
A welfare state that works for all

KPMG
15 Canada Square
Canary Wharf
London
E14 5GL

Wednesday 16 November 2016
08.30 for 08.50 – 14.00

#reformwelfare
@reformthinktank

Contents

Programme	2
The <i>Reform</i> team: setting the agenda	3
A welfare state that works for all	4
Social security in a changing labour market: big challenges, big opportunities	5
Digital welfare: transformation through technology	9
Sustainable, rewarding employment for all	12
Join us in 2017	15

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Programme

08.30	Breakfast	
08.50 – 09.00	Welcome and introduction	
09.00 – 09.45	Keynote speech	Rt Hon Damian Green MP, Secretary of State for Work and Pensions
09.45 – 10.45	Panel one: Social security in a changing labour market: big challenges, big opportunities	<p>The labour market is in a state of transition. The 'gig economy' is disrupting traditional patterns of work, while self-employment continues to grow at pace. At the same time, automation and machine learning are predicted to replace many low-skilled roles. These trends raise profound questions about how the welfare state, including Universal Credit, is to adapt to the changing labour market.</p> <p>The new Government has an exciting opportunity to reform the welfare state to make it fit for 21st-century workers. This panel will explore how they can best rise to these challenges.</p> <p>Jeremy Moore, Strategy, Policy and Analysis Director General, Department for Work and Pensions</p> <p>Iain Gravestock, Head of Human Services, KPMG</p> <p>Will Tuckley, Chief Executive, London Borough of Tower Hamlets</p> <p>Callum Williams, Britain Economics Correspondent, <i>The Economist</i></p> <p>Chair: Charlotte Pickles, Deputy Director and Head of Research, <i>Reform</i></p>
10.45 – 11.10	Coffee	
11.10 – 12.10	Panel two: Digital welfare: transformation through technology	<p>Universal Credit, Universal Jobmatch and the introduction of real-time information (RTI) have been significant steps towards harnessing digital capability in social security. But the potential to go further is huge. To take just one example, RTI and data analytics could transform policymakers' understanding of what works in welfare. Moving policy onto a more evidence-based footing could improve efficiency, staff experience and user outcomes.</p> <p>This panel will explore the opportunities presented by RTI and technology, and discuss the practical steps the new Government can take to harness digital.</p> <p>Neil Couling, Director General for the Universal Credit Programme, Department for Work and Pensions</p> <p>Dr Tiina Likki, Senior Advisor, The Behavioural Insights Team</p> <p>Richard Sargeant, Director, ASI Data Science</p> <p>Bea Karol Burkes, Director of Delivery, Tinder Foundation</p> <p>Chair: William Mosseri-Marlio, Senior Researcher, <i>Reform</i></p>
12.10 – 13.10	Panel three: Sustainable, rewarding employment for all	<p>The Prime Minister has made opportunity for all the foundation of her Government's agenda. Supporting people to move into sustainable employment must be at the heart of this, as must helping people to progress once there. Welfare-to-work providers will play a central role in transforming employment outcomes for those too often left behind, trapped on benefits or in low-skill, low-pay jobs.</p> <p>Given the current climate of economic uncertainty, the pressure to deliver high-quality, value-for-money services is greater than ever. This panel will explore the best models of supporting people into, and then to progress in, work.</p> <p>Tracey Waltho, Director of the Work and Health Unit, Department of Health and Department for Work and Pensions</p> <p>Barry Fletcher, Chief Operating Officer, Ingeus</p> <p>Gemma Marsh, Acting Director of Skills and Employment, New Economy Manchester</p> <p>Laura Jackson, Head of Labour Markets and Skills, Cities and Local Growth Unit, Department for Business, Energy and Industrial Strategy and Department for Communities and Local Government</p> <p>Chair: Charlotte Pickles, Deputy Director and Head of Research, <i>Reform</i></p>
13.10 – 13.20	Closing remarks	
13.20	Lunch	
14.00	End	

The *Reform* team: setting the agenda



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The new Prime Minister entered Downing Street promising to “make Britain a country that works not for a privileged few, but for every one of us.” To spread opportunity and fight injustice.

The policy choices made in the Department for Work and Pensions (DWP) will be key to achieving this vision. It means ensuring a fair, affordable welfare system in which, wherever possible, people are not parked on welfare, but are able to experience the well-evidenced benefits of work.

