

**In work, better off:  
Next steps to full employment**

**Government Green Paper  
Department of Works and Pensions.**

**A response by**

**The Pluss Organisation.**

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Contact - [martin.davies@pluss.org.uk](mailto:martin.davies@pluss.org.uk)

## **The Pluss Organisation**

The Pluss Organisation is one of the largest social firms in the UK and is a 'non profit distribution Company, Ltd by Guarantee', owned by four Local Authorities. The company delivers Employment Support Programmes for people with disabilities in the South West. We are one of the largest Workstep providers in the country and also deliver employment related contracts for the LSC, Local Government, Health Trusts and the Government Office South West through ESF. We employ 497 staff, have an annual turnover of £21 million, work with over 700 employers and deliver quality services to over 2100 individuals classified being 'furthest from the labour market'.

Our response to the Green Paper is based on our experience in providing employment solutions to those individuals truly furthest from the labour market and as a provider of DWP, LSC and local authority disability employment contracts.

## General Comments

Pluss welcomes and fully supports the Government's objectives to achieve 80% employment. We share the vision of a flexible and innovative provider market, and the key role that the third and private sector have to play in achieving these goals. The document identifies specific groups as being 'furthest from the labour market', recognising the difficulties and barriers that these groups face and the need for a 'person centered' approach in moving individuals into work.

This response is based on Pluss's experience as a specialist provider of disability employment services to those individuals who are truly furthest from the labour market, those not being considered by Jobcentre Plus (JCP) as ready for provision such as New Deal for Disabled People NDDP. Pluss supports these individuals through specialist provision such as Workstep, Workprep, Access to Work and Permitted Work.

Our initial response to the document must be one of disappointment around the lack consideration or even mention of existing programmes that are proven to work for these groups. It is ironic that for a customer group who are considered inappropriate for NDDP (with job outcome rate around 30%), that providers such as Pluss achieve job outcomes of around 90% and progression statistics of around 10%. Pluss maintain that this is evidence that good quality provision based around a flexible, person centred approach can succeed in delivering the Government's goals across all areas of disadvantage.

Pluss has a number of concerns over the contracting model outlined in the document which are addressed in detail further on in the response. The use of a 'prime contractor' model could be successful providing the following points are addressed:

- Initially the market will be too immature to deliver an effective and safe supply chain. Consideration should be given to awarding 'prime contracts' to 2 or 3 providers per contract area. This will provide choice for the customer, allow a subcontract market to develop and provide DWP with some safeguards from non performance.
- It is too ambitious to expect a developing open market to deliver both the volumes that are required to achieve the Government's 80% target and avoid 'cherry picking'. There is nothing wrong with allowing the market to address the volume issues providing a raft of specialist support is also commissioned to address the needs of those furthest from the labour market, acting as a safety net. This can be reviewed as the prime contract market matures and the initial volumes are dealt with.

The issue of conditionality, where as complex, is mostly a political decision as there is little doubt that achieving full employment will necessitate compulsion of some kind. There remains a question of whether it is more appropriate to fund and support the tens of thousands of individuals who wish to work but who are excluded from existing DWP services and under these proposals will remain excluded, prior to introducing conditionality for other groups. Only 10% of people with Learning Disabilities are in work compared with around 50% of people with disabilities, there is a similar picture for individuals with mental health issues. Pluss works with large numbers of individuals who could and would work if the right level of support was available.

The Green Paper covers 'Delivering through Partnership'. There is little evidence of this working at service delivery point. There are numerous initiatives from DWP such as City Strategies, Local Employment Partnerships, Flexible New Deal and Pathways to Work with little understanding how they interact. This is compounded by the need for integration of services with Local Authority, Health Trusts and Learning Skills Councils initiatives. There is huge scope for improvement in services through clear understanding of customer needs through a joint commissioning approach. At present there is great misunderstanding between agencies, with even a lack of clarity of terminology. Severe disability has a different meaning in each sector as does 'furthest from the labour market'. Until the key Agencies truly work together the aspirations outlined in the Green Paper whilst delivering for some will leave out large numbers of customers particularly those with complex, varying needs and the most vulnerable.

The proposals for developing a Flexible New Deal model are generally welcomed. Removing the stigma for labels and delivering through person centred individualized programmes can only be positive. However there is a fundamental flaw in the proposed model which prevents access to specialist support by up to 12 months. The 'fast tracking' proposals should be reviewed to allow appropriate support at the earliest possible time and engagement of the specialist providers from the third sector during the JCP assessment process to ensure accurate assessment of potential and need.

