee*, 2013 – Over half the single parents interviewed felt under-served by the JCP offer. See Work and Pensions Select Committee, *Can the Work Programme work for all user groups?* 2013 –

For specific issues relating to currently Work Programme policy meeting the hardest to help claimants’ needs. See Finn. D, *Delivering income support and employment services – the service user perspective (presentation)*, Centre for Economic and Social Inclusion, 2014 – Issues listed include not enough individualised support, allocation to ineffective activities, and difficulties with take-up.

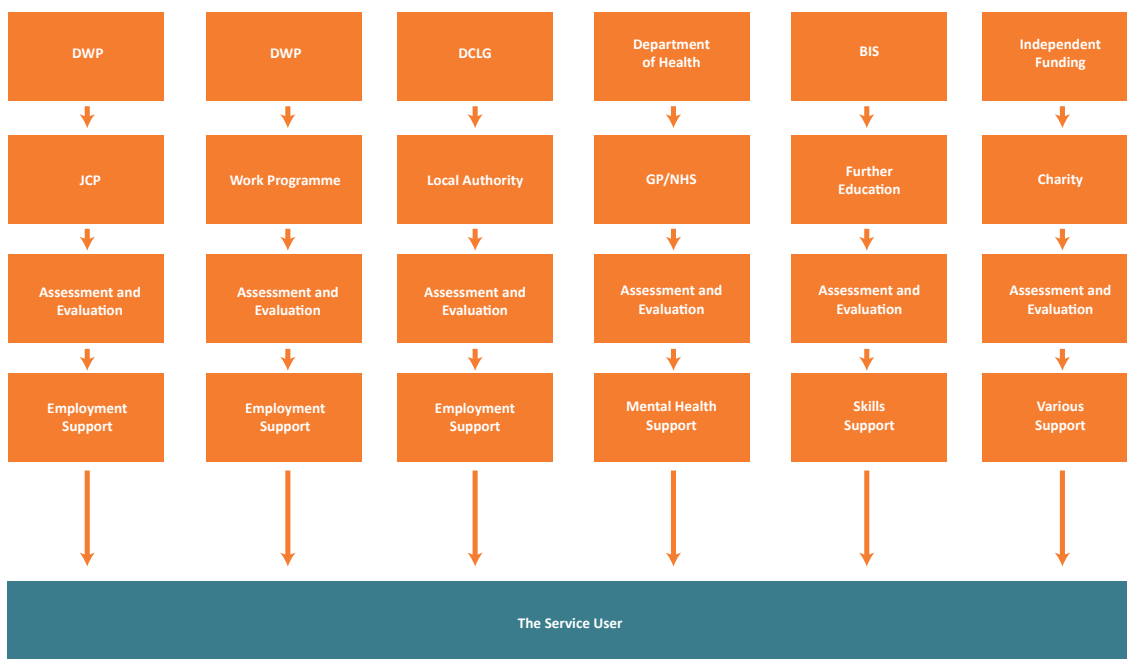
22. For an exploration of these issues see Holmes. E & Oakley. M, *Route2Work – Employment Support for the very-hardest-to-help*, Policy Exchange, 2013, pp. 28-29

23. Froy. F & Giguère. S, *Breaking out of policy silos – doing more with less*, Local Economics and Employment Development (LEED), OECD Publishing, 2010

24. Quote from an attendee at our ‘Families with multiple dependencies’ roundtable. It should be noted that the views of advisers and other observers do not necessarily reflect a full understanding of all underlying factors affecting an individual, or how the individual perceives themselves and their service needs.



**Figure 1.1: Funding and Provision under the current system**



All of these programmes have the same goal: To help the client overcome the issues they face. Despite this, each service is provided separately. The only thing which unifies them is the end user. This approach is broadly replicated across different services, with a few notable exceptions. The result is that services can be disjointed, confusing, and unstructured.

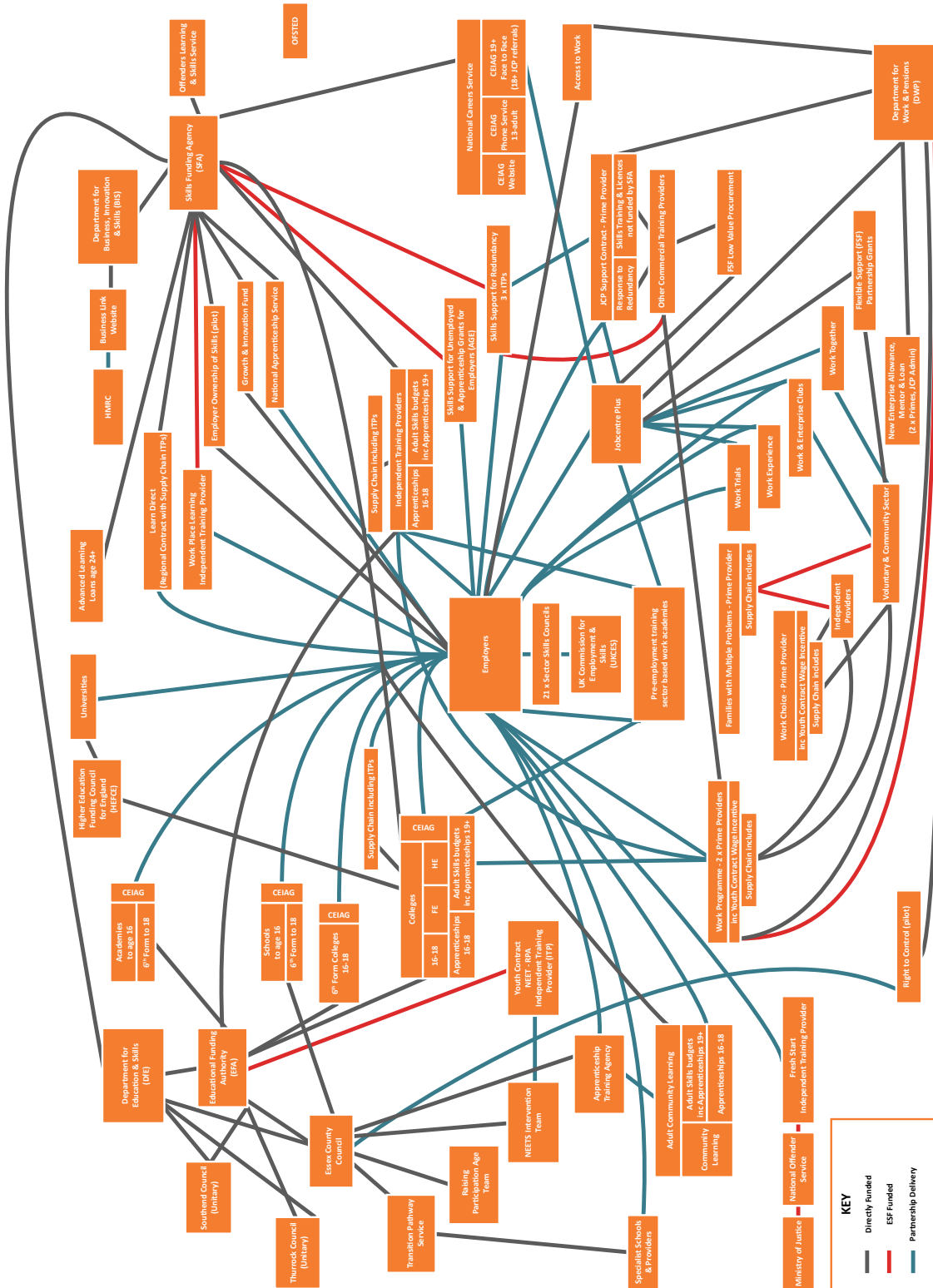
There is a clear government commitment to simplifying the welfare system, best demonstrated by the goal of Universal Credit to streamline a number of separate benefits into a single payment.<sup>25</sup> However, there are still several reasons this structure persists:

1. **There is no one clear central point of contact for users**, i.e. a key signposting service with overarching responsibility for coordination is missing.
2. **The dominance of Job Centre Plus on employment services prevents the development of more specialist providers and personalised welfare services.**
3. **Government departments and budgets are frequently ‘siloed’**, hindering the development of cross-cutting policy, and preventing funding from effectively flowing to joined up approaches.
4. **Commissioning** generally occurs across diverse and overlapping commissioning zones, hindering effective design.
5. **A lack of local information** stymies coordination on the ground and hinders joinup.
6. **There are huge barriers to the effective use of data**, making it difficult to track the effectiveness of any single intervention and assess the needs of service users.

25. Department for Work and Pensions Benefit Reform Division, *Universal Credit: welfare that works*, Department for Work and Pensions, 2010

An example from Essex of the resulting service landscape throughout the local authority is displayed in box 1.2 overleaf:

Figure 1.2: Landscape in Essex pre-Community Budgets



Source: Whole Essex Community Budgets/Wilson, T, & Gallagher, P, *Community Works – Putting work, skills and enterprise at the heart of Community Budgets*, Centre for Economic & Social Inclusion, 2013

26. For instance see: Esther Mcvey: (<http://www.grimsby-telegraph.co.uk/Government-work-pay-mantra-paying/story-21253879-detail/story.html>); Chris Grayling: (<http://www.dwp.gov.uk/newsroom/ministers-speeches/2012/24-01-12.shtml>); Mark Hoban: (<http://www.dwp.gov.uk/newsroom/ministers-speeches/2012/19-09-12.shtml>); James Purnell: (<http://webarchive.nationalarchives.gov.uk/20091107151134/http://www.dwp.gov.uk/newsroom/ministers-speeches/2008/09-10-08.shtml>)

27. The Rt Hon Iain Duncan Smith, *Speech – Jobs and Welfare reform: getting Britain working*, DWP, 2014

28. See: Adams et al. *Destinations of Jobseeker's Allowance, Income Support and Employment and Support Allowance Leavers 2011*, Department for Work and Pensions, 2012. A survey of around 3,400 JSA claimants indicated that 7-8 months later only 55% of leavers were in paid work, with 30% claiming an out-of-work benefit and 15% doing neither.

29. Shildrick, T, et al. *The low-pay, no-pay cycle – Understanding recurrent poverty*, Joseph Rowntree Foundation, 2010

30. Work and Pensions Select Committee, *The role of Jobcentre Plus in the reformed welfare system*, House of Commons, 2014

31. Oakley, M, *Welfare Reform 2.0 – Long-term solutions, not short-term savings*, Policy Exchange, 2012

32. A freedom of information request seeking to update these figures was rejected on the grounds of cost to collect and analyse the information.

33. A detailed criticism of the current performance metrics which focus on off-flow can be found in: Walker, B et al., *Up to the job? How reforming Jobcentre Plus will help tackle worklessness*, Centre for Social Justice, 2013, pp. 11-17

34. Alternative measures suggested during the research process included 'out of poverty' or 'off Universal Credit and in work' measures. Policy Exchange has consistently advocated that performance should be assessed on the basis of sustainable employment.

35. Work and Pensions Committee, *Role of Jobcentre Plus in the reformed welfare system: Government Response to the Committee's Second Report of Session 2013-2014*, House of Commons, 2014

## Why does this matter?

There has been a consistent case put forward by a series of Employment Ministers: that Jobcentre Plus is working and high levels of off-flow from JSA demonstrate it is returning people to work.<sup>26</sup> This view was reflected by recent comments from the Secretary of State for Work and Pensions that:

“The number of people stuck on Jobseeker's Allowance for a year or more is down by almost a fifth.”<sup>27</sup>

This measure is important and other labour market indicators are generally positive. However, there is a strong possibility that results are less good for a subset of JSA leavers. An individual leaving Job Seekers Allowance (JSA) can indicate desirable outcomes such as finding sustained employment, mixed outcomes such as finding short-term employment, or negative outcomes such as simply dropping out of the system or returning to JSA.<sup>28</sup> There is, for example, evidence of individuals in a 'low-pay, no-pay' cycle,<sup>29</sup> and whilst individuals leaving JSA is generally a good thing, they may leave for insecure work and require support again sooner rather than later.

It is hard to judge the scale of this problem as figures on sustained job outcomes are not publicly available, though it has been suggested by the Work and Pensions Select Committee that they should be for the purposes of measurement.<sup>30</sup> However, using a statistical release on the destinations of 2011 jobseekers, Policy Exchange has previously estimated that only 36% of JSA claimants would find a job within six months of claiming benefits and keep it over the whole of a 7-8 month period.<sup>31 32</sup>

The salient point is that the number of people leaving JSA is one important measure, but does not capture a whole range of outcomes.<sup>33 34</sup> For example, the same report estimates that only 68% of those leaving JSA enter paid employment, and that only 71% of those entering employment sustained it continuously for 7-8 months. Simply focusing on how many people left JSA masks groups who either cannot sustain work, or have not found it. More current data collected on sustainable job outcomes is patchy, though the Department has noted that once the transition to Universal Credit has occurred the use of real-time information will allow greater sophistication in measurement.<sup>35</sup>

One explanation as to why 'cycling' between JSA and short-term employment would be occurring is that at least some individuals are likely to have multiple dependencies which prevent them from sustaining work or progressing within the employment they have.<sup>36</sup> For example, somebody with a chaotic family situation may not be able to sustain working full-time due to the disruption going on in their household. As such, they would 'cycle' off JSA, only to become unemployed again later. An appropriate intervention would target the main barrier to work – their chaotic family situation, allowing them to enter employment more sustainably at a later date.