The successful delivery of existing programmes is at the heart of this. Universal Credit (UC) is designed to make work less risky and more rewarding, and the benefit system easier to navigate. The Work and Health Programme is aiming to help people with a health condition or disability, or experiencing long-term unemployment, into sustainable work. But these programmes alone will not be sufficient. In fact, their effectiveness has already been constrained by decisions taken by the previous Government.

New ministers must reflect on whether, in their current forms, either is fit for the new Prime Minister’s purpose. They must also consider whether current policies are sufficient to help those families described by the Prime Minister as “just managing” – trapped in low-income, or insecure, jobs – to progress.

And they will be forming their policies against an uncertain economic backdrop and changing labour market.

The implications of Brexit remain unknown, but an economic downturn, with an increase in unemployment, would have serious implications for the DWP. Jobcentres are already being asked to deliver more with the roll out of UC and a significantly expanded role in supporting people on incapacity-related benefits to move into work. It is not clear they have the capacity to deliver their current workload, never mind an increased one.

At the same time the labour market is evolving: traditional jobs are increasingly being replaced, self-employment is growing and the skills gap expanding. An economy that works for all must by definition be one in which everyone can participate.

The first panel will explore the challenges and opportunities of a transitioning economy, and what this means for the DWP’s contribution to the new Government’s vision.

A deterioration in the public finances as the result of a downturn may also mean pressure to lower costs – more efficient delivery mechanisms will be needed. UC is a digital platform, but there remains considerable scope for better deploying technology and data to deliver a smarter welfare state, more intelligently driving the behaviours it seeks. The second panel will consider how this can be achieved.

The Government’s continued commitment to halving the disability-employment gap, coupled with the threat of increased unemployment in the wake of

the EU referendum vote, makes the pressure to deliver high-quality, value-for-money services even greater. The final panel will explore how best to support people into, and then to progress in, work.

Reform is delighted to welcome speakers and attendees to this major conference. As the parliament progresses, the Government’s priorities and the economic context in which they will be delivered will become clearer. *Reform* will continue to champion reform that delivers a welfare state that works for all.

A welfare state that works for all

Rt Hon Damian Green MP



The welfare system has been a long time in the making. In the story of welfare, it is wrong to see there being a single moment when it burst into creation and that there will be a point in the future when no further reform will be necessary.

Rather, the welfare system has undergone – and requires – a continual process of evolution – of learning and improving, of responding to the way the world is, the way the labour market works, as well as to new ways of thinking and new knowledge we have acquired.

Over the past few years, we have made huge progress in creating a welfare system that responds to the changes in the way people work today. Universal Credit is supporting people in what is a much more fluid, flexible and dynamic labour market, staying with them as people move in or out of work – and helping the large increases we have seen in self-employed people, a reflection of the booming ‘gig economy’.

But the speed with which we are seeing change happen requires us not to stand still. One revolution should follow hard upon the heels of another.

That’s why we are ambitious for the welfare system to work better with the health sector, employers and other groups to ensure we build on the successes of our labour market and to make sure it’s inclusive, fair and productive. Groups previously overlooked as contributors to our labour market hold the key to unlocking that potential and building on that success.

Disabled people and those with health conditions, ex-offenders, older people and care leavers are some of those groups that make up nearly nine million inactive working-age people. In the context of the

record-breaking employment figures we have seen in recent times, that figure should worry us.

We will look at ways to break down the barriers these groups face. They deserve the same opportunity of a good job and to play a full part in society. Our green paper, for example, is challenging old but enduring attitudes around health and work and the support people need to stay connected to the world of work.

We are bold in our ambition and so we must also be bold in action for those forgotten groups. We must highlight, confront and challenge the attitudes, prejudices and misunderstandings that, after many years, have become engrained in many of the policies and minds of employers, within the welfare state, across the health service and in wider society.

Change will come, not by tinkering at the margins, but through radical, innovative action.

Rt Hon Damian Green MP, Secretary of State for Work and Pensions

Social security in a changing labour market: big challenges, big opportunities

Reform comment



The scale of welfare reform over the past six years was dramatic. Universal Credit (UC) was designed to transform social security for working-age people – as the 2010 white paper stated, to “remove the distortions” and “create a leaner but fairer system” in which “work always pays”. At the same time an array of caps, time limits, freezes and eligibility changes were introduced. And for many of the changes, the impact is not yet understood.

