

St Mungo's

Response to the DWP Green Paper: In Work, Better Off: Next Steps to Full Employment

St Mungo's key recommendations

- Fast track entry directly to the Flexible New Deal (not via the Gateway) should be possible for the most excluded (by which we mean rough sleepers).
- Sanctions can be a useful tool but if they are not used with great care they can result in the excluded becoming even more excluded.
- The new Adult Careers Service should offer guidance as well as information and advice.

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About St Mungo's

St Mungo's is the major provider of services for London's rough sleepers, as well as to other homeless populations. Every year we help more than 5000 homeless and vulnerable people find responsive and integrated solutions for problems with housing, employment, training and health.

Last year, our Work and Learning programme (Europe's largest directly delivered employment and training service for homeless people) helped more than 2000 unemployed men and women prepare for holding down a job, learning to read and write and so much more. Through this programme we have a track record built up over many years of successfully helping some of the capitals most excluded people with a history of rough sleeping into sustainable employment.

St Mungo's Response

St Mungo's cautiously welcomes what is outlined in the DWP's Green Paper but would offer a number of observations and suggestions. The underlying approach and principles offer a significant opportunity for working more effectively with some of the most disadvantaged people in society, however, such change also opens up pitfalls that must be avoided.

We welcome the focus being on those with the lowest skills, but historically such a focus has resulted in those nearest the labour market being targeted and those with the lowest skills being passed over. Organisations like St Mungo's have a track record of effectively engaging those with the lowest skills and need to be used by the DWP as a vehicle to effectively engage this population.

Those with the lowest skills are the people who have most to gain if they engage with what is available and who will provide the biggest benefit to the taxpayer should they be successful in gaining employment. We would also point out that this same group is also often the group most disaffected by the system. Whilst it is clearly important that there is a balance found between rights and responsibilities, care has to be taken to make sure a group of even more disaffected and disadvantaged people is not formed by over zealous use of sanctions. Such an approach would inevitably increase homelessness, rough sleeping and offending behaviour.

St Mungo's also welcomes the rolling out of the Pathways to Work programme. Finding a way to help people claiming Incapacity Benefit (IB) or other inactive benefits get back into work is clearly positive. It is, however, unclear yet how niche groups, such as rough sleepers, are going to be included in this roll out. We would encourage the DWP to carefully consider

their approach to contracting and how they are going to guarantee that society's most disadvantaged get equitable access to services.

Though there is no detail in the Green Paper of how this idea of "more rights means more responsibilities" would be applied (if at all) to IB customers, we would urge caution. To sanction people who are fit and well for not actively seeking work is one thing, but to sanction people with health problems or a disability is another thing altogether. Whilst the economically inactive must be encouraged to consider work, there also needs to be a guarantee that their rights are not eroded.

The idea of a more personalised, flexible and responsive New Deal is a good one. We would however suggest an alternative approach to the one put forward in the annex to the Green Paper. It is suggested that those facing particularly severe barriers will get fast tracked and that this would provide them with immediate access to "the gateway". If this did not result in employment, they would then be referred to a specialist provider for a period of up to 12 months' personalised support. We think that this is the wrong route into such a scheme, as most of the people that we meet who would benefit from such an intervention, are not ready for "the gateway". We would like to see the opportunity for specialist providers like St Mungo's to have the ability to actively recruit eligible JSA customers, provide them with a period of up to 12 months' personalised support and then, if they are still unemployed, refer them on to "the gateway". This sort of approach would reduce the need to apply sanctions. Whilst sanctions can be an effective way of reminding people of their responsibilities they can also have the unintended consequence of making the excluded even more excluded. There is an opportunity here for the DWP to specify a number of very excluded groups who could have fast track entry straight to the Flexible New Deal. This would not be very expensive as it could be targeted at those with the highest level of need, the cost benefit generated would be enormous and the Government would have the opportunity to do something spectacular for society's most excluded such as rough sleepers.

St Mungo's welcomes the "Jobs Pledge". To directly involve employers is clearly positive and arrangements that encourage a flexible and supported recruitment route are beneficial.

St Mungo's welcomes the "Skills Pledge" and the promised closer working arrangements between Jobcentre plus and the Learning and Skills Council.

St Mungo's welcomes the unambiguous aim to increase the employment rate to 80% of working age adults.

St Mungo's also welcomes the creation of an adult careers service. Information, advice and guidance for adults has proved almost impossible to get funding for over the last few years and there is a real need for good quality independent advice and guidance. We would suggest that just providing Information and advice through such a service is not enough, and that there needs to be an emphasis on guidance, especially when dealing with people

who have been unemployed or economically inactive for more than 12 months.