There is a need to act and ensure interventions are effective, sustainably solving the issues they target rather than kicking the can down the road. This happens already in areas of excellent practice, or for certain groups, but we need to hardwire this focus into the system and make more coordinated and joined up working the principle goal of any intervention.

# 2

## Progress and Remaining Challenges

There have been a number of attempts to integrate services. Tony Blair originally articulated this as a goal in 1997,<sup>37</sup> which was followed by the publication of the Modernising Government white paper<sup>38</sup> and the Joining Up to Improve Public Services report by the National Audit Office.<sup>39</sup>

More recently attempts to rethink how public services are delivered took place through the 2009 Total Place pilots,<sup>40</sup> which aimed to create incentives for local cooperation as well as an increased responsibility over different policy areas. In addition, there has been the Open Public Services white paper<sup>41</sup> and a number of other pilots and policies. Generally, these attempts can be described as one of three approaches:

1. **Joining up around specific service needs** by identifying areas where there is duplication or several needs are likely to coincide, and then combining funding or programs which deal with them.
2. **Joining up around a 'place'** by devolving power, responsibility, and funding to a more local level with the intention of creating a greater join-up of services.
3. **Personalising services** by giving individuals control of budgets and allowing them to purchase the most appropriate services.

The Government has launched or piloted a number of programmes which embody these approaches. Examples of a couple of projects in the first category are detailed below:

### Box 2.1: Joining up around specific service needs: Two policies Troubled Families

Emphasis on family intervention is not a new priority,<sup>42</sup> but the most recent step have been the Troubled Families programme launched by the Department for Communities and Local Government in 2012<sup>43</sup> and the Families with Multiple Problems programme launched by the Department for Work and Pensions in 2011.<sup>44</sup>

There is a unifying approach to both of these initiatives, namely that “the design of both programmes recognises that addressing the intractable problems encountered by families facing multiple issues can lead to social improvements and fiscal benefits.”<sup>45</sup> To achieve this, the Troubled Families programme articulated five principles that are designed to make interventions more effective:

36. E.g. for Homelessness see Singh, P, 'No Home, No Job – Moving on from transitional spaces,' Off the streets and Into Work, 2005.

For Health and employment see Shildrick, T et al. 'The low-pay, no-pay cycle – Understanding recurrent poverty', Joseph Rowntree Foundation, 2010.

For Debt see Furtés, B, 'Barriers to escaping the low-pay no-pay cycle for disadvantaged parents' Employment Research Institute, 2010.

For General linkages see Hendra, R et al., 'Breaking the low-pay, no-pay cycle: Final evidence from the UK Employment Retention and Advancement (ERA) demonstration', DWP, 2011.

It is however worth noting that several of these studies identify that there are also labour market reasons (such as low paid insecure work) which means that instability within work will exist to some extent. This cannot easily be disentangled from the effects of multiple dependencies.

37. Mulgan, G, *Joined-Up Government: Past, Present, and Future*, British Academy, 2005

38. HM Government, *Modernising government*, 1999

39. Bourn, J, *Joining Up to Improve Public Services*, National Audit Office, 2001

40. HM Treasury & Department for Communities and Local Government, *Total place: a whole area approach to public services*, HM Treasury, 2010

41. HM Government, *Open Public Services White Paper*, 2011

42. See for example: Department for Communities and Local Government, *Anti-social Behaviour Intensive Family Support Projects – Housing Research Summary*, DCLG, 2006

43. Department for Communities and Local Government, *The Troubled Families programme – Financial framework for the Troubled Families programme's payment-by-results scheme for local authorities*, DCLG, 2012

44. Department for Work and Pensions, *ESF Support for Families with Multiple Problems – statistics to January 2014*, DWP, 2014

45. National Audit Office, *Department for Communities and Local Government and the Department for Work and Pensions, Programmes to help families facing multiple challenges*, NAO, 2013

- A dedicated worker, dedicated to a specific family;
- Practical ‘hands on’ support;
- A persistent, assertive and challenging approach;
- Considering the family as a whole – gathering the intelligence;
- Common purpose and agreed action.<sup>46</sup>

While it is still too early to reach a conclusion on the scheme, DCLG reported that outcomes claimed for by local authorities exceeded targets by 3 percent.<sup>47</sup> However, there are wider issues with accurately quantifying the financial savings that might be achieved.<sup>48</sup>

### Right to Control

The Right to Control trailblazers were an approach to giving choice and control over public funding to disabled adults. They achieved this by bringing together funding from a wide range of services including:

- **Access to Work (DWP)** – A scheme to provide practical or financial support to help them overcome barriers to starting or keeping a job.<sup>49</sup>
- **Work Choice (DWP)** – A disability employment programme which supports those who cannot be supported through mainstream employment services.<sup>50</sup>
- **Independent Living Fund (DWP)** – A programme which delivers financial assistance to support disabled people living in their communities rather than residential care.<sup>51</sup>
- **Disabled Facilities Grant (DCLG)** – A grant for providing adaptations and facilities to ensure a disabled person can continue to live in their property.<sup>52</sup>
- **Supporting People (DCLG)** – A grant to local authorities to help vulnerable people live independently.<sup>53</sup>

The initiative aims to give a greater amount of control and choice to users of these services, and was piloted in seven areas. However, no significant positive impact was found. The evaluation primarily attributed this to customers not following the intended journey and the lack of a sufficiently developed provider market.<sup>54</sup>

46. Department for Communities and Local Government, *Working with Troubled Families – A guide to the evidence and good practice*, DCLG, 2012

47. National Audit Office, *Department for Communities and Local Government and the Department for Work and Pensions – Programmes to help families facing multiple challenges*, NAO, 2013

48. Department for Communities and Local Government, *The Cost of Troubled Families*, DCLG, 2013

49. Department for Work and Pensions & Jobcentre Plus, *Access to Work – Factsheet*, DWP, 2014

50. Thompson. A, et al. *Work Choice Evaluation: Commissioning and Transition of Clients to the Programme*, DWP, 2011

51. Gheera.M, & Long. R, *Independent Living Fund*, House of Commons Library, 2014

52. Department for Communities and Local Government, *Disabled facilities grant*, DCLG, 2009

53. Jarrett. T, *The Supporting People programme*, House of Commons Library, 2012

54. Tu. T, et al. *Evaluation of the Right to Control Trailblazers: Synthesis Report*, Ipsos MORI Social Research Institute & Office for Disability Issues, 2013

## Why would we need wider reform?

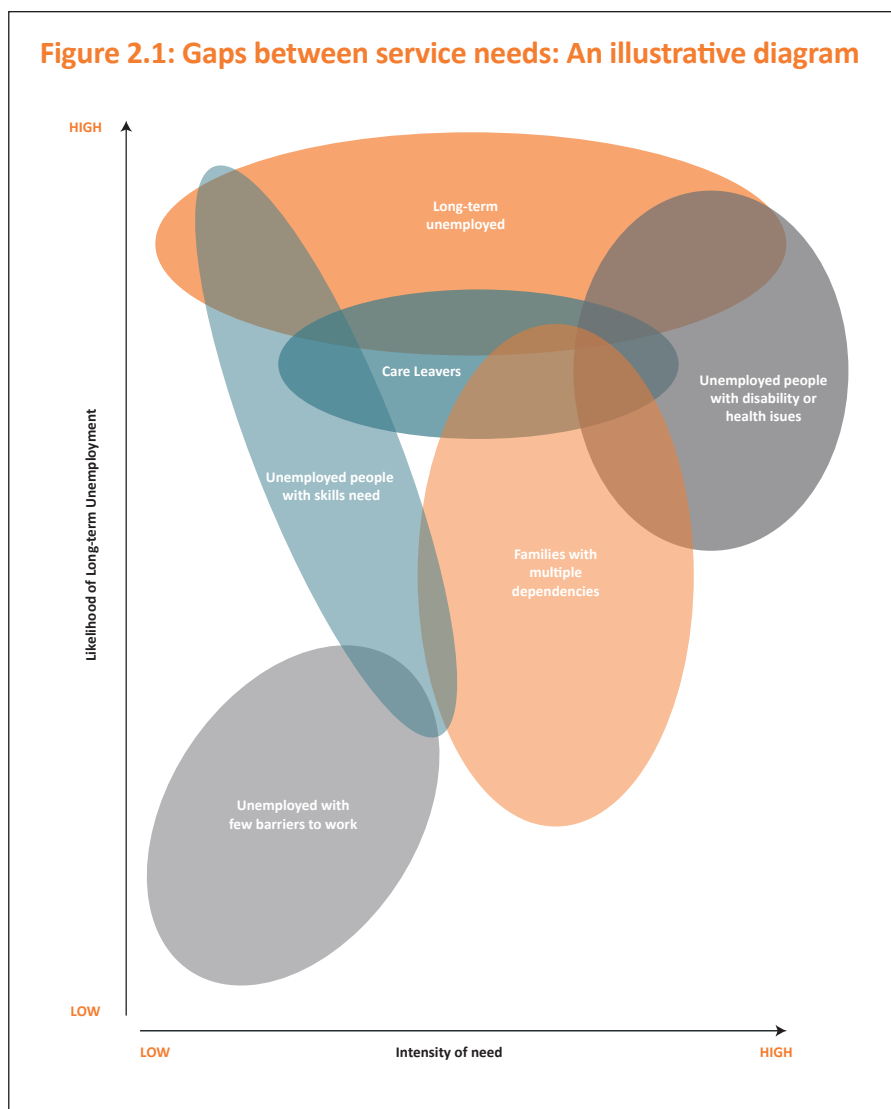
These schemes have had varying degrees of success. However, they are all based around identifying a specific set of needs and solving them with a specific package of services. This approach could be rolled out to some extent, but it would mean that individuals who did not fit into these specific groups would be excluded from the joined up services.

This means, for example, that an individual meeting four rather than five of the seven ‘troubled families’ metrics would not receive assistance from the more cohesive service. Similarly, if they had other issues that fell outside of the programme’s remit they would still not receive coordinated attention to address these other problems.

The diagram below provides an illustration of this issue. While simplified, it demonstrates that a combination of needs could fall anywhere along the scale. Designing schemes with certain combinations in mind will exclude those who

fall out of those ‘groups’, or fall into several of them. These individuals are represented by overlaps, or the space outside the ‘groups’ in the diagram.

**Figure 2.1: Gaps between service needs: An illustrative diagram**



Instead of focusing on specific programs and combinations of needs, there should be a focus on how services can respond to individual needs, providing a better service for all, rather than only for select groups.

**Without this approach, the system will continue to rely on strict eligibility, siloed design and fragmented delivery.** Some acknowledgement of this issue can be gleaned from alternative forms of coordination where experiments have occurred. Increasingly, the focus should therefore not be on putting support packages together, but looking at how to resolve the deeper flaws of the current arrangements.

One attempt to achieve this has come from the second approach, trying to join up around services within a ‘place’. Notably, community budgets and city deals both take a ‘place-based’ approach, aiming to provide a more effective route for funding to provide coordinated services within a certain area. They are summarised below:

## Box 2.2: Joining up around a 'place' : Community Budgets and City Deals

### Community Budgets

Community Budgets are intended to establish joint budgets by bringing together all funding for local public services. In simple terms, they pool resources for tackling an issue at a local level.<sup>55</sup> Their primary aim is to improve services, though they are also expected to deliver savings.<sup>56</sup>

Sixteen 'first-phase' pilots were announced in April 2011 for Community Budgets for families with multiple problems and two more types of pilots (for local public services and local issues) were announced in December 2011. They are subject to ongoing evaluation and discussion<sup>57</sup> and were analysed in a 2013 report by the National Audit Office<sup>58</sup> who indicated that early signs are positive.

### City Deals

The City Deals process has had two waves. The first consisted of the eight largest cities outside of London being given new powers over spending and economic policy. This was followed up by a second wave of the next fourteen largest cities outside of London and the six cities with the highest rates of population growth in recent times.

The deals themselves provide cities with new responsibilities and corresponding powers over areas such as infrastructure investment, skills funding, or development funding. The first wave has been agreed and their details were laid out in the 2012 publication *'Unlocking growth in cities: city deals – wave 1'*.<sup>59</sup> Submissions were made in January 2013 from each city participating in wave 2 and were being approved towards the end of 2013 and the beginning of 2014.

The National Audit Office's initial reviews were positive. The first wave of city deals are predicted to create 175,000 jobs and 37,000 new apprenticeships in the next 20 years.

55. Department for Communities and Local Government, *16 areas get 'community budgets' to help the vulnerable*, DCLG, 2010

56. Q228 - House of Commons Communities and Local Government Committee, *Community Budgets*, House of Commons, 2013

57. For example, see: House of Commons Committee of Public Accounts, *Integration across government and Whole-Place Community Budgets*, House of Commons, 2013

58. National Audit Office, *Case study on integration: Measuring the costs and benefits of Whole-Place Community Budgets*, National Audit Office, 2013

59. HM Government, *Unlocking growth in cities: city deals – wave 1*, HM Government, 2012

60. Tinsley, M, *Cultures of Dependency – Fact, fiction, solutions*, Policy Exchange, 2013

61. Department of Health, *Personalised budgets for all and more breaks for carers*, DH, 2010

There is certainly a role for these types of approaches and Policy Exchange has consistently advocated greater devolution of welfare powers to areas well placed to exercise them.<sup>60</sup> However, this cannot be relied upon as a complete solution. Some local areas may lack the governance and resource to commission and organise such a large cross-cutting budget effectively, or services may be split across arbitrary geographical boundaries. Furthermore, they may not be the most effective providers or may prevent other more effective groups from accessing funding and providing services. These are not issues present in the third approach; personalising services.