The system inherited by the new Government therefore looks very different

to that in 2010. But the need for continued reform is no less urgent because of it.

The challenge of delivering a fair, affordable welfare system remains (working-age expenditure is forecast to cost around £75 billion in 2020-21). But it is a transitioning economy and labour market that the new ministerial team must turn their attention to. The welfare state was not designed with irregular working patterns and fluctuating earnings in mind, nor for self-employment at the scale now seen. UC makes significant strides towards a more flexible benefit system, enabled by real-time information, but is far from sufficient. The recently announced Taylor Review will examine the employment regulation implications of the new ‘gig economy’, but a similar analysis is needed to understand its interaction with social security.

At the same time, automation and machine learning is predicted to replace many roles. The largest jobs growth is in

high skill roles, yet a CBI survey found that 69 per cent of companies are not confident they will be able to fill the higher skilled jobs they create. Progression is key to tackling in-work poverty, but narrowing the skills gap has proved stubbornly difficult.

Overlay these underlying shifts with the yet unknown consequences of Brexit – with its knock-on impact on jobs and skills – and the new ministerial team face the daunting task of ensuring the benefit system truly is fit for the 21st century. But the prize of making the welfare state work for all is just as great.

Charlotte Pickles, Deputy Director and Head of Research, Reform

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The *Reform* three-part series provides a blueprint for delivering the radical change needed to transform the outcomes of those parked on incapacity-related out-of-work benefits.

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Charlotte Pickles
Hannah Titley

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Ben Dobson
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Jeremy Moore



We are now more than half-way through the major rebuild of the welfare state that began in 2010 (welfare 2.0). The New State Pension has been delivered; Personal Independence Payment is replacing the old Disability Living Allowance; and the new child maintenance system is in place. Automatic enrolment has brought six million people into workplace pension saving already. Meanwhile, Universal Credit (UC) is now in every jobcentre in the country and we are preparing for the major roll out of the full service next year.

But we are also at the start of a new period of reform. The focus will be on those 'just managing', social justice for the million most disadvantaged and strengthening protection for pensioners. Issues like intergenerational fairness are also coming to the fore in public debate. This new period of reform will be less about building than about fitting out – making what we have built work for these new challenges (welfare 2.1, 2.2, etc.). For example, UC offers new opportunities to help people not just get a job but also progress in work. Automatic enrolment 'phasing' will move us from proof of concept to creating adequate pensions savings – if contributions go up and opt outs continue to stay low.

That's not to say that there aren't areas where we do need to carry on the building process. Last month's green paper produced by the cross-departmental Work and Health Unit signalled the start of an ambitious long-term strategy. It needs to involve employers and health professionals as well as the welfare system. To give one example, at some point we will need to look at the way pensioner means-tested benefits work in a world of UC, and the role

of contributory working-age benefits.

And we are clearly entering a period of huge uncertainty both in terms of the economy, with ultra-low interest rates, and in terms of changes to the labour market. If there is no consensus between experts on the overall pace and impact of technological change there will undoubtedly be sectoral change. Workers' bargaining power vis-à-vis employers is already changing and the welfare system will need to keep up – for example with the rise in poorly remunerated self-employment. To these changes we need to add the reality of an ageing workforce and a rising State Pension age. All this suggests we shall need to think hard about labour market risk insurance; knowledge acquisition and utilisation over a longer working life; and how we increase connectivity, mobility and participation – especially as and when patterns of migration change.

A welfare state that works for all will need to provide not just a safety net but a sure hand when people are confronted by some of the biggest changes in their lives: the arrival of children; relationship stress and separation; deciding on savings and pensions; getting ill or acquiring an impairment; losing a job or looking for a better one. But we now have strong foundations in place – the right policies and structures to deliver a social security system that is fair, supportive and easy to navigate for everyone in society.

Jeremy Moore, Strategy, Policy and Analysis Director General, Department for Work and Pensions
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Iain Gravestock



KPMG is delighted to be hosting the Secretary of State for his keynote address on the green paper today.

This paper begins re-imagining the UK's approach to Health, Disability and Work. Work is a crucial element of this equation, as according to the Chief Executive of Public Health England, Duncan Selbie, health, wellbeing and happiness are "inextricably linked".