## Contracting Principals

The Green Paper within Chapter Five sets out to address 'Contracting principals with the private and voluntary sectors'. The paper asks 8 specific questions, the answers of which Pluss believes are fundamental to the government achieving its 80% employment target.

- **What are the capabilities needed in a high performing supply chain of providers? How can the commissioning body assure and strengthen the quality of these capabilities? What is the role of prime contracting in providing these capabilities? The capabilities needed are :-**

To be able to deliver to all sectors of the community including those currently excluded from mainstream provision.

Knowledge of the labour market and the engagement of employers.

Knowledge of the customer needs.

Ability to invest in resources, infrastructure, programme development and training. This is a requirement of both the prime and subcontract markets.

Management Information Systems that are appropriate to deliver data requirements not only for DWP, but also capable of interacting with other Government Agencies such as LSC. There is an argument that this would best be served through a national system run by DWP that all providers feed into, reducing both duplication of investment and ensuring consistency of data.

To understand, engage with and deliver to local agendas and needs, particularly around LAA, LEP and LSPs.

Provide customer choice.

**The commissioning body can assure and strengthen the quality of these capabilities by:-**

(This also covers the questions - **How does Government strike the right balance of risk and reward so that it encourages investment and innovation without making the position of vital, but smaller, providers unsustainable?**

**How does Government encourage those practices that make the difference between a productive and non-productive prime contractor role?)**

DWP exercise the right to withdraw contracts for poor performance.

Consideration of past poor performance in the evaluation and contract award procedure.

Offering appropriate length contracts. These should be a minimum of 7 years.

Ensuring Prime Contractors engage subcontracts on appropriate Terms and Conditions, including length and volume of contracts.

Jointly commissioning with other statutory bodies such as local Authorities and Learning Skills Council.

Subjecting all DWP provision, including processes delivered by Jobcentre Plus to a single external quality audit process, such as Ofsted.

Developing the market through a phased approach. Accepting that to achieve Government targets of 80% employment there will be 'cherry picking'. Allowing the market to deal with this and providing a suite of specialist programmes for those furthest from the labour market and those particularly vulnerable customers.

Creating a competitive market place and avoiding the creation of monopolies by contracting with more than one prime contractor per contract area. Although it could be said that this may initially introduce some additional costs through duplication of services, Plus believes this will be more than compensated over time by maintaining a competitive element keeping down over all costs. This model will also protect customers from poor performing providers offering DWP the option to terminate contract without withdrawing service. This will also allow an effective subcontract market place to develop.

### **The role of the prime contractor**

The Prime Contractor will be driven by the contract specification, outcome payments and in the case of the private sector the interests of its share holders. Therefore the specification must clearly cover the need to :-

Manage and develop an effective and financially sound subcontract market, ensuring an appropriate balance of risk and reward.

Engage with local agendas and deliver to meet local needs.

Deliver an equality of service to meet all individual needs.

- **What is the appropriate geographical level for first tier or prime contractors – and is the answer uniform across the country?**

There is no uniform answer to this question, however consideration should be given to the following issues in coming to a conclusion:-

The need to engage with Local Authorities in the commissioning process.

Local Agendas and needs.

Labour market.

Critical mass for volumes and funding to allow appropriate investment.

The need for a continuing competitive environment, by using more than one prime contractor.

The existing quality and provision level within a location.

The embryonic nature of the prime contractor market place.

This being said, Pluss believes that sub regional contracts employing 2 or 3 prime contractors, per sub region, would appear to be the most appropriate to allow market development and customer choice.

- **How does Government ensure that its contracting supports the integration of local area initiatives with the wider public services that play a role in helping people back to work? And**
- **How does Government ensure that the outcome of its commissioning strategy is narrowing the gap between individuals, groups, and localities and the average?**

This can only be achieved through joint commissioning of services. This model is currently successful in improving health and social care services. This consultation provides a unique opportunity to consider a radical approach that builds on the City Strategy procedures to create a formal arrangement for joint commissioning.

- **How does Government ensure that it is incentivising, and paying for, sustainable job outcomes?**

Set appropriate milestones for sustainability payments, Pluss believes this should be 12 months which is an appropriate balance to ensure sustainability and provide cash flow for the provider. However sustainability for those furthest from the labour market and vulnerable individuals will only be achieved through specialist provision until the market develops.

Operate within an environment of 'invest to save', recognizing the monetary and social value of employment in a holistic way across all public spending.