## Personalisation of services

The theory underpinning personal budgets and direct payments is that those who know their circumstances and barriers are best placed to make decisions over what type of support they should receive. The Coalition clearly sympathises with this view, and has made a commitment that everyone eligible would receive a personal budget by 2013.<sup>61</sup>

### Box 2.3: Personalising Services: Personalised Budgets and Direct Payments

Direct payments have existed in some form since 1996-1997.<sup>62</sup> They are made in lieu of services and are provided to those who have needs which would be fulfilled by social care services. These include:

- Disabled people aged 16 or over with short or long-term needs.
- Disabled parents for children's services.
- Carers aged 16 or over, including those with parental responsibility for disabled children.
- Elderly people who rely on community care services.<sup>63</sup>

The amount received depends on the council's estimate of the reasonable cost of the service. They can be used to provide flexibility and choice for the user, allowing them to make decisions over their care and equipment.

Since 2013, personal budgets have been established for all publicly funded adult social care other than when emergency access is required.<sup>64</sup> There is, however, an acknowledgement that they may not be suitable for everyone.

In principle a model resembling personal budgeting may be appropriate for several of the services in question. However, it is not suitable for all services and especially those where the user may be required to undertake tasks they may not do voluntarily, such as certain elements of employment support.

What can be taken from them is the general sentiment that budgets should correlate to needs, and that wherever possible "the right to self-determination will be at the heart of a reformed system."<sup>65</sup>

### Next Steps

In conclusion, there are many different types of public service reform that have been pioneered. Each has attempted to chip away at the existing situation through moving funding and responsibility closer to the individual, and pooling resources at a more local level. In these schemes, there is much to be emulated.

The first two approaches discussed here, joining up around a set of needs, and joining up around a place, are both fairly prescriptive. They would fail to improve the system for all groups regardless of their location or issues, and may have issues with scale which mean certain groups will not benefit. Therefore, emulating elements of the third, more personalised approach, would be the most appropriate way of ensuring that services are better coordinated for all groups.

The question is how to create a system that permits this type of flexibility and means that services wrap around the needs of individuals and communities. As the Open Public Services White Paper outlined in 2011:

"The job of government is not to specify which service to which people; rather it is to create an open framework within which people have the power to make the choices that are best for them, and where all good, innovative idea for improving the quality of services are welcomed and encouraged."<sup>66</sup>

62. Gheera, M, *Direct payments and personal budgets for social care*, House of Commons Library, 2013

63. UK Government, *Apply for Direct Payments* – Accessed here: (<https://www.gov.uk/apply-direct-payments>), 2014

64. Local Government Association, Adass & NHS, *Putting People First – A shared vision and commitment to the transformation of Adult Social Care*, HM Government, 2007

65. *ibid.*

66. HM Government, *Open Public Services White Paper*, HM Government, 2011



The third approach, moving towards a more personalised system, is a step in the right direction. Whilst direct payments and personalised budgeting would not necessarily be appropriate and workable for all needs, a system which embraces tailored and individual support would. Ultimately provision should be built around individuals and their preferences wherever possible.

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# 3

## Principles for Reform

**Principle for reform 1: Create a central hub that comprehensively assesses people's specific needs (this would be done by expanding the role of JCP).**

**Principle for reform 2: Create a more diverse range of employment services (through mutualising the employment services aspect of JCP).**

**Principle for reform 3: Shift funding so it follows the individual to the provider they select, rather than funding providers directly.**

Our current welfare to work system has made great strides in recent years. It has made progress towards becoming more joined up and more personalised, as demonstrated by the Work Programme bringing in private providers and charities to assist the long-term unemployed. This has been a positive step and Policy Exchange will be proposing ways that the second iteration of the Work Programme could evolve and improve.<sup>67</sup>

Given these improvements, it is time to think about the next steps. With advances in technology, a developed network of service providers, and more sophisticated payment mechanisms, it is time to consider how employment support and other related services should evolve and what system we want to move towards over the next decade.

Specifically, this report supports a system that is driven by user demand rather than suppliers; that gives users greater control over the services they receive; and that combines the series of disparate services and referrals into a more cohesive system.

As discussed already, currently people are often assessed by and receive services separately. To understand how this works in practice, an example is demonstrated below (Diagram 3.1 overleaf).

The first step of rethinking this system would involve establishing a redesigned hub for accessing the majority of government services, rather than just employment support.

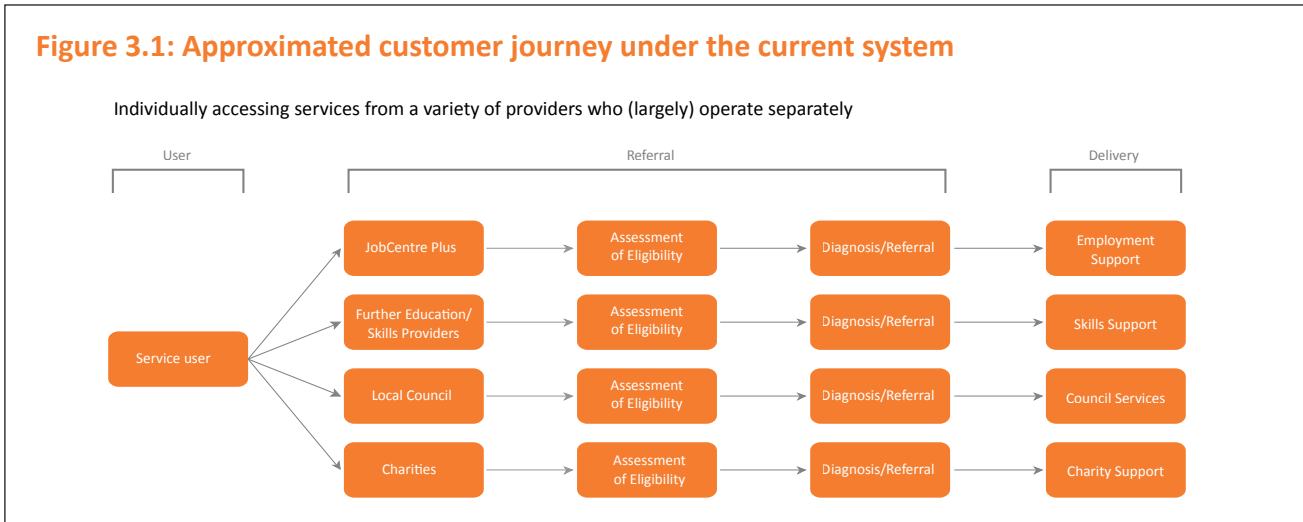
This organisation would act as a single point that would assess the barriers people face and the scale of their needs. It would then provide the individual with information about the support available to them and the comparative performance of providers who can deliver it.

Accounting for customer preferences, they would then be referred to a provider who would act as a caseholder, being the main point of contact for the customer, and responsible for planning and coordinating other support services they were receiving. This would resolve several of the issues which prevent coordination by ensuring that:

67. Holmes, E, *Work Programme 2.0*, Policy Exchange, 2014 (forthcoming)

- Their issues are assessed in a joined up manner rather than separately.
- The service mix received is designed around the individual’s needs rather than on the basis of top-down eligibility criteria.
- That any providers working with the individual are aware of each other and coordinated rather than operating independently.
- Funding follows interventions which there is a demand for.

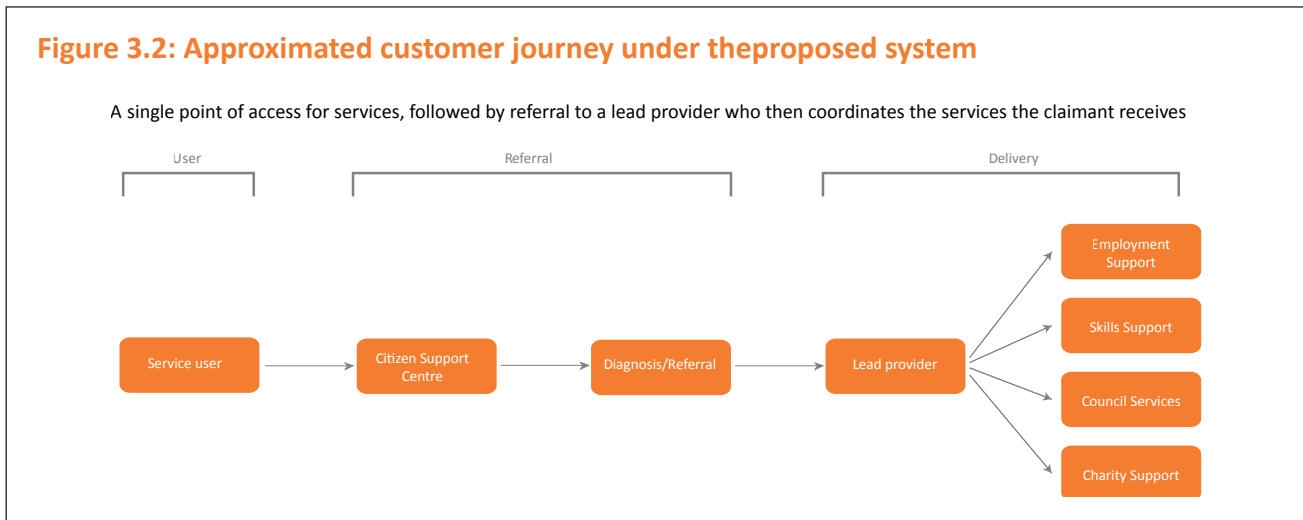
**Figure 3.1: Approximated customer journey under the current system**



While this system still necessitates a referral pathway, it reconciles a number of different elements, simplifying the service user’s journey and providing clarity to providers. It will create incentives for a much more joined up service, directly addressing some of the issues which cause uncoordinated services such as a lack of information or incentives.

To provide an example, currently an individual who is homeless, unemployed, has mental health issues and a disability would probably access charity support, local authority services in their local borough, ad-hoc health services, and potentially elements of the Jobcentre Plus infrastructure. Under our system, they would be ‘diagnosed’ by one specific body, before being referred to suitable providers with the funding and specialisation to deal with these problems as a whole rather than trying to tackle each of them in isolation.

**Figure 3.2: Approximated customer journey under the proposed system**



## The Canadian Experience

The concept of having a single point of access for the majority of services and for referral to other services has been tried abroad. Since 2005 Service Canada has been the place where Canadians access programs, services and benefits from the Canadian Government.<sup>68</sup> It functions as a single point of access which provides administrative services and other functions at around 600 points throughout the country.<sup>69</sup>

Where Service Canada does not directly provide services, it helps Canadians access other programmes. Under the Employment Insurance Act authorised staff are also able to refer individuals to courses, training programs, or other activities in an effort to return them to work.<sup>70</sup> In this sense, Service Canada brings together access to a vast number of services and reflects citizens' expectations of government services, referring them on to others where necessary.

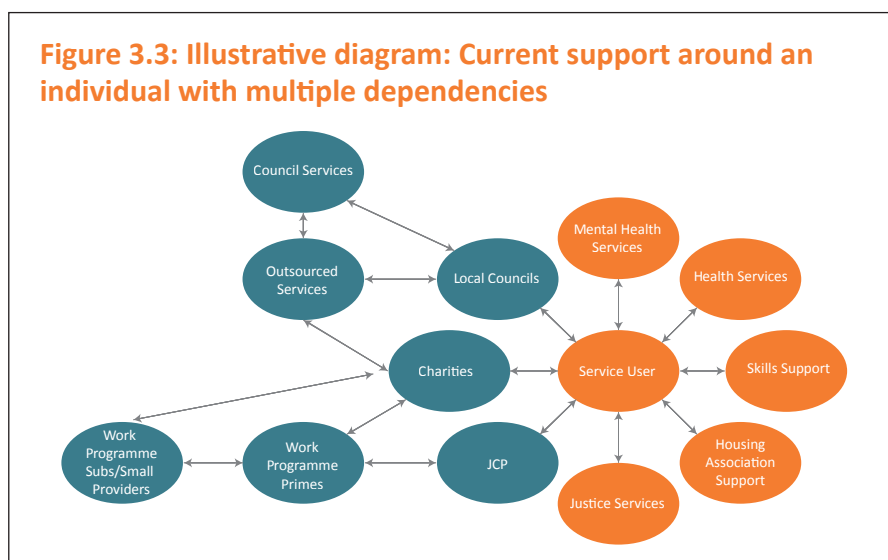
The founding principles of Service Canada come from an integrated citizen-centred strategy adopted in the 1990s.<sup>71</sup> Its founding strategy included "efforts to design the ideal one-stop service experience ... and to start making tangible improvements to better serve Canadians."<sup>72</sup>

It achieved this through establishing a 'one-client' view of services in order to avoid duplication such as having to provide personal information multiple times over each interaction.<sup>73</sup> In 2010-2011, 70 percent of clients surveyed had contacted Service Canada in relation to multiple programs and services, demonstrating that a wide range of people require multiple services rather than each one in isolation.<sup>74</sup>

The scope of Service Canada is naturally different to the British situation – with back to work policy and funding working differently under the federalised Canadian model of government. However, a central point of coordination for government services and referral is not unheard of and can more realistically emulate the expectations individuals have of government services.