The paper has a huge scope and ambition and feels more like three green papers than one. To simplify matters, KPMG is focusing on the Health, Disability and Work space in the following three areas:

- > Integration;
- > Personalisation; and
- > Innovation.

Integration: greater integration of local and national services

Internationally we have seen the benefits of integrating services and service delivery across departments and agencies to create local place-based solutions and services.

Place-based planning must drive the way public services are delivered. They cover health, benefit and care services to the citizen; employment placement, training and reskilling alongside employer services to allow access to work and reduce barriers and perceived barriers to employing people with health conditions.

There is much to do and given the relatively recent integration of health and social care there is a further challenge with the greater integration, but in our view this is crucial to success.

Personalisation: developing an understanding of what works

The interaction between the employer and the employee or applicant with a health condition or disability can be fiendishly difficult, with a further problem of determining what works, and what the next best action is.

We have been working hard on understanding customer journeys and customer segmentation in this context. Building on work with corporates on customer strategy and experience, and applying the tools and techniques of decision science, we can determine the information to support the decisions which underpin the service's delivery. We can then test the efficiency and effectiveness of specific 'pathways' for cohorts of citizens.

Innovation: scaling up to meet the challenge

In the green paper there is a commitment to provide a new Personal Support Package via Jobcentre Plus. There is a great opportunity to provide the right advice to citizens, employers and work coaches on what does and does not work, specific to an individual's barriers. This will be delivered in an empathic and personal way, and where advice and guidance is regularly refreshed and improved.

Building an approach that can test and learn from innovations and that can train and share insights across the tens of thousands of coaches and millions of citizens is a huge challenge. At KPMG we see there is a real benefit from new approaches to robotic process automation and artificial intelligence, augmenting the new digital skills workforce.

The unknowns

There are many more areas to discuss and debate. A few to think about are:

- > The right measures to drive a focus on help to those with significant barriers to employment.
- > The impact of Brexit, as the UK labour market will change as a result.
- > Harnessing consumer views and attitudes to employing staff with health conditions as being beneficial for business and society.

Please join me in welcoming the Secretary of State and his team to KPMG. I look forward to hearing what he has to say and I hope you all enjoy the Conference today.

Iain Gravestock, Head of Human Services, KPMG
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Will Tuckley



The history of Tower Hamlets tells the story of the UK's economic transformation in the latter 20th century. Once a shipping gateway to the world, the borough has seen the smokestacks of freight-liners give way to the skyscrapers of the global financial sector. This fundamental shift in the structure of the macroeconomy has had profound consequences for the labour market. Previously, full-employment and interventionist wage policies guaranteed many people a 'job for life'. But in the 21st century, citizens are increasingly required to combine high skills with the adaptability to undertake multiple careers in a lifetime.

The ongoing challenges of job insecurity, income inequality and low productivity all suggest the UK workforce is still struggling to adjust to this new economic reality. For example, although Tower Hamlets has the fifth-highest jobs density in London, only 14 per cent of these opportunities are currently filled by residents. This is perhaps unsurprising when you consider that 12 per cent of our population have no qualifications, putting many professional services jobs in Canary Wharf beyond reach.

The causes of such economic exclusion are complex, but part of the problem relates to a national failure to articulate the basic purpose of our social security system. Is it a safety net to provide subsistence for those who fall on tough times, or is it part of the 'social infrastructure' that helps workers adapt to the shifting demands of the labour market? A lack of clarity on this difficult question has, historically, contributed towards short-termism within the UK's 'active labour market' policymaking. As recently noted by the RSA, there have been

over 20 different national programmes tackling labour market issues since 1991.

Whilst Universal Credit (UC) is clearly an attempt to overcome this, benefits consolidation alone is just a partial solution. Although UC should help smooth people's transition into and out of work, to be a truly effective 'means to an end' it requires underpinning by employment support interventions that respond to claimant need. This has not always been the case in recent years. For example, despite chronically high levels of long-term, health-related unemployment, limited specialist support within the Work Programme has resulted in just 10 per cent of new Employment and Support Allowance claimants achieving a job outcome.

There is nothing inevitable about this failure, and our experience at the epicentre of the country's transition from industrialism to professional services suggests social security could play a greater role in building a more inclusive economy.