- **What can Government build into its approach to contracting that makes the customer a more active participant in the system?**

Ensuring that customer engagement and a person centered approach is part of the contract award evaluation process and reinforcing this through contract monitoring.

Joint commissioning with Local Authorities.

Ensuring initial assessment, 'gate keeping' and other JCP activities are subject to external quality audit.

Providing customer choice by contracting with more than one prime contractor per area.

## RESPONSE TO FORMAL CONSULTATION QUESTIONS

Pluss is responding to the questions it feels best placed to answer in relation to the provision and sectors of Jobseekers that Pluss currently provides services for. However some areas overlap and such responses have been included.

**Questions 1-9 and 11:** These questions are specifically based around supporting lone parents and BME. Pluss does not consider it appropriate to answer as this is not our main area of expertise but Q 3 can be linked to Q10 in the light of parents and carers of disabled children.

**Question 10: What more could we do to help working families – especially those from the most disadvantaged backgrounds- improve their earnings and lift themselves out of poverty?**

The barriers faced by working families have been consistent and are well known, mainly access to cost effective, available and appropriate child care, compounded by issues around inequality of support between lone parents and 2 partner families. The key will be to rebuild confidence in the support mechanisms and benefits offered, ensuring elimination of both real and perceived benefit traps.

- To clearly encourage and not disadvantage 2 parent families in terms of WTC, Housing Benefits etc. Housing/council tax benefits have no buffers such as WTC provision to allow for fluctuating weekly income. A solution could be an allowance such as buffer of £2500 per annum before declaring etc. Benefits need to take into account regional housing and childcare costs.
- It is vital that any Back to Work calculations are accurate and in effect guaranteed. Getting this wrong creates greater barrier to the individual involved and the greater community. This process needs to be streamlined.
- Ensure adequate funding/resources available that are cost effective for family such as after schools clubs, extended opening to meet labour needs, especially for part-time working such as evenings or early mornings. Increasingly important for parents and carers of disabled children as work can be respite and establish sense of self and value for such cases.
- More flexible and transitional employment stages to be recognised and supported to enable a building up of hours to meet conflicting family and working needs.
- Support and continuity of support must be available for each level to increase the chances to build to next and subsequent levels of employment outcomes. Potential incentives and sustainability payments for providers and jobseekers for increased periods i.e. 3-5 years.
- Providing support to enable parents to remain in the labour market through part time employment with hours to suit their child care needs (not tied to 8 or 16 hrs) during the early stages of parent hood would facilitate a smoother return later on.

- Encouragement and incentivising to update and maintain existing employment skills where possible in preparation for returning to work whenever ready.

**Question 12: In exchange for more specialist support, are we right to ask more of those who have been unemployed and receiving benefits the longest?**

Yes, if appropriate support mechanisms are in place to overcome barriers. However, as previously mentioned, the key area is to build Customer confidence in the support available. The provision still has to be appropriate to meet the needs of the participant and to be accessed at the earliest opportunity.

- The principle of ‘something for something’, the sharing of responsibility in the job searching process and more motivational support mechanisms should be encouraged but there is a fine balance to be maintained in ensuring that the process is right for the individuals needs and not a potential barrier.
- The key is to have agreed expectations and that the support meets the needs to achieve the expectations and aspirations of the participant. Tailored support needs to be mutually agreed and is the key to delivering a person centred approach.
- Active participation in these initial stages increases the level of ownership of the individual in the processes and tends to lead to a more driven and motivated approach of the participant. The participant needs to have confidence that the support is there, that there is tangible benefit for all concerned and the support is there for as long as required. Likewise this includes the awareness of responsibilities that each party has within the process.
- There has to be a fine balance between mutual and shared responsibilities against the feelings of sanctions that may be applied as this in itself can be counterproductive and a barrier itself.
- In the fields of Disability and Health in particular, it needs to be recognised that there can be fluctuating needs, especially in the areas of Learning Disability and Mental Health. Customers need to be able to ‘dip in and out’ of support when needed and have the confidence of continuity by accessing the same provider so that they feel comfortable. Flexible New Deal (FND) does not appear to provide such support and flexibility.

Encouraging people into employment and then removing/or not providing long term support is not conducive to providing sustainability. It is crucial in such circumstances that post-employment support and retention services are maintained for those who need it without having to go through the whole cycle again, which in itself will be a barrier. This is a cost effective approach, especially in the area of retention which may prevent an individual having to access the Benefits system again.