### Why would this mean better coordination?

Currently, the various services that are provided are totally separate. They may occasionally work together, but mostly rely on ad hoc partnerships. An example of the type of services around an individual with multiple needs is displayed in Box 3.1. The teal segments indicate where the network of providers has been fully extended. Similar subdivision could occur in other categories such as skills support.



68. Service Canada, *Service Canada Annual Report 2005-2006 (Archived)*, Government of Canada, 2006

69. Employment and Social Development Canada, *2014-15 Report on Plans and Priorities*, Government of Canada, 2014

70. Service Canada, *Employment Insurance (EI) and courses or training programs*, Government of Canada, accessed at: <http://www.servicecanada.gc.ca/eng/ei/information/training.shtml>

71. Treasury Board of Canada Secretariat, *Results for Canadians: A Management Framework for the Government of Canada*, Government of Canada, 2001

72. Service Canada, *Service Canada Annual Report 2005-2006 (Archived)*, Government of Canada, 2006

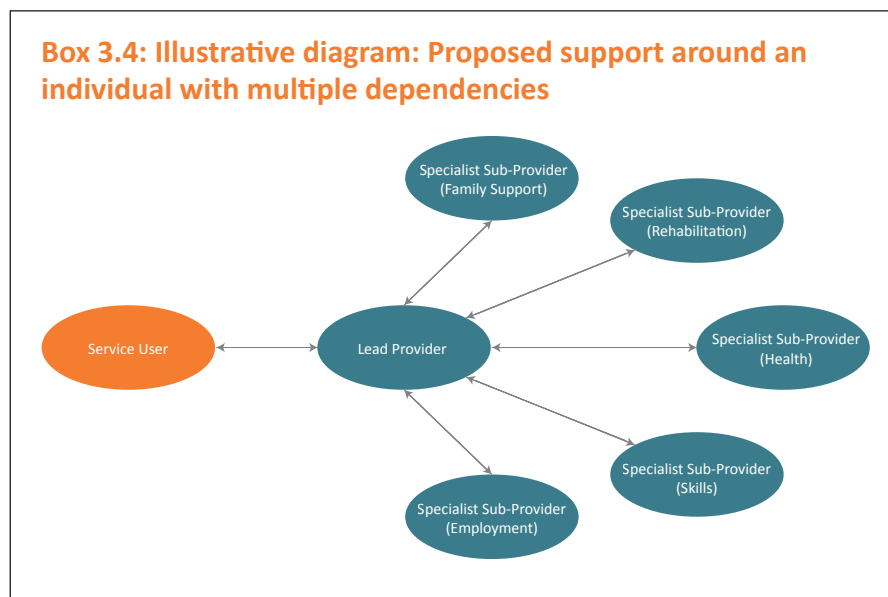
73. *ibid.*

74. Service Canada, *Client Satisfaction Research: Executive Summary*, Government of Canada, 2011

Coordination is not a natural part of this system. At almost no point is there any individual or organisation that attempts to understand all of the complex problems an individual faces. There is considerable duplication by different agencies and organisations in diagnosis and assessment of eligibility. Where this is not the case, it is largely due to informal cooperation or ad-hoc design rather than a cohesive attempt to structure services in a streamlined manner.

By creating a single point of contact, it should be possible to restructure services around the customer and the body that should then take the lead in coordinating the help they may then receive.

**Box 3.4: Illustrative diagram: Proposed support around an individual with multiple dependencies**



### Choice and Budgeting

As part of this system, funding would flow with the individual, being calibrated to their needs and following them to a provider who is reimbursed on a payment by results basis. There are similarities in this model to Personal Budgeting in social care. In both social care and our proposed model, some form of assessment is undertaken, and an appropriate sum is subsequently allocated to the individual for their care.

However, in our proposed model, ultimate control of the budget depends on referral from a Citizen Support centre. In a subset of cases it may be appropriate for the individual to control their entire budget, or to exercise an element of choice. In others, it will not be. The central point is that the resources will follow them to pay for their allocated treatment, with the provider being reimbursed after the specified outcomes have been achieved and sustained.<sup>75</sup>

### A timeline for reform

This is the approach that Policy Exchange has consistently advocated. Our previous report *Personalised Welfare* highlighted the principles of how employment support should be structured, and the role of contracted out employment support as well as the interaction other services would have with it. Building on this, our forthcoming report *Work Programme 2.0* will lay out changes which should be made in the next wave of Work Programme commissioning.

75. This report focuses on the structure of the services rather than analysing proposed payment systems in great detail. We anticipate that a form of payment by results would be used, adapted according to lessons learnt from the Work Programme and other areas of public services commissioning.

Collectively, they demonstrate the short to medium term reforms that should occur to employment support. However, as has been noted – this will not be sufficient to tackle entrenched disadvantage, or to achieve the type of reform which would allow services to adapt adequately to different needs. That is why Policy Exchange is advocating that over the longer term moves should be made to gradually adapt to a more joined up system.

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# 4

## A Central Hub

Principle for reform: Create a central hub that comprehensively assesses people's specific needs.

76. Department for Work and Pensions, *Government announces organisational changes to Jobcentre Plus and the Pension, Disability and Carers Service*, DWP, 2011

77. See Local Government Association, *Written evidence submitted by Local Government Association, 2013 – "Nationally, JCP performance is underwhelming, particularly for those at risk of long-term unemployment with a range of more complex barriers to employment."*

See also: Centre for Social Justice, *Up to the Job? How reforming Jobcentre Plus will help tackle worklessness*, Centre for Social Justice, 2013 – *"The introduction of the Work Programme, which is designed to offer specialist help to those who require additional support to get into work, has led to some perverse practices in JCP – with hardest-to-help jobseekers being neglected by JCP before they are referred."*

This is also implicitly acknowledged by the fast-tracking to the Work Programme of those with more significant barriers to employment. E.g. Department for Work and Pensions, *Work Programme: Equality Impact Assessment, 2011* "We expect earlier entry to be targeted at young people and those with more significant barriers to employment."

78. See Work and Pensions Select Committee, *Can the Work Programme work for all user groups?*, House of Commons, 2013 "However, there is growing evidence that differential pricing is not having its intended impact: the Work Programme appears not to be reaching the most disadvantaged jobseekers. The current pricing structure, based largely on the type of benefit jobseekers are claiming, is a very blunt instrument for identifying jobseekers' needs."

Jobcentre Plus is currently one of the most identifiable points of contact within the system. Serving as a branch of the Department for Work and Pensions,<sup>76</sup> it offers employment support services, alongside administering benefits related to unemployment such as Jobseeker's Allowance.

In general, Jobcentre Plus performs well at the administration of benefits. However, there are legitimate concerns both about how effective the organisation is at moving those with more significant barriers to work into the labour market,<sup>77</sup> and whether the current metrics used to signpost more complex support are sufficient.<sup>78</sup>

### Drivers of reform

Aside from raw performance, there are a number of policy developments that will change the nature of what is expected from the service. These include:

- The development of in-work conditionality under Universal Credit altering the nature of Jobcentre Plus from a body which purely deals with the unemployed.
- An increasing emphasis on contracted out employment support such as the Work Programme and its next iteration, meaning an increasing split between employment support and administrative functions.
- Renegotiation of the majority of the Department's estate provision in 2018 due to the expiration of the PRIME Contract under which the Department occupies the majority of its accommodation.<sup>79</sup>

The changing nature of Jobcentre Plus is particularly important. Anecdotal information gathered by the Work and Pensions Select Committee from the London Borough of Newham noted that the customer experience of Jobcentre Plus could be viewed as stigmatising,<sup>80</sup> and 2009 qualitative research by Ipsos Mori noted that "there remains some stigma related to using Jobcentre Plus and a perception that it caters mainly for the 'unskilled.'"<sup>81</sup> In order for in-work conditionality and other forms of support to be effective, it will be necessary to alter these perceptions.

## The direction of reform

Policy Exchange has previously recommended that Jobcentre Plus could be made more effective by rethinking its role and splitting the employment support function from the process of assessing, managing, and directing claimants. We recommended that the two distinct roles should become:

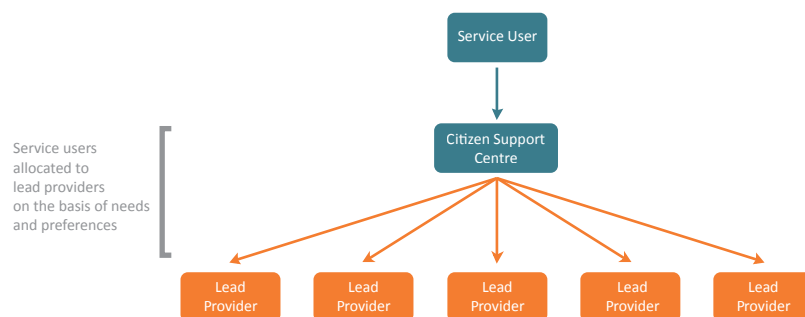
- **“Segmentation/claim management** One part of JCP will be responsible for new claims and segmentation (as far as it already exists) and for day to day management of the conditionality regime.”<sup>82</sup>
- **“Employment support:** The second part of JCP will be responsible for providing employment support for those people not yet eligible for the Work Programme (as far as it already takes place in JCP).”<sup>83</sup>

The first body, ‘Citizen Support’, would act to segment the claimant population, manage claims, and refer claimants, using a combination of diagnostic tools, adviser discretion, and user preferences. The user would have influence over the type of support they get and who provides it. This should be facilitated by competition from providers to supply services to those referred by Citizen Support centres, and by the citizen support centre providing the necessary information for an informed choice to be made.

**Figure 4.1: Citizen Support centres: Allocation of service users to providers**

Large scale providers will be necessary to provide services at scale and coordinate the provision which service users receive. These would not just be existing Work Programme primes but also larger scale local governments, LEAs, and any other bodies which would take an interest

Allocation to the providers would be through a combination of diagnostic tools to suggest the most appropriate support, and choice on the part of the consumer in question



The second body would provide the employment support function. This new structure would have the dual benefits of:

- Providing clarity about the point at which the vast majority of services can be accessed, reducing confusion and providing a consistent point of reference.
- Expanding and diversifying the support available to claimants, allowing them to receive more effective support, sooner. As well as creating competition between providers.

79. Information obtained from FOI reference 1897, relating to the contract with Telereal Trillium and the Jobcentre Plus estate.

80. Ev w42, House of Commons Work and Pensions Committee, *The role of Jobcentre Plus in the reformed welfare system*, House of Commons, 2014

81. Ipsos MORI, *Investigating the needs of the recently unemployed – A report for Consumer Focus*, Ipsos, 2009

82. Holmes. E, & Oakley. M, *Personalised Welfare – Rethinking employment support and Jobcentres*, Policy Exchange, 2011

83. *ibid.*



**Recommendation 1: JobCentre Plus as it currently exists should be split into two constituent parts. The first would be the ‘Citizen Support’ centre, a body responsible for administration of benefits, assessment, segmentation, and referral.**

**Recommendation 2: The employment support element of JCP should be established as a separate body and transformed into a mutual.**

**Box 4.1: A Step backwards?**

The administrative and employment support functions have previously been separate in the form of three organisations: The Benefits Agency, the Local Authority Housing Benefit Services, and the Employment Service. They were merged in 1999 under the ONE pilots, becoming Jobcentre Plus offices between 2002 and 2006.<sup>84</sup> Similarly, Northern Ireland is currently undergoing a similar process with ‘Jobs and Benefits’ offices replacing separate Jobcentres and Social Security offices.<sup>85</sup>

If the emphasis over the past two decades has been on bringing these functions together, why would we want to revert to the previous arrangement? The answer is that we would not be moving back to an old system, but to an even more integrated system which would respond to a different set of challenges. There are a few reasons that this would be more appropriate in the long-run:

- The wider variety of ‘joined up’ services means that combining provision and a single point of contact for the majority of services would be incredibly unwieldy and close to impossible.
- The nature of JCP is changing substantially, meaning that a focus on providing employment support ‘on location’ would no longer be appropriate.
- There was arguably not as much of a formalised network of external employment support providers in that period.
- Advances in technology and data sharing mean that more complex referral pathways and monitoring can occur in a way they couldn’t previously.

A more joined up approach would mean expanding the remit of Citizen Support centres to include a wider range of services than only employment and skills support. As noted previously, this would be advantageous, bringing together different streams of funding and allowing it to be more effectively used to tackle the individual’s specific barriers to employment. Therefore, we recommend that:

**Recommendation 3: Citizen Support centres should encompass referral for a much wider range of services than just employment support. This could include services such as skills, assistance with rehabilitation, housing, health, and other core government services.**

This would accomplish several goals. These would include:

- Providing a comprehensive ‘one-stop-shop’ location that anyone who was unclear on the support or services they were entitled to would be able to attend.

84. Lissenberg, S, et al. *Experiencing Jobcentre Plus Pathfinders: overview of early evaluation evidence*, Department for Work and Pensions, 2003

85. Northern Ireland Direct, *Find your local Jobs and Benefits Office/Jobcentre*, accessed at: (<http://www.nidirect.gov.uk/index/information-and-services/employment/jobseekers/looking-for-work/find-your-local-jobs-and-benefits-office.htm>), 2014

- Creating a consistent point of contact for government services, regardless of how they change in the future.
- Providing a body which more adequately deals with the more varied customer base which will soon be using JCP services.
- Streamlining the expectations of users looking for services, and allowing a referral pattern to be established based on consistent criteria.
- Providing a ‘hub’ where relevant data about claimant barriers can be collected.