Devolution of powers and budgets to local authorities over components of social security would enable more efficient targeting of resources, by harnessing our detailed knowledge about population need and close engagement with local employers. For example, the Tower Hamlets 'Raising Aspirations' pilot took a long-term, holistic approach to helping those furthest from the labour market become job-ready, and 75 per cent of participants saw their barriers-to-work reduced.

Likewise, improved integration between services is essential. There is little reason for having multiple front-doors into the employment support system; it creates confusion for users and results in duplication of provider effort. Central government should be working with local government to redesign programmes so they are easier to navigate and better co-ordinate interventions to address the wider determinants of unemployment. This is why councils must be fully engaged in commissioning the Work and Health Programme.

All stakeholders want a social security system that works. To achieve this we need to embed social security into a long-term

economic strategy that recognises the role of local government in driving participation, productivity and prosperity. This would allow us to address the causes of economic exclusion, rather than simply managing the symptoms.

*Will Tuckley, Chief Executive,
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Digital welfare: transformation through technology

Reform comment



In recent years, the Department for Work and Pensions has taken significant steps towards digitising the delivery of welfare.

Universal Credit (UC), designed with digital in mind, encourages claimants to apply and manage their activities online. Universal Jobmatch enables claimants to search for jobs digitally, while employers can use the platform to post vacancies and review CVs. Real-time information (RTI) ensures benefit payments reflect the monthly income of claimants, reducing the risk of fraud and error.

The importance of these reforms cannot be underestimated, but policymakers are only just scratching the surface of digital's potential.

The introduction of RTI and the rich content of online UC journals will significantly improve policymakers' ability to monitor the effectiveness of government interventions – paving the way for a new generation of initiatives based on 'what works' in welfare.



Online benefit accounts could significantly improve communication with, and monitoring of, claimants – providing a new channel through which interventions could be delivered.

And beyond UC, online accounts could significantly improve the experience of, for example, disabled claimants who may find complicated paper forms difficult to complete. User-friendly online applications and assistive technology could make the benefits system more, not less, accessible. However, making the most of such

technology requires digital skills, and vulnerable claimants – such as those with mental health issues, homeless people and people from very low income households – are often least equipped to use it. The Department must mitigate against this.

The combined effect of this reform programme would be to personalise support. In too many areas, welfare remains unresponsive to the needs of individuals. Turning these aspirations into reality, therefore, would see money directed towards the most vulnerable, and outcomes for citizens improved. A smarter, and more effective welfare state – this is the goal that awaits policymakers if the full potential of digital can be harnessed.

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The future of public services: digital jobcentres

William Mosseri-Marlio

July 2016 #digitaljobcentres



How can jobcentres improve?

They have performed well—but are about to face a new set of challenges

By William Mosseri-Marlio / July 25, 2016 / Leave a comment



There are opportunities for jobcentres to make efficiency gains, argues Will Mosseri-Marlio @WillMosseri

Friday saw the clearest signal yet that the real economy is heading for a slowdown. The Purchasing Managers Index, viewed as one of the leading indicators of economic health, found that output and new orders contracted for the first time since 2012. Sentiment in the service sector slumped to a seven-and-a-half year low.

For policymakers trying to make sense of the post-referendum environment, a key question will be the effect of any economic deterioration on the labour market. Unofficial statistics paint a mixed picture. Adzuna, a job-search website, found new vacancies crashed in the immediate aftermath of the



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Henderson | AGM Presentation 2016: The Bankers Investment Trust PLC.

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“In the current climate of economic uncertainty, improving jobcentre performance would be a good place for the new Government to focus ministerial attention....Smarter jobcentres will help individuals achieve a crucial driver of personal wellbeing: a secure job.”

William Mosseri-Marlio, Prospect, July 2016

Neil Couling



Universal Credit (UC) is a high-profile issue. But with this profile, it is perhaps surprising that the transformative nature of its design and delivery is so rarely remarked upon. As I am fond of saying, UC is all about work. And perhaps a consequence of that is nearly all of the focus is on the system of financial incentives and making work pay. But if that was all UC was, it would be just another tweak to the 1948-designed benefit system. Yes, the single taper and work allowances will transform the lives of many making work a realistic prospect. But UC goes much deeper.