The Green Paper stipulates that DWP want to use specialist employment providers within the

private and voluntary sector, which appears to leave no role for well-established local authority specialist employment providers. This will create a greater rift between those individuals currently not accessing mainstream DWP services and potentially lose a number of good quality providers.

**Question 13: Should there be any exceptions to this approach of increased conditionality and increased support?**

Yes, but the key is identifying an appropriate process to undertake a fair and equitable assessment that in itself does not become an added barrier or label to individuals. Successful identification of support requirements at an early stage needs to be key as this can contribute to increasing time on benefits and feed the barrier that is suppose to be overcome. For individuals with complex barriers, vulnerable adults and those furthest from the labour market, specialist providers should be engaged in this process.

Correct and effective assessment at the initial stages and via WFI should identify where this is appropriate (supplemented by specialist support). However the pathway of FND contradicts this by putting 3, 6 and 12 month timescales to access particular provision.

**Question 14: Is a structured, progressive regime of support and conditionality at fixed intervals the right approach?**

This approach could be too prescriptive and stifle innovation and person centered provision. Greater flexibility should be put into the hands of both Jobcentre Plus and service providers to ensure that customers get the best possible help at the appropriate stages of their progression. There should be greater flexibility, whether through setting out a “sliding scale” of intervals and / or maximum and minimum dates for trigger points. We need to ensure that individual needs are put at the forefront and that the work is person-centred whilst still achieving outcome targets. Consideration should be given into incorporating monitoring of ‘distance traveled’ within the process. Pluss is currently piloting this approach in conjunction with the University of Northumbria.

Pluss operates its service provision, where possible, through a menu of options and services that tries to meet an individual’s aspirations and needs. Participants enter where appropriate, having the potential to move onwards, meeting the expectations of an individualised pathway. Time scales can be reviewed dependant on progression and this has led to significant progress successes with the harder to reach sectors. This has worked particularly well within Learning Disability and Mental Health services.

**Question 15: Should some people be enabled or required to enter the Gateway stage more quickly than others, taking account of their employment history or needs? Which groups should be fast tracked?**

Yes. At the point of the initial assessment there will be individuals who have complex and multiple needs and will need specialist support from day one. There should be no delay in accessing this.

- People should not have to wait for support they require, especially if it has been identified or history has shown a successful solution is available. Equally, being fast tracked because they need increased levels of support is a potential indicator that another programme is better suited.
- Delays in an individual accessing the appropriate support will increase the journey and distance an individual takes to travel along their pathway to employment, with added costs across the board.
- It needs to be recognised that one of the barriers that some individuals have is that interaction with the 'establishment'. Therefore working with a third sector specialist as early as possible is essential in these cases.
- For the private and third sector to contribute towards delivering the 80% employment target, it is essential that they are facilitated to deliver innovative and flexible services with little or no interference. It is also essential the individual accesses these as soon as possible.
- The more procedures and barriers put in place, the more barriers an individual faces in achieving the goal of employment. The pathway indicated in the consultation is potentially in itself a significant barrier towards the objectives set in achieving 80% employment.
- Emphasis should not be on groups but meeting the needs of individuals. It should be based on need and distance from work. Some participants will not travel the whole route but others will need more support much earlier in journey. An example would be 16-18 year old job seekers with disabilities and long term health needs that cannot access some programmes due to age and funding silos. They can only access programmes that are best placed to support them only after they have jumped through hoops to prove they cannot succeed with standard supports. They should be able to access support via an appropriate programme that meets their needs. All too often they are accessing the right programme far too late and this has increased the barriers towards work.
- Pluss does not believe there is anything to be gained from leaving people without specialist support for 12 months.

**Question 16: Should we require a period of work experience from those who do not succeed in getting work after benefiting from a period of more intensive level of help from specialist providers? How best can we ensure that this work experience is beneficial?**

No, there should be no mandatory element of work experience. This introduces an element of prescription that is not required. Good providers will facilitate this as part of their support packages if it is identified as a need to enable the participant to achieve their goal. Any attempt at compulsion will result in a tokenistic approach of unsuitable and unwanted placements which will damage relationship and trust built with supportive employers.

- Voluntary and Community work may be a suitable vehicle should DWP wish to proceed with this proposal.
- There are already programmes that supply work experiences towards preparation for work and these should have been identified as appropriate if the assessment process has been effective.
- Participants should be ready for work. Reasons for placement need to be valid and not used as a sanction. Effective relationships with employers and others need to be established and support has to be available for both.