### What does this mean practically?

Merging the vast amount of duplicated referral and assessment functions will not be simple, but would ultimately provide a more streamlined service. It should be mentioned here that this does not preclude providers from discussing a service user’s barriers with them – far from it. But what it would provide is a way of undertaking the majority of the ‘initial assessment’ phase and directing support accordingly, rather than doing it in a piecemeal fashion which is repeated with each additional interaction.

In the short-term it will be important to shift expectations of JobCentre Plus and other services, even if full integration of Citizen Support centres and referral have not yet occurred. This is not likely to occur for a substantial window of time as the new framework for services is gradually adapted to by a wide range of providers. Consequently, we advocate that in the short to medium term the expectation should be built that Citizen Support centres will be the central point of contact for services.

**Recommendation 4: In the shorter-term, the referral aspect of services should move to co-locating where possible in order to begin adjusting claimant expectations and the organisation of services more broadly. This could occur either in existing JCP facilities, or in other community spaces.**

This is to some extent in line with moves which are already taking place under Universal Credit. For example, the Melton Universal Credit pilot has involved the Jobcentre Plus co-locating in the Council Offices to establish a greater level of partnership working.<sup>86</sup>

The establishment of Citizen Support centres and transferring responsibility for initial contact, referral, and assessment will inevitably mean that in the long-term the property needs of the Department for Work and Pensions, and other departments will alter. Citizen Support centres will need to become larger and more flexible, while other services will roll up altogether, or become focused primarily or solely on provision.

**Recommendation 5: Longer-term decisions about the estates of government services should be made with a view to rolling referral and administrative services into Citizen Support centres.**

86. Melton Borough Council, *Melton Universal Credit Pilot Extended*, accessed at: ([http://www.melton.gov.uk/news/article/23/melton\\_universal\\_credit\\_pilot\\_extended](http://www.melton.gov.uk/news/article/23/melton_universal_credit_pilot_extended)), 2013

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# 5

## Diverse Services

Principle for reform: Create a more diverse range of employment services.

Through the Work Programme the Coalition Government has made substantial attempts to introduce innovative approaches to the provision of employment support. This entails using private providers who are paid by results to encourage specialist intervention for those who are long-term unemployed.

In the short period since this has been operational, it appears that the programme has been more effective for those who have low barriers to work, and less so for those who have high barriers.<sup>87</sup> This may well be related to the built-in payment incentives for each cohort within the Work Programme rather than the principle of payment by results itself.

The various commissioning requirements and commercial incentives have reduced the ability of specialist provision to participate, a point noted in previous Policy Exchange research.<sup>88</sup> As such, it will be necessary to construct a system which supports and funds a much wider variety of providers and specialist provision.

For this new model envisaged in this report, it is likely that there will be a gradual take up of services offered by private, local governmental or third sector organisations. This is the fundamental reasons that we recommend a 'spoke and wheel' model for governmental services; namely, that these bodies are more likely to be able to provide specialised support than a uniform government system.

**Recommendation 6: The default setting for employment support services should be that they are contracted out to private or third sector providers, or other more local public bodies.**

This means that Local Authorities or Local Enterprise Partnerships should also be able to provide services. However, rather than funding being allocated directly to them, they should compete for funds against other providers to see who end clients choose. Over time, this would create a market among end providers where ineffective services would become uneconomical and effective ones would prosper.

87. See, for example job outcome payments by payment group on p.6 of: Department for Work and Pensions, *Work Programme Official Statistics to June 2013*, DWP, 2013

88. Holmes. E, *Route2Work – Employment support for the very-hardest-to-help*, Policy Exchange, 2013

## What should happen?

The trend of contracting out provision leaves the existing Jobcentre Plus framework in a position where its employment support function will become increasingly irrelevant. Under the current reforms its existing mode of operation will gradually become redundant as more support becomes personalised, more claimants are fast tracked to more effective interventions, and more external providers are brought into the mix.

As the basis for developing Citizen Support centres, this new mutualised element of Jobcentre Plus should be subject to competition with other private and third sector firms. If Jobcentre Plus's current employment support function is effective, then it may be able to outperform other providers. If it is not, and it is subsumed by more effective providers then this should not be a concern.

The same could be said for local authority and other governmental services. Our priority should be towards finding the mix of the most effective welfare-to-work systems for the individuals who need help, not preserving one specific provider irrespective of whether it is successful or not.

**Recommendation 7: The employment support element of Jobcentre Plus should be spun out into a mutual or social enterprise that is subject to competition with other providers.**

### Box 5.1: Mutuals: Why and how?

*"Across the country there are thousands of frontline public sector workers who know how the services they deliver can be run better, away from layers of bureaucracy and inflexible top down control."*<sup>89</sup> – Rt. Hon Francis Maude, Minister for the Cabinet Office

Mutuals have at their heart the principles of shared ownership and participative governance. Public service mutuals at their heart can enable practitioners to break free from controls, and to innovate within a much more open framework of services.<sup>90</sup>

This form of organisation would seem particularly relevant to the future of the JCP employment support element. Becoming a public service mutual would permit the organisation to retain its mission-driven and public service orientated approach, whilst also giving it the responsibility and power to adapt and innovate.

There has already been some success in mutualising government services, such as the Behavioural Insights team and whilst the scale is different, this is in line with the principles driving much government policy.<sup>91</sup>

There are many different types of mutual organisation,<sup>92</sup> and it is hard to speculate on exactly what structure would be appropriate. However, a starting point would be to transfer ownership to employees giving each a stake in the enterprise, and transferring current management into being responsible to these new owners, rather than the Department for Work and Pensions.

For this system to work effectively and competition to be stimulated between providers, it will be important to ensure that the providers all have an equal chance to provide services. Previously when discussing this model, Policy Exchange research

89. Mutuals Taskforce, *Public Service Mutuals: The Next Steps*, Cabinet Office, 2012

90. *ibid.*

91. Cabinet Office, *'Nudge Unit' forming mutual joint venture*, accessed at: (<https://www.gov.uk/government/news/nudge-unit-forming-mutual-joint-venture>), 2014

92. Girach. M, Sikora. K, & Wildman. A, *Power to the People – The mutual future of our National Health Service*, Respublica, 2014

has acknowledged that there will be a period of transition where the function of Jobcentre Plus is split but effective competition has not yet been established.

There is a danger that, during this transition period the overwhelming majority of clients will, almost by default, be automatically referred to the ex-JCP body rather than the most appropriate provider. This would undermine competitive pressure on providers as they could rely on consistently receiving a certain number of customers. Providers would also need an appropriate amount of time to enter the market, develop their service offer and build up a client base.

A way to solve this problem is enforcing a strict purchaser-provider split in order to ensure that the Citizen Support centre is allocating users on the basis of what is most likely to be effective, rather than existing institutional relationships.

**Recommendation 8: A ‘purchaser-provider’ split should exist between Citizen Support centres and those providing alternative services. Allocation to services should depend on two criteria:**

- **The performance of the provider when dealing with similar individuals.**
- **The preferences of the individual receiving services.**

### Why can't JCP just innovate?

This proposed system should not be read as a criticism of JCP staff and their efforts. Many make the best of a complex system of services and incentives. There is already innovation within the system, with good examples being Jobcentre Plus working with the Troubled Families programme<sup>93</sup> or as part of London's anti-gang strategy.<sup>94</sup> However, there are reasons to believe that this potential may have a natural limit within the current framework, due to the fact that:

- There are institutional barriers and ‘silos’ which would prevent or hinder JCP from expanding its remit substantially into other relevant areas.
- The existence of a ‘default’ service provider in the form of JCP prevents individuals from accessing specialist services as soon as possible (unless you are a member of a specific group that is subject to Work Programme fast-tracking).
- Staff expertise and experience of dealing with certain arrangements of issues are more likely to be concentrated in the third sector than Jobcentre Plus's existing adviser workforce.
- Specialisation may work in the short term but would not allow for funding to follow the individual or break down the siloed system in the same way.

In order for specialist provision to exist, it needs to be possible for services to effectively respond to the needs of users. This requires that users can effectively indicate and act on their needs, and that providers can be rewarded for catering to those needs. In both cases, simply working better within the current arrangement would not achieve this. Specialist services would not be able to develop a sufficient funding base, and users would only get to access specialist services if fast-tracked or after trying the conventional JCP route.

There is some progress JCP can make through innovating within the existing framework. However, as with most forms of ad-hoc coordination, it would be a case of improving within an existing and flawed system, rather than fundamentally reforming to focus on the needs of individuals.

93. Department for Communities and Local Government, *Case study – Troubled families: Stockport*, DCLG, 2014

94. London Crime Reduction Board, *Partnership anti-gangs strategy*, Greater London Authority, 2012

## Would there be a diverse range of providers?

If there is only a small selection of providers, and even fewer who are able to provide the appropriate mix of services, then competitive pressure to improve services and drive poor performers out of the market would be low.

Transitioning to this type of system would require a number of interim steps to encourage providers to enter the market. However, it is worth examining why we believe it will be feasible to expand the amount and variety of providers. This is for three reasons:

1. **There is a greater chance for smaller providers to access the market.** Many cannot take on the level of risk that being a prime<sup>95</sup> provider with the Work Programme entails and are therefore reliant on being part of a supply chain.

Under a system with a greater degree of segmentation there is a reasonable chance that more specialist charities and groups would be able to directly receive referrals as they could be sure they were dealing with a specific group of individuals they could assist, rather than a more varied claimant group they cannot.

2. **There are other large scale providers outside of the welfare space.** Whilst prime contracting of the Work Programme has been concentrated to eighteen prime providers,<sup>96</sup> there are others who provide services at scale. They may expand their operations into areas their existing practices overlap into.

For example, under our system many of the services focusing on support for care leavers would be brought into one comprehensive package. Organisations such as Catch 22 which deal with a number of support services specific to this group may enter this space to deal with the groups they specialise in.

3. **There are a number of governmental and quasi-governmental bodies.** There have been suggestions that employment and skills funding should be moved to a more local level, or to bodies such as LEPs.<sup>97</sup>

Allowing them to act as providers within this framework would allow them to achieve this goal, whilst not diverting resources to them if they are less effective than other providers.

It is impossible to predict what the market would look like, but these measures would ensure a framework which allows new providers to access the market. Furthermore, there would also be the possibility of experimenting with the payment mechanisms used, potentially giving a larger up-front sum to new entrants to the market.

Additionally an expanded range of services would mean that more than two providers would need to operate within any given geographical area. One solution to this is the use of a licence-based commissioning system.

95. Prime contractors for the Work Programme are the largest providers, allocated a share of users in the contract area. They then provide or subcontract services to those users and are subject to regulation, minimum performance levels, and other controls. For a guide to the Work Programme see: Department for Work & Pensions, *The Work Programme*, DWP and EU European Social Fund, 2012

96. Calculated from Work Programme – Contract Package Area and Prime Provider sheets, accessed at: ([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/253680/cpa-preferred-bidders.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/253680/cpa-preferred-bidders.pdf))

97. For example. “LEPs should be encouraged to put forward alternatives to DWP programmes, where LEPs can demonstrate that local programmes can be more effective and make employment support provision more responsive to local economic needs.” All Party Parliamentary Group on Local Growth, Local Enterprise Partnerships and Enterprise Zones, *Skills and employment in the age of Local Growth Deals*, 2013

### **Box 5.2: Licence based commissioning**

Currently, commissioning operates within pre-defined geographical areas which providers compete to provide services in. A licence based system would instead require providers to pass a series of quality tests, then allowing them to operate and provide services without geographical restrictions, and to enter areas or markets freely.

There are merits to this concept, and it is used in other areas of public service delivery already such as for GPs.<sup>98</sup> A transition to this form of commissioning would be in tune with a more flexible market in public services, but would pose challenges as transition from the previous model of commissioning occurred.

**Recommendation 9: DWP and other relevant departments should consult on how a licence-based system could operate and whether or not it is an appropriate way of expanding access to the market.**

### **A consistent approach**

An implication of this approach is that funding for employment support, skills, and related services should be determined by need, rather than top-down design. Under a system that focuses on outcomes and targeted support, it is reasonable to expect government schemes to compete on the same level rather than duplicating and confusing the system unnecessarily.

To provide an example, instead of creating a scheme that is targeted at a particular set of issues around youth unemployment, the overall budget should be increased, with the system being relied upon to allocate this resource where it is most effective and most needed. If an area like youth unemployment is a particular problem then resources should naturally gravitate to this need, and if it is not then they will not have been wasted targeting a specific problem. Therefore we recommend:

**Recommendation 10: Government should instead control the overall budget, rather than creating micromanaged or targeted schemes.**

If the government did want to set up a scheme to target a discrete set of issues, they could theoretically do so. But it should compete on a level playing field in the same way that any other service or set of services does, rather than being guaranteed funding. Therefore we recommend that:

**Recommendation 11: Where discrete government schemes are created, they should compete for funding on a level playing field with other providers.**

This would be a radical step, but operating the welfare system through a single 'portal' will require a commitment to targeting resources to need and then allowing provision to follow that need. Simply allowing government services to bypass this competitive pressure would undermine this principle. If schemes are micromanaged and designed with prescriptive service offers, then what will happen is simply that duplication will continue to proliferate, undermining the entire attempt to join up services. If the government is truly convinced that a scheme will be worthwhile then it should prove its worth.