First, we are bringing together the delivery, currently split across Local Authorities, HM Revenue and Customs and the Department for Work and Pensions (DWP) into one body to make journeys into work (and out where work is temporary) much smoother. We know that many people baulk at having their financial arrangements reset if they move into low-paid work – it's just too easy to fall between the three agencies and see entitlements delayed. And where we can, there are common rules so people see as little disruption as possible when they move in and out of work.

Second, it is designed to be like work, paid monthly and you pay your bills – rather than the State. For the more vulnerable, of course, we have retained the ability to support them with more interventions. But for the majority we expect them to take responsibility.

Third, because it is all about work, that is the expectation. So when you are not in work, your job is looking for work, with an expectation of 35 hours of job searching a week. And for some of the three million people we expect to be in work and on UC,

an expectation that over time they increase their income from work.

None of those things can be delivered through the old-style, 9-to-5 jobcentres. We need to transform the whole system, its users, the claimants and employers, their representatives and the people who run the system. To do this we have had to put users at the heart of design, and then test and learn from small-scale trials before expanding.

That's not just new for DWP. It is also new for the groups who represent claimants and employers. And for DWP, we have taken the construction of the system in-house. For the first time in over 20 years we are building the digital system ourselves, so we have had to hire people with new skills and learn.

Quite frankly this is transformation on a scale rarely seen or attempted but we are up and running, and the system is being used today in around 30 of the country's 710 jobcentres. We haven't got everything right yet. We didn't expect to. But it is working, with over 99 per cent of claims made online and nearly 90 per cent of changes of circumstances. We still have a long way to go, but for every 100 people who got a job in the old system, 113 people on UC get one.

Neil Couling, Director General for the Universal Credit Programme, Department for Work and Pensions
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Dr Tiina Likki



Governments around the world increasingly use behavioural science to achieve policy goals such as increased pension savings, timely tax payments, and healthier lifestyles. Behavioural science is also increasingly applied to improve the welfare system and the experience of those who come into contact with it.

At its best, a behavioural-insights approach helps us to better understand the factors that sometimes stop people from fully engaging with government services. Drawing on evidence from different fields, the approach can shine light on new, innovative, and sometimes small changes to policy and the delivery of services that can significantly improve outcomes. It also provides a rigorous methodology for measuring the human and financial impact of any design or policy change.

As a part of its mission to improve policy making and to find out 'what works', the Behavioural Insights Team (BIT) has run a series of trials in Jobcentres, testing ways to improve people's life chances by supporting them back to work more effectively. We have shown that encouraging people to make specific plans improves employment outcomes, and that personalising messages increases attendance rates. These relatively simple tools have a lot of potential if applied consistently across the welfare system.

More recently, our focus has been on understanding the complex situations faced by those with health conditions and disabilities who are out of work. We are interested in finding simple ways to make people's lives easier – whether by increasing the timely access to mental health services through new routes such as eCBT or by reducing the cognitive load

taken up by complex benefit processes (Universal Credit (UC) is taking us in the right direction, but more can be done). Many people with disabilities and health conditions want to work, and we want to test ways to make this possible for more of them.

Going forward we are excited by the possibilities offered by technological advances in government, in particular big data and predictive analytics. Linking large datasets across government and building models that predict long-term unemployment will help us design more targeted interventions and time them well. This approach can help produce savings and ensure people get the best support.

We are also excited by the opportunities to robustly trial interventions within UC. We should make the most of this opportunity to produce new evidence on how to increase take up of voluntary services, encourage people to self-refer to the most useful support, and to widen their horizons in terms of the kinds of work and training that they look for. We are also keen to do more work on understanding how work coaches set requirements and tailor support under UC. I look forward to discussing how government can achieve these aims.

Dr Tiina Likki, Senior Advisor, The Behavioural Insights Team
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Bea Karol Burks



Universal Credit (UC) could be a game changer for claimants. Less time waiting in Jobcentre Plus, more time to gain skills or find work. There are very few jobs that you can do – let alone apply for – these days without at least basic digital skills, particularly when it comes to secure, regular employment. It makes sense then, that ‘digital by default’ is a central principle of UC.

There are 12.6 million people in the UK without basic digital skills. Low digital literacy is closely linked to socioeconomic background – the poorer you are the less likely you are to be able to use a computer, tablet or smartphone. You’re also more likely to be disabled, have fewer educational qualifications and be older. But there’s also a growing cohort of young people who might spend half their day glued to their phone on Snapchat, but wouldn’t know where to start if you showed them a keyboard and mouse. It’s very difficult to write a good CV on a smartphone.