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98. For example, see the General Medical Council's description of the licence to practice – accessed at: (<http://www.gmc-uk.org/doctors/licensing.asp>), 2014

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# 6

## Effective Diagnosis

Principle for reform: Shift funding so it follows the individual to the provider they select, rather than funding providers directly.

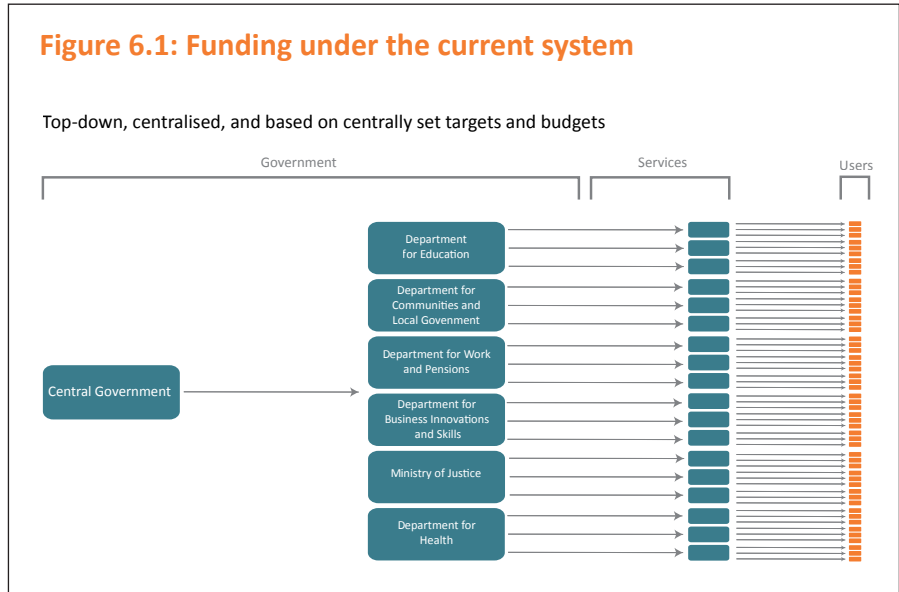
This report envisages a model that encourages providers of services such as employment and skills to be responsive to the needs of citizens, and focussed on outcomes rather than simply 'doing' interventions. In short, money follows individuals who have a 'budget' attached to them. They would then be allocated to providers who would be able to reap the reward if they provided effective services. This would mean services would:

- **Be directed by individuals and their needs, rather than allocated from the centre.**
- **Subject to competition for customers and resources, rather than lobbying centrally for resources to be allocated to specific services.**

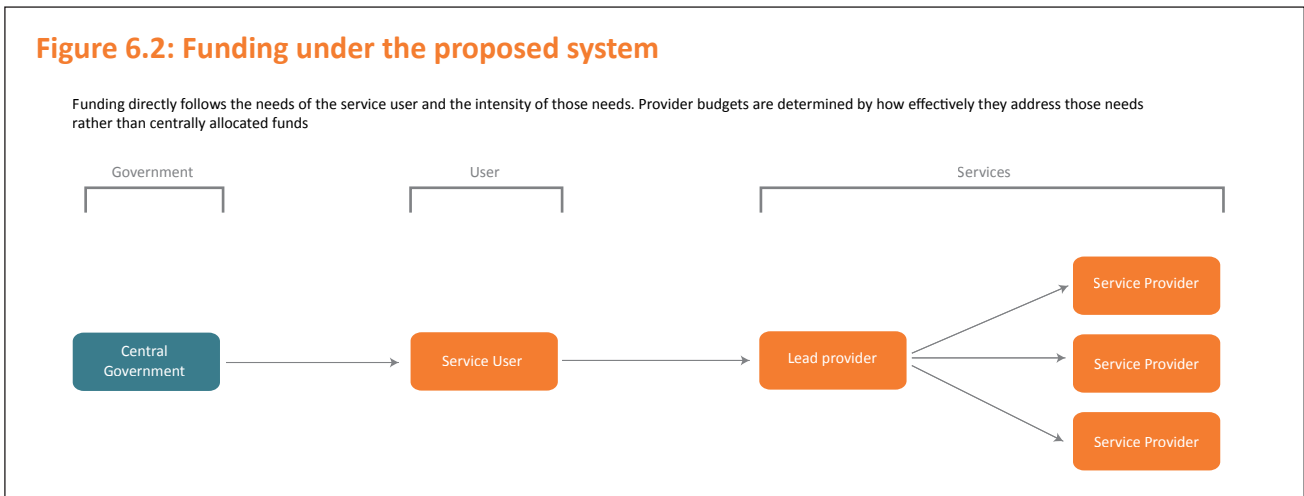
Instead of allocating money from the top-down, this would mean that resources rewarded success where services are used. In essence, services would respond to demand at the lowest possible level; the individual.

Under the current system, (with some exceptions) services can broadly still be considered as designed in a 'top down' manner. Money flows from government departments towards identified priorities and programmes, and eventually to specific services and their recipients. This approach is outlined in diagram 6.3:





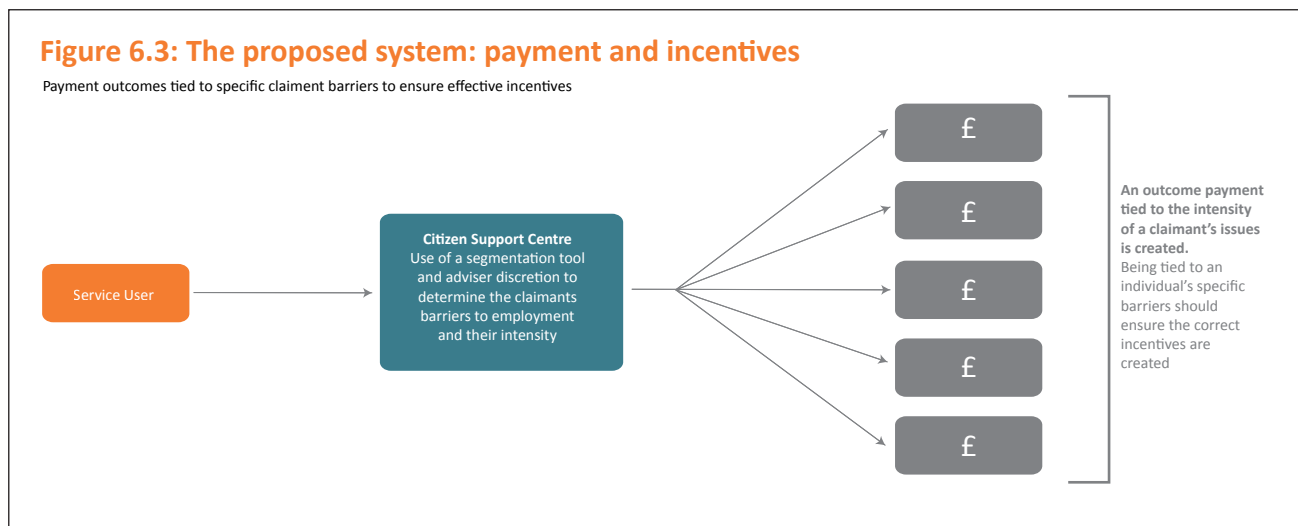
Instead of top-down attempts to predict where needs are, or to target what is politically expedient, funding would follow the individual. This would mean channelling funds, with a focus on intensity of need and outcomes, rather than designing specific schemes.



**Accurate payments**

To achieve this outcome an appropriate sum would need to be allocated to each individual on the basis of their needs. The creation of Citizen Support centres would offer a way to deliver this goal. By taking advantage of its position as a central ‘hub’ to government services, it could segment claimants on the basis of their needs rather than using one single crude metric such as the type of benefit claimed. In this manner it should be possible to provide much more tailored outcome payments tied to the claimant on the basis of the intensity of their barriers to work.

This would mean higher rewards for getting those with high barriers to work into employment, and lower rewards for those with fewer, less intense, barriers. Our proposed system for payment and incentives is displayed in figure 6.1.



**Recommendation 12: The Citizen Support centre should attach a bespoke payment to the individual on the basis of their barriers to employment. This should then be the sum available to the provider if they help the individual sustainably find employment.**

### Signposting and Referral

Doing this will necessitate a more sophisticated understanding of the claimant's complete barriers to employment, tackling skills issues and other problems that may entitle them to receive government services. This would in turn necessitate a more sophisticated diagnostic tool.

**Recommendation 13: The Department for Work and Pensions should develop a diagnostic tool that assesses the barriers faced by claimants and the intensity of those barriers.**

Specifically, in the welfare space a Jobseeker Classification Instrument (JSCI) to diagnose claimant barriers and allocate them to an appropriate provider should be developed along the lines detailed in box 6.1 below:

#### Box 6.1: JSCI – The Australian model and Policy Exchange recommendations

A previous Policy Exchange report, *Personalised Welfare*, recommended that:

- Development of a Jobseeker Classification Instrument (JSCI) was needed to identify specific barriers to work so that support can be better targeted.

This would estimate the length of time any claimant would be expected to spend unemployed in the absence of any employment support.

- Personal advisers should be given more power to identify at risk claimants. This would then give advisers a way to indicate if they thought that the classification tool has not been effective for any particular claimant.
- The tool should be piloted and continually evaluated. It should be adapted to use the outcomes of its previous decisions to improve the accuracy of the model.

In the past, Policy Exchange stated that assessment with the JSCI should be delivered from day one of a claim and should encompass:

- Greater gathering of data from the claimant;
- Greater use of data held by DWP and other government departments; and
- Use of information held by private sector firms, such as credit rating agencies.

The Department for Work and Pensions has already undertaken some work in this area. Most notably, an attempt to create a JSCI that predicts the likelihood of an individual still being on benefits in 24 months. This has had some success but the model was not accurate enough to justify implementation.<sup>99</sup> Illustrating this point, targeting the top 30 percent of those deemed likely to be long-term unemployed by the model would still only capture 70 percent of those who actually became long-term unemployed, alongside providing 26 percent of non long-term unemployed with unnecessary intensive support.<sup>100</sup>

The DWP informed Policy Exchange that no further work on the JSCI tool has been undertaken since the publishing of the working paper.<sup>101</sup> They stated that:

*“The JCSI tool was found to be insufficiently effective in identifying people who ended up as long term unemployed, therefore it was not rolled out further.”<sup>102</sup>*

Instead, the Department has confirmed that it is considering segmentation on the basis of which claimants would be most likely to respond to specific interventions. The current focus is around which new JSA claimants should be assigned to weekly or fortnightly jobsearch reviews, and the Department has confirmed that it is open to using this approach for contracted out programmes if it is successful.<sup>103</sup>

The mixed results from initial attempts at segmentation suggest that some of the more lofty goals of coordinated support may be some way off. However, two things can be noted. The first is that an assessment already takes place within many services to a certain degree and that getting a broad sense of the claimant’s complete barriers is not asking anything other than combining the assessments undertaken by a collection of services already.

The second is that a model does not necessarily have to be predictive in the way the JSCI trialled so far was. The reason that predicting unemployment spells of two years was the focus of the DWP’s JSCI trial was that this was one of the main criteria for determining eligibility for the Work Programme. If the JSCI had been successful then this would allow referral to the Work Programme to

99. Matty, S, *Predicting likelihood of long-term unemployment: the development of a UK jobseekers’ classification instrument*, Department for Work and Pensions, 2013

100. *ibid.*

101. Freedom of Information request (Ref.1350), please contact the author for more details.

102. Freedom of Information request (Ref.1350), please contact the author for more details.

103. House of Commons Work and Pensions Committee, *Role of Jobcentre Plus in the reformed welfare system: Government Response to the Committee’s Second Report of Session 2013-14*, House of Commons, 2014

occur earlier, preventing the individuals in question from spending two years on benefits before becoming entering it. However, the very point of the model being proposed here is to move away from such arbitrary eligibility criteria, and towards a system which identifies claimant barriers and needs.

It is for this reason that several different approaches should be trialled and considered. The first is that the DWP's current approach has much merit, determining the likely effectiveness of specific interventions. This is useful on its own, but may also help reveal claimant barriers, or characteristics which may affect them finding work.

**Recommendation 14: The Department for Work and Pensions should continue with its attempts to develop diagnostic tools that segment on the basis of how likely claimants are to respond to specific interventions.**

However, this will not be enough to fulfil the role of a Citizen Support centre, or to allow a truly transformative system to be established. Ultimately, under the proposed system, Citizen Support centres would not be carrying out interventions, instead leaving that responsibility up to providers. As a consequence, there will be a wider need to develop a diagnostic tool which assesses and summarises more general barriers. Therefore we recommend:

**Recommendation 15: Alongside predictive tools the Department should develop one based on an accumulation of claimant data and an assessment of how severe those barriers to work are, rather than an attempt to predict the likelihood of long-term employment.**

This diagnostic tool is not predictive in terms of assessing the percentage chance of something occurring, but instead would highlight the barriers that need to be addressed and overcome. In many ways, it would simply amalgamate the data collection functions of a number of different programmes into a simple and usable package that could then be put to use for purposes of referral. This simplicity would allow it to avoid many of the pitfalls that the existing pilot has failed to solve.

Its use for determining payments could still come from attaching a 'sum' on the basis of each identified barrier and their severity, using a combination of adviser discretion and the available information. In this sense, it would be vital for passing on information to providers and for providing more complex differential payments.