Tinder Foundation has helped 89,000 jobseekers in the past year alone. Too often, people come to one of our Online Centres having been given an email address and told to get on with it. That’s a recipe for frustration and disillusionment. We help those people become confident digital users through our learning platform, Learn My Way, and with face-to-face support. This includes building CVs, using Universal Jobmatch and sending emails with attachments.

We’re specialists in user-centred design and have the unique challenge of designing digital courses for people who have often never really been online before. It’s great that the same approach is being taken with UC digital services.

Getting as many claimants as possible to shift channels from face-to-face and phone to digital is a worthy goal – not only will people be able to access government services in the most efficient and responsive way, but they’re taking the first steps towards the myriad of other ways that digital can improve people’s lives, from staying in touch with friends and family to online banking, and learning new skills through online courses.

Bea Karol Burks, Director of Delivery, Tinder Foundation
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Sustainable, rewarding employment for all

Reform comment



Unemployment in the UK is at a record low. Whilst clearly positive, it is important that this headline rate does not mask changing labour market trends that may require a policy response: low-paid work, for example, has grown in the last year, particularly amongst part-time workers. Unemployment may also increase in wake of the vote to leave the EU. This would intensify the challenge of supporting

people into sustainable employment and helping them to progress once there – a priority for a Government whose focus is on those “just managing”.


Welfare-to-work providers have played a crucial role in increasing employment and supporting progression for some of the least advantaged in society, helping over half a million people into work just in the last five years. Under the Work and Health Programme, providers will continue to be a positive force driving employment and progression – but on a dramatically smaller scale.

Greater innovation will be needed to build evidence for the most effective interventions if stretched resources are to be used efficiently. Integration of employment provision with other public services, in particular health, is rightly a priority for the Department, and could deliver more efficient and effective support.

Devolution may better enable this, especially if it leads to pooled budgets, but evidence of local efficacy is needed.

Welfare-to-work services will be crucial to delivering the Government’s vision of a fairer society. Delivering excellence in an increasingly challenging policy environment will be no easy task.

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The Work and Health Programme: levelling the playing field

Alexander Hitchcock
Charlotte Pickles
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July 2016

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The Work and Health Programme might not work for everyone

By: Alexander Hitchcock | 24 Oct 16

There is currently a lack of information clarity around the successor to the Work Programme, which risks undermining its success

Getting value for money for public services and building “an economy that works for everyone” were key themes of the chancellor’s speech to the Conservative Party conference earlier this month. The government will look to deliver both pledges simultaneously through welfare-to-work services. A particular focus will be disabled and long-term unemployed people for whom employment outcomes are woeful. Although last week’s labour market statistics painted a positive picture of the jobs market, this will be no mean feat, as commentators expect a slowdown in job creation in the coming years.

This raises the stakes for the success of the government’s Work and Health Programme, which will replace the Work Programme and Work Choice in 2017. The government is currently procuring the contracts for this outsourced service. As the Work Programme shows, getting this process right is crucial for its success.

The procurement, which has run since April this year, involves a two-stage competition. First, bidders will compete to be appointed to a ‘framework’. Second, those on the agreement will get the chance to compete for contracts for the programme. The Department for Work and Pension’s aim is to “create and maintain a competitive and sustainable market” to achieve value for money for employment services. In the longer term, getting the competitive process right can create a wide pool of providers itching to compete for services.

Sadly, DWP’s current approach is unlikely to deliver a wide base of competitors. The

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“With the procurement speeding ahead, lack of clarity here will undermine providers’ ability to work with local areas to construct competitive bids.”

Alexander Hitchcock, *Public Finance*, October 2016

Gemma Marsh



There has never been a more interesting and challenging time for Greater Manchester, as we work to create a prosperous and inclusive employment and skills landscape that benefits all residents and businesses across the city region.

Greater Manchester has a long and proud history of innovation and leadership, and our ambition is to see this great city-region not only at the heart of a thriving Northern Powerhouse but also leading the way as an exemplar of what can be achieved through a dynamic, integrated and inclusive work and skills system which recognises that with better skills comes improved employability, increased productivity and a better quality of life.