## Data sharing

Gathering the type of data required, and passing it on, will only be possible if there are sufficient provisions made for increased data-sharing. This is an area that has traditionally hindered the effective coordination of services and consistently frustrates policy makers. However, it is necessary due to a need to:

- Effectively gather relevant information for the diagnostic tool.
- Share the necessary data for providers to understand claimant barriers and make effective interventions.

- Monitor and track the outcomes providers achieve, and reward success or failure.

This is an issue that has become increasingly apparent in public sector reform. In many cases, the information needed is held by different bodies meaning that the perception of haphazard decision-making persists.<sup>104</sup> The issue is often not collection, but how it can be combined and used. Many of the shock stories that appear in the media or Parliament where government interactions go wrong stem from this issue.

Retrospectively it is always easy to say that an individual had extenuating circumstances which affected their ability to find employment, but without systems which allow them to be identified beforehand there is little which can be done. A good example of overcoming these barriers comes from the experience of the Margate Task Force:

104. BBC News, *Jobcentres assess claimants 'haphazardly', say MPs*, accessed at: (<http://www.bbc.co.uk/news/uk-politics-25920865>), 2014

105. Margate Task Force – *Transforming joint street level services to better identify and respond to risks and vulnerabilities*, Internal presentation.

106. Kent County Council (KCC) Community Wardens, KCC Social Services (children), KCC Trading Standards, Kent Fire and Rescue Services (KFRS), Kent Probation Service, Kent Police Service, Thanet District Council (TDC) Housing, TDC Enforcement Services, TDC Environmental Services, TDC Community Development, Job Centre Plus (JCP) and Department for Work and Pensions (DWP), Family Intervention Workers (Troubled Families), NHS Public Health (GP, health Trainers, Health Visitors, Community Psychiatric Nurse, Child Safeguarding Nurse), Family Intervention Officers, Drug Support Services (Kent Council for Addiction and Turning Point), Home Office Immigration Enforcement Services, Global Generation Faith Group, Pipeline Youth Project, Community Action Teams, Community Pastors, CXK (covering 16-18 year old NEEs)

107. Margate Task Force – *Transforming joint street level services to better identify and respond to risks and vulnerabilities*, Internal presentation.

108. Sawyer.K, *Case Study – Integrating Services to better serve communities, Margate Task Force, Reform*, 2104

109. Thanet District Council, *Margate Task Force wins at the Kent Community Safety Awards*, Accessed at: (<http://thanet.gov.uk/the-thanet-magazine/press-releases/2013/april/margate-task-force-award/>)

### Box 6.2: The Margate Task Force (MTF)

The Margate Task Force comprises 30 staff from 14 agencies and its stated aim is to “radically transform the way public services work collectively and visibly in effectively tackling issues; generating multiple positive outputs and outcomes for all participating agencies and the public they serve.”<sup>105</sup>

It is located at Thanet District Council in Margate, Kent, and covers two wards: Margate Central and Cliftonville West. It was formed to tackle systemic issues which existed in these geographical areas, with a recognition that doing so would require joint working and approaches.

Combining such a large number of organisations<sup>106</sup> necessarily means there is some complexity. Nonetheless, the MTF undertakes a number of multi-agency tasks including using joint information to identify streets suffering multiple vulnerabilities, and providing a “joint dynamic ‘one stop’ assessment of individual’s problems.”<sup>107</sup>

Evidently agencies have information which would be useful for the MTF’s operations, but cannot be shared without breaching various data protection protocols. To resolve this, each agency is connected to their own data systems, and then specially authorised members of the team collate, analyse and present the data, using it to inform their operations. For example, information from each agency can be mapped to identify “potential crime or social problem hotspots and their causes.”<sup>108</sup>

According to a publically available response to questions from a Kent County Councillor, the Task Force has achieved multiple positive outcomes and won several independent awards for collaboration, partnership, and innovation.<sup>109</sup> What it shows is that whilst there are barriers to sharing data, they can be overcome by a determined organisation.

For the vast majority of poverty-fighting needs, the diagnostic and referral services will gradually be absorbed into Citizen Support centres, allowing information to be collected, and used to determine the best path forward for the claimant. It is for this reason we recommend that:

**Recommendation 16: At initial contact Citizen Support centres should undertake a full assessment of each individual’s needs in order to gather all of the data that would previously have been collected by separate bodies.**

This could happen in a number of ways. The information could be directly collected from the individual and their service history through a comprehensive process, or certain questions, such as “do you have housing issues,” could be used as triggers to explore certain areas further.

Ultimately, this would depend on the exact array of services in place at the time, and the individual claimant. There should be substantial adviser discretion, so as to ensure that the process is not too arduous, and does not undermine the accessibility of Citizen Support centres. Policy Exchange’s previous report, *Personalised Welfare*, outlined that this could include the use of private sector data, a greater number of questions and separated assessments for benefit eligibility and employment support.<sup>110</sup> This process should be created through the Department consulting with academics, stakeholders, local governance and other relevant individuals.

### Using what we have

We recognise the imperative for government to be absolutely transparent and to operate in accordance with the rule of law on its use of citizens’ data in the delivery of public services. In this case we believe a strong argument can be made that greater coordination and data sharing between the relevant departments could result in far more targeted and coordinated services for some of the most vulnerable citizens. If deemed necessary it would be possible to build in a process for citizens to give their explicit consent for data to be used in this manner upon initial interaction with the Citizen Support centre.

**Recommendation 17: Wherever possible, Citizen Support centres should utilise existing government data to help assess the barriers service users will face. This should be done by data sharing agreements between the Department and other central and local governmental bodies.**

### Passing it on

This information would be useless if it was not effectively communicated. The central point of Citizen Support centres would be to coordinate services through attaching appropriate payment sums to the individual service user, and passing them on to an appropriate provider of services. For this to happen, the information collected must be in a useable format. Therefore, we recommend:

**Recommendation 18: The collected data should be incorporated into a summary of the individual’s service needs, their intensity, and a corresponding outcome payment to encourage providers to help them overcome their barriers.**

It is also clear that it is necessary for this information to be passed on to providers. Otherwise, they would be unable to intervene effectively and provide

110. Holmes, E, & Oakley, M, *Personalised Welfare – Rethinking employment support and Jobcentres*, Policy Exchange, 2011

the necessary services. However, passing on information unnecessarily may cause data protection issues, or risk overloading the provider with a large amount of irrelevant information. Therefore we recommend that:

**Recommendation 19: The system used should produce a digestible summary of the barriers the provider is expected to help the user overcome. This should be included with the referral that follows the individual.**

Perhaps most noticeably, where this differs from existing trials of the JSCI is that it is not a predictive model but rather an attempt to amalgamate the various information held on an individual's interactions and needs into one place. A model that focused on attempting to predict so many different variables and needs would inevitably have a large margin of error and result in incorrect allocation. As such, we suggest that:

**Recommendation 20: The output of this model should focus on current barriers to work and service needs, rather than attempting to predict more variable long-term outcomes.**

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# 7

## Summary of Recommendations

Principle for reform: Create a central hub that comprehensively assesses peoples' specific needs.

The role of the JobCentre should change in order to become the central point of access for government services, for assessment of needs, and for referral to specialist providers. This would require reform and rethinking how, why, and where it should operate, including splitting the assessment and employment support functions.

**Recommendation 1: JobCentre Plus as it currently exists should be split into two constituent parts. The first would be the 'Citizen Support' centre, a body responsible for administration of benefits, assessment, segmentation, and referral.**

**Recommendation 2: The employment support element of JCP should be established as a separate body and transformed into a mutual.**

**Recommendation 3: Citizen Support centres should encompass referral for a much wider range of services than just employment support. This could include services such as skills, assistance with rehabilitation, housing, health, and other core government services.**

**Recommendation 4: In the shorter-term, the referral aspect of services should move to co-locating where possible in order to begin adjusting claimant expectations and the organisation of services more broadly. This could occur either in existing JCP facilities, or in other community spaces.**

**Recommendation 5: Longer-term decisions about the estates of government services should be made with a view to rolling referral and administrative services into Citizen Support centres.**

Principle for reform: Create a more diverse range of employment services.



Joining up the services that people need will require a combination of specialist providers and a commitment to coordination. As such, we recommend that efforts should be made to make the range of employment services available as diverse and accessible as possible. We suggest splitting off and mutualising the employment support element of Jobcentre Plus, and subjecting it to competition with other providers.

Users would receive referral to the most appropriate provider from the 'Citizen Support' centre. That provider would then be responsible for providing cross-cutting support, either directly, or by coordinating other specialist providers. In this way it would aim to provide joined up support for the individual, removing the onus on them to interact with multiple services, and tying together all the funding into one 'bundle' for dealing with their issues as a whole.

**Recommendation 6: The default setting for employment support services should be that they are contracted out to private or third sector providers, or other more local public bodies.**

**Recommendation 7: The employment support element of Jobcentre Plus should be spun out into a mutual or social enterprise that is subject to competition with other providers.**

**Recommendation 8: A 'purchaser-provider' split should exist between Citizen Support centres and those providing alternative services. Allocation to services should depend on two criteria:**

- The performance of the provider when dealing with similar individuals.
- The preferences of the individual receiving services.

**Recommendation 9: DWP and other relevant departments should consult on how a licence-based system could operate and whether or not it is an appropriate way of expanding access to the market.**

**Recommendation 10: Government should instead control the overall budget, rather than creating micromanaged or targeted schemes.**

**Recommendation 11: Where discrete government schemes are created, they should compete for funding on a level playing field with other providers.**

Principle for reform: Shift funding so it follows the individual to the provider they select, rather than funding providers directly.

In order for the correct services to be joined up around the individual, it is necessary to direct funding in a way which is accurate and responsive. Without this flexibility there will not be the correct incentives to cater for individual's needs.

To achieve this, it will be necessary to gauge the individual's barriers to work, and assign them a budget which incentivises providers to give them the

appropriate amount of treatment and makes it profitable for the provider to return them to work. In order to achieve this we will need a much more advanced understanding of the barriers to employment a claimant has.

**Recommendation 12:** The Citizens Support centre should attach a bespoke payment to the individual on the basis of their barriers to employment. This should then be the sum available to the provider if they help the individual sustainably find employment.

**Recommendation 13:** The Department for Work and Pensions should develop a diagnostic tool that assesses the barriers faced by claimants and the intensity of those barriers.

**Recommendation 14:** The Department for Work and Pensions should continue with its attempts to develop diagnostic tools that segment on the basis of how likely claimants are to respond to specific interventions.

**Recommendation 15:** Alongside predictive tools the Department should develop one based on an accumulation of claimant data and an assessment of how severe those barriers to work are, rather than an attempt to predict the likelihood of long-term employment.

**Recommendation 16:** At initial contact, Citizen Support centres should undertake a full assessment of each individual's needs in order to gather all of the data that would previously have been collected by separate bodies.

**Recommendation 17:** Wherever possible, Citizen Support centres should utilise existing government data to help assess the barriers service users will face. This should be done by data sharing agreements between the Department and other central and local governmental bodies.

It will also be necessary to pass this information on to each individual's lead provider, without compromising data protection regulation or providing a large amount of unnecessary information.

**Recommendation 18:** The collected data should be incorporated into a summary of the individual's service needs, their intensity, and a corresponding outcome payment to encourage providers to help them overcome their barriers.

**Recommendation 19:** The system used should produce a digestible summary of the barriers the provider is expected to help the user overcome. This should be included with the referral that follows the individual.

**Recommendation 20:** The output of this model should focus on current barriers to work and service needs, rather than attempting to predict more variable long-term outcomes.

# Appendix A

## Roundtable discussions: A summary

As part of the research process we held four roundtables to discuss support for vulnerable groups. These were followed by a roundtable to discuss the implications for public policy and welfare reform. All roundtables were held under the Chatham House rule, but a brief summary of each is depicted below.

For the purpose of brevity, only summaries of the issues and suggested policy solutions are included. The nature of each roundtable meant that there were wider discussions which are not directly relevant to this paper, and have therefore been excluded in this case.

Similarly, these write-ups highlight grouped conclusions rather than detailed discussions about specific policy. This is because they are intended to provide a general overview of views expressed, rather than detailed discussion of extremely specific issues. Condensing discussions which lasted over an hour into a page of findings necessarily requires calculation, and certain material is left out. These summaries reflect the author's view of discussions at these events, rather than a transcript of the discussions.

For more detailed summaries of each individual event please contact the author.

### Roundtable 1: Disability and health issues

#### Issues:

- An issue was raised that the medical diagnosis of whether an individual is 'fit to work' is substantially different from consideration of the whole range of employment they could take on.
- In many cases, JCP is not best placed to make decisions over the type of specialist support which may be needed. The combination of these factors can lead to people dropping out of work earlier making it harder for them to re-enter the workplace.
- A central issue mentioned was that many people suffering from a health or disability issue could not access support until they had become unemployed as there was no obvious service to provide in-work support and assist with job retention.
- If individuals return to work, it is only after they have been working for a period that they begin to realise that there may be issues with transition.
- It is hard to access the necessary funding, support, and treatment until the health or disability issue had become acute.
- Some noted that there are widespread low expectations of roles which could be undertaken with a health or disability issue, which meant that the careers

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and support advice people received did not always accurately reflect the possibilities open to them.

- A reoccurring theme was whether or not the Work Programme could be adapted or diverted to provide more specialised provision. However, it was unclear how realistic as a suggestion this was and where a good place to start would be.
- An example given was that several pots of funding attached to the youth contract could only be accessed by Work Programme providers and not 'work choice' providers, until subsequent lobbying rectified the issue. Often equal access to funding could only be gained with specific lobbying efforts.
- In terms of providing a coherent service, it was noted that there were many good programs on the ground that could be more effectively coordinated. A key part was ensuring that the correct referrals were made at the first point of contact.