Our ambition is clear: we want all our residents to be in a position to achieve their goals through productive, fulfilling employment with skills at the heart of their personal and professional development, whether moving closer to joining the labour market, entering the world of work for the first time, or progressing in their careers.

To deliver our vision for Greater Manchester, we need our young people to leave the education system with the knowledge, skills, and attributes needed to succeed in the labour market. We need working-age adults who are out of work and/or who have low levels of skills to be able to access the skills and wider support needed to enter and sustain employment. There must also be a focus on in-work progression and up-skilling, particularly in our priority growth sectors, not only to help progress careers but also to develop a pull-through effect in the system which will open up opportunities at entry level for those who are currently struggling to get a toe-hold in the labour market.

We face a dual challenge of, on the one hand, supporting economic growth, recognising that developing, attracting and retaining a skilled workforce is a prerequisite for such growth and, on the other hand, reforming our public services, particularly those which support residents in moving towards and into work. Greater Manchester's ground-breaking devolution agreements with government provide a unique opportunity to deliver our ambitions and to join up work and skills activity with other public services such as health and transport.

Alongside the opportunities presented by the devolution of Greater Manchester's health service, we must also harness the potential of locally commissioned activity, such as targeted support for those who are furthest from the labour market, capitalising on the fact that 'good work is good for your health' and offering early assessment and bespoke support. Pilot programmes have proven to be effective both in terms of impact and lessons learned, but these need to be significantly scaled up at pace to deliver the impact needed, with lessons learned from the wide range of activity underway.

Whilst the task is complex, Greater Manchester's Work and Skills Strategy retains at its heart a very simple concept: delivering an integrated and inclusive work and skills system which truly meets the needs of our employers and residents.

Gemma Marsh, Acting Director of Skills and Employment, New Economy Manchester
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Barry Fletcher



The world of welfare-to-work is changing. In October, the Department for Work and Pensions started the process of preparing for the selection of providers to deliver the new Work and Health Programme in England and Wales. In addition, the Scottish Government has started procuring Work Able Scotland, a short programme laying the foundations for the Scottish Employability Service next year. *Reform's* conference is therefore very timely. Supporting people with several complex needs to move into sustainable employment and to progress must be at the heart of any discussion around a 'welfare state that works for all'.

Ingeus is a provider of integrated employment, skills and health services, as well as programmes for young people and probation services. The key thread running through everything we do has always been about facilitating positive change and helping people take charge of their lives.

Looking specifically at the new Work and Health Programme, there will be a much stronger focus on helping people with health conditions and disabilities, sharply underlined by the UK Government's stated commitment to halve the disability-employment-rate gap by 2020.

Since 2011, through our programmes Ingeus has supported nearly 50,000 people with disabilities into work. Through this insight we have identified several key ingredients for any successful employment services, including:

- > Understanding your clients
- > Investment
- > Integration
- > Quality of your people
- > Intensity of support

Let's look at one of these elements: integration.

Firstly, for people to be properly supported, we need services to work together and be co-ordinated around an individual with their specific needs at the centre. This is the approach Ingeus has adopted across all our employability programmes. For example, we employ a team of clinicians and healthcare professionals, including physiotherapists, psychologists and occupational therapists to work alongside our employment advisors.

Secondly, integration with existing local services, rather than duplication, is essential. Our experience delivering the Working Well programme in Greater Manchester is a great example of an intensive and personalised support service that is fully sequenced and integrated with the local service landscape. Keyworkers act as the single point of contact and co-ordinate all other services for the client. Local areas develop a Local Integration Plan, and Ingeus, local leads and support services (including drug and alcohol teams, skills and housing) hold regular Local Integration Board meetings to 'case conference' and ensure support is joined up effectively.

Finally, integration means partnerships. That is why Ingeus and Pluss, an award-winning social enterprise, have joined forces for the Work and Health Programme bringing together Ingeus' proven expertise in supporting jobseekers, including those with complex health conditions, with Pluss' award-winning approach to helping people with disabilities back into work.

Partnerships also mean working with employers to open up job and career opportunities for all. As a Disability Confident Leader, we know that those employers who are disability smart, willing to make appropriate adjustments, and have a culture and environment which makes disabled people feel properly supported are more successful in supporting people back into work.

*Barry Fletcher, Chief Operating Officer,
Ingeus UK*

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