#### Views on policy:

- There needs to be greater parity between specialist providers and the Work Programme, as well as greater coordination between the services.
- There is a real opportunity to improve services and coordination by examining how services are commissioned and funded. This could include synthesising public health and employment support funding.
- This would require greater consensus over the role each organisation has, what the costs of each independent intervention are, and how payment is awarded to each organisation for each intervention.
- Comments reflected that generally users of services liked the idea of some influence over the services they could use, but that the idea of complete control under a personalised budgeting system was met with anxiety.
- These problems and the associated data requirements pose huge challenges.

## Roundtable 2: Families with multiple dependencies

#### Issues:

- A community focus was necessary to sustain interaction as repeated referrals were seen as ineffective and discourage people from continued interaction with support services.
- Without a comprehensive and joined up plan there is a risk of problems simply being displaced.
- Part of the issue is that there is a large focus on individual outcomes but little on community outcomes which assess whether or not interventions have improved multiple people's lives or the situation of a family.
- A focus on intervention with employment as the overriding goal can obscure the focus on other wider barriers to entry. This can be especially problematic as wider familial circumstances can prevent individuals from finding employment.
- A common statement was that issues of coordination were frequently caused by different government departments having their own agendas, budgets, and priorities. This means reduced incentives for cooperation and coordination.
- The expectation that local providers will 'take up the slack' and be responsible for services being coordinated was reflected. It was suggested that this

means that coordinating services is rarely a primary consideration for central government.

- There are often political or institutional barriers to coordinating, as well as issues with variations in service type, and the logistics involved in coordination.
- Ownership of outcomes and subsequent payments can be problematic. The difficulty of reconciling outcomes payments for different interventions without increasing deadweight means that incentives for coordination are often distorted or non-existent.
- The referral system the Work Programme operates under classifies individuals by their benefit type. This is not a useful assessment of their need and the support they require.
- There is a tendency to repeatedly try the same interventions rather than combining or redesigning them more effectively. This is not a sensible or appropriate approach.
- Views on policy:
- There are a lot of organisations which have the necessary expertise in wider community interventions, but are not included in the commissioning process. As a result these services were being provided on a more voluntary basis.
- There was an emphasis that local coordination was necessary in order to produce a more joined up 'offer' of services. One attendee commented that "trying to do that from Whitehall is never going to work... There are such different strengths and issues in these areas."
- It is a major challenge to strike a balance between introducing policies to more effectively coordinate services, allowing the necessary local discretion, and not attempting to apply a one-size-fits-all policy. As such policies to increase coordination should not be focused on micromanaging, but on facilitating better join-up at the local level.
- In order for better coordination and provision, it will be necessary to refine tools for assessment including further development of the DWP's Job Seeker Classification Instrument.

### Roundtable 3: Care leavers

Issues:

- A commonly expressed sentiment was that care leavers were expected to transition from care to independent living whilst simultaneously lacking the right skills and being unprepared for work.
- The 'cliff edge' in terms of support eligibility was raised as a particular issue, especially given the level of independence which was expected of care leavers.
- Often despite being entitled to various forms of support or benefits, care leavers would not be aware of this fact, or would be unable to access them.
- There was a widely documented issue that care leavers feared losing their benefit if they entered employment, primarily as it could be so unstable.
- Poor quality pathway planning currently exists. The system has to be more robust in giving the necessary support before work can be considered as a reasonable outcome for care leavers.
- Accommodation support is often very poor, and the lack of a single point of contact or mentor was a substantial problem given the lack of guidance a care leaver would receive through a complex journey.

- Issues with low expectations for care leavers and subsequent low provision of things like high quality work experience were highlighted.
- A frequent comment regarding interaction with services was that the quality of advice and guidance received from JCP, personal advisers, and other sources was often insufficient.
- While bilateral relations with Jobcentre Plus and other organisations were mentioned, it was also commented that these could be inconsistent, and in certain cases could take the form of ‘passing the buck’.

#### Views on policy:

- It was emphasised that Universal Credit was meant to resolve issues with income fluctuation and eligibility, and that within the Local Support Services Framework Care Leavers were listed as a priority group.
- There was a consensus that there should, if possible, be a more tailored approach, providing more suitable and flexible support. This would also require an increasingly sophisticated understanding of the barriers each care leaver faces.
- Ideally the correct cut-off or participation age would vary depending on the need of the care leaver.
- Building up resilience was emphasised as important. This is because a more comprehensive attempt to create stability for the care leaver means that they are less likely to fall back into needing the social worker if there is a problem.
- It was also noted that an ideal form of support would include one person ‘holding’ a care leaver’s case so that they had a consistent point of contact or reference.
- There were mentions that increased resources would be necessary in order to provide more effective support. However, it was also mentioned that the available resources were already significantly constrained. Squaring this circle will be necessary to provide more effective support.

### Roundtable 4: Joining Up Welfare: From Whitehall to Delivery

#### **Before the roundtable, attendees were issued with the following brief:**

Consistent feedback throughout the research we have conducted indicates that disjointed service provision is common. This means that multiple problems exist including:

- Duplicated services which can result in user confusion around which support services are available to them. This can result in inappropriate forms of support being accessed, or services not being accessed at all.
- A lack of coordination can have implications for how service users experience services, and what quality of provision occurs.
- Inconsistent eligibility criteria and service design can result in users facing exclusion from services they would otherwise be eligible for such as skills funding.
- As a result of uncoordinated provision there is often a duplication of services, with several organisations in the same geographical area providing similar or identical services.

- There are often issues related to how welfare to work is financed. A lack of coordination can mean that providers are rewarded for outcomes from other interventions, or that there are few incentives to target certain groups.

The causes of these issues are to some extent diverse. However, it was consistently identified that some of the root causes of disjointed service provision were that:

- There is a general lack of communication and a level of confusion surrounding which other organisations are providing support in any given area and what the eligibility criteria for services are.
- There are barriers to the collection and sharing of data between different providers and organisations.
- There is a lack of available data for tracking interventions or comparing outcomes. Even if this does exist, it is rarely in a useful or useable form.
- Existing linkups between services are insufficient. This is primarily as they occur on specific, ad-hoc issues, and are not incorporated into wider service design at every possible level.
- Different departments and projects frequently have narrowly defined outcomes. A focus on them can frequently mean that coordination with wider services isn't given priority.
- Budgets are dedicated to specific programs, goals and groups limiting the extent to which departments or organisations are willing to encourage a joining up of services.
- Commissioning and service delivery areas are often incoherent. The result is that instead of larger commissioning areas being composites of smaller ones, geographic boundaries from different levels of provision can cut over each other hindering effective cooperation at the higher level.
- Due to some distortions in the frameworks providers operate under, there are few incentives for cooperation, and in some cases there are even disincentives to allocating users to more effective forms of support.

Many of the potential solutions are specific to the type of service and the needs of the user. However, a picture of several desirable outcomes has been built. This includes that:

- Services and support should be more holistic, with an appreciation of how they interact and a greater degree of planning.
- Services should ideally be accessible or coordinated through one point of contact (an individual or team), reducing confusion when accessing services, helping develop a relationship with the user, and streamlining referral processes.
- Data sharing and an awareness of other interventions should be encouraged and could be facilitated by a more central point of access.
- Segmentation and assessment of employment support needs must improve. This could be used to direct individuals to more appropriate support, as well as to create more accurate outcomes payments.
- Funding should ideally be directed towards the support needs of each individual rather than the objectives or goals of a specific department or programme.

Perfect service design is unlikely to be possible. Every decision will involve trade-offs, and the web of organisations, providers, and other forms of support will be too complex to construct any form of prescriptive system around.

**Steps which might be taken to resolve these issues were then discussed. A brief summary of several points raised in the discussion is below:**

- Joinup can be obscured when organisations have combined roles such as commissioning and delivery. An ideal service structure would avoid this.
- Unitary or consistent commissioning areas would be ideal – but should probably be formed from consistent economic areas. If constructed then they would have to incorporate aspects like ‘travel to work’ routes.
- Where commissioning occurs for a set of outcomes, payments will have to be calibrated to those areas and the unique circumstances of the individual or community.
- Devolving funding may be necessary for more coordinated services, but risk and responsibility must also be devolved with it.
- Local Authorities are already taking over increased responsibilities under the Universal Credit support services framework and this may build capability. Right now they have some responsibilities, but not necessarily corresponding budgets.
- In policy terms incremental change may be best. Opening up increased autonomy to bodies which want it, alongside a gradual shift in the commissioning landscape could be the way forward.
- Jobcentre Plus reform such as splitting the delivery and referral mechanisms could be used as a model for better data sharing and coordination.
- Devolution of power and responsibility raises issues of democratic accountability. The respective responsibilities of local government, central government, and providers may be unclear.
- Different services may need to be commissioned or provided at varying scales. This can hinder the joinup of services, or attempts to harmonise existing commissioning areas.
- Skills and employment support were seen to be amongst the worst coordinated services. Coordination seems to be weakest for the hardest to help despite the fact they are the ones driving most of this agenda.
- There are a range of opportunities under Universal Credit to devolve budgets, but there is a tension over whether the focus should be on community level interventions, individual interventions, or interventions across wider commissioning areas.
- The key worker in the Troubled Families model was noted as a particularly interesting model to emulate.
- Key areas for improvement would include developing policy around data sharing, purchaser/provider splits, accountability, consistency in evaluation, risk management, and how pilots would be run.



## Appendix B

# Call for Evidence: A Summary

As part of the research process for this report, we released a call for evidence to the general public which received around 30 responses either directly or through our online form.

There was a separate set of questions for service users and service providers. Both are detailed below:

### Joined Up Welfare Call for Evidence

As part of its programme of work on the UK labour market and welfare reform, Policy Exchange is conducting research on how welfare provision and employment support can be better coordinated and financed at a local level. We are looking specifically at programmes that are intended to help individuals, families and communities to enter, or move closer to finding, work.

This support might target employment directly or indirectly by helping people to tackle health or family problems or broader barriers to employment. Examples of programmes we are interested in include (but are not limited to):

- Government run or procured support such as Jobcentre Plus and the Work Programme;
- Local Authorities' programmes of support;
- Housing Associations providing or involved in support services; and
- Third sector and voluntary organisations providing support or removing barriers to work.

The key issues we are looking to cover are:

- What effective interventions exist to overcome barriers to work;
- The process for collecting evidence;
- How these programmes overlap or work together;
- How these services are funded;
- Whether or not incentives for investment and cooperation exist;
- Whether a more coordinated approach would deliver better results.

We are framing this question around three specific disadvantaged groups. The groups are:

- Those with a disability or health problem;
- Care leavers;
- Families or individuals who live in areas of concentrated dependency.

For each of these groups, to inform this work we are looking to speak to:

- Organisations and individuals delivering support services;
- Current support service users; and
- People who have used these support services in the past.

### Questions – Past or Current User of Support Services:

1. We may publish details of some of the submissions on our website or in a report, would you be happy to be acknowledged in this way? [Yes][No]
2. Would you place yourself in any of these groups?
  - Suffering/suffered from a disability or health problem.
  - In the process of leaving/have left the care system.
  - From a family or area where worklessness is high.
  - Need help gaining skills or training.
  - Other:
3. Broadly what barriers do/did you face when seeking employment?
4. What programmes and services have you used to help you get back into work? How helpful were they?
5. Are you/were you aware of any other services available to help support you back into work.
6. Did any of these support services overlap and were they well coordinated?
7. How do you believe support services could be improved?
8. Other comments:
9. URL for any supporting documents:

### Questions – Organisation/Individual Delivering Support Services:

1. We may publish details of some of the submissions on our website or in a report, would you be happy to be acknowledged in this way? [Yes][No]
2. Which of the groups in question does your response refer to?
3. Those with disability or health problems.
4. People leaving or who have left the care system.
5. Families or areas where worklessness is high.
6. Families or individuals needing help to gain skills or training.
7. Other:
8. Broadly speaking, what barriers do your service users face when seeking employment?
9. What type of services and programmes does your organisation provide?
10. How are these programmes and activities funded by national and local government?
11. Are you aware of other services or programmes that are available to help your service users? If so, who delivers these services?
12. To what extent do you think the range of services and programmes are well coordinated?
13. How might coordination of services between different organisations and government departments be improved?

14. To what extent does the availability of support vary according to location?
15. How are interventions assessed and can we effectively identify outcomes? Is this affected by the involvement of multiple support organisations?
16. What are the key barriers to you providing effective support to your service users and how could these be tackled?
17. Are there further innovations in delivering support services your company would like to undertake? If so what are the barriers to doing so?
18. Other comments:
19. URL for any supporting documents:



More than one in ten adults in Britain suffer from multiple disadvantages at any one time, including many of the most vulnerable people in our society. Finding a way to improve the quality of life for these people is essential. This requires a system that is as flexible as possible.

Our current welfare system has made great strides in recent years, but needs to go further to join up the support services people receive. This report sets out a direction for welfare reform to follow and a system to aim for over the next decade.

It recommends creating a central hub which comprehensively assesses people's specific needs, creating and harnessing a diverse range of employment services, and shifting funding so it follows the individual rather than funding providers directly. Doing so would create a system which is more effective, responsive, joined up. This would mean better services for users, and less duplication and wastage for government.

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