Consultation questions

In response to the 16 specific questions asked in the consultation St Mungo's would offer the following response:

Questions 1-11 relate specifically to lone parents, couple families and women from BAME communities, as such they fall outside of the main focus of St Mungo's

Question 12

In exchange for more specialist support, are we right to ask more of those who have been unemployed and receiving benefit the longest?

This is a misguided question, for it assumes that people who need specialist support have been feigning it. The reason they are long-term unemployed is the lack of specialist support – actually, they are entitled to demand more of the system, which has failed them. This at least recognises that there is a need for such support – we simply object to the undercurrent of culpabilisation.

St Mungo's support an approach that makes work pay (it is nonsense to expect people to work for no financial advantage) and some of the active labour market policies that have been introduced in recent years have resulted in significant progress in this area, particularly the minimum wage and working tax credits. Other approaches could be explored to make work a more attractive proposition for those who live in supported housing schemes where the level of rent can reduce the financial advantage of work. For example, could the housing cost be paid to supported housing providers in the form as a block grant rather than through housing benefit?

St Mungo's also support an approach that helps people develop a concept of career and to seek progression. The introduction of an Adult Careers Service helps this. It is much easier to sell the idea of work, even if there is little immediate financial advantage, if there is the chance of better pay and benefits in the future. This means it is vital that the proposals outlined in the Green Paper are not about forcing the beneficiary into the first available job but rather a suitable job. This is the only way sustainable employment can be achieved.

Of course there will be a group who will simply not engage with the provision that is offered and it is this group that are likely to be sanctioned for not engaging with provision; it is this group that St Mungo's urges most caution with. Sanctions applied in a way that does not take account of individual circumstances will result in more rough sleeping, homelessness and more offending behaviour. This would clearly not be an intended consequence but would nevertheless be an effect of sanctions. We would recommend that a

range of indicators be developed to trigger exemptions from sanctions and that these should include a history of homelessness, offending behaviour, substance use and mental health problems.

Question 13

Should there be any exceptions to this approach of increased conditionality and increased support?

St Mungo's would argue that if an individual has demonstrable vulnerabilities beyond simple unemployment they should be exempted from the sanctions that result from failing to meet conditions. If someone for example has chronic housing or health needs, then addressing those needs can and should be more pressing than finding employment.

We would suggest that Jobcentre Plus needs to contract a panel of expert providers that can help it with its assessments to ensure that vulnerabilities are correctly identified and that targets should be set in relation to the number of unemployed and economically inactive people who are taking part in programmes, rather than the number that have been sanctioned for not engaging positively. If the number of people positively engaging goes up, then the policy is a success and sanctions are not needed as a tool.

Question 14

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

St Mungo's is of the opinion that a progressive regime of support and conditionality is the correct approach, provided flexibility and discretion are built in. We think, however, that the structure proposed in the Green Paper's annex, is the wrong structure.

What the annex in the Green Paper proposes is that people who are facing particular barriers or disadvantage could be fast tracked to "the Gateway stage" and then if they have not found a job after 6 months they will be able to access the new "Flexible New Deal". We would argue that this is the wrong way round. St Mungo's, and organisations like us, are effective at assertive outreach work which engages disadvantaged "hard to reach" groups and gets them working productively on a structured programme. What is proposed is that people have to pass through the "Gateway stage" before they get access to the service that will be effective at engaging them, this just does not make sense.

It has been correctly observed in other fora that there are no such things as "hard-to-reach groups", but rather the problem is one of hard-to-reach services. This insight should be applied to this proposal.

The whole approach described in the Green Paper is about enabling disaffected people to re-engage with the services and support that are available for them, for this to be effective you need to first engage, then

provide flexible support and finally allow people to access a programme like the Gateway.

We have heard it suggested that to offer fast track entry directly to the Flexible New Deal would be too expensive and that the cost will be reduced by the number of people who would find work through Gateway provision. If the Flexible New Deal is carefully targeted this need not be the case. Rather, many of those targeted would find sustainable employment through the Flexible New Deal and for those that do not they would be much better prepared to make better progress through the Gateway.

Question 15

Should some people be enabled or required to enter that Gateway stage more quickly than others, taking account of their employment history or needs? Which groups should be “fast-tracked”?

As I have explained earlier we at St Mungo’s think that some people should get early entry to the new “Flexible New Deal” rather than early entry to the “Gateway stage”. The people who should get entry to this stage are those individuals who are claiming Job Seekers Allowance or Income Support but who are not positively engaging with job-search activity. Many of the people who fall into this category are living quite transient and chaotic lives. Currently these people do not engage effectively with Jobcentre Plus services (hence the Green Paper). To place a higher level of conditionality on this group will result in some people changing their approach but by no means all. The difficult part of the culture change being sought, is getting people to positively engage. We argue that this can only be achieved using an assertive outreach programme to help people who are disengaged make an informed decision about accessing services. This approach would more logically lead to the 12 month “Flexible New Deal” and then onto the “Gateway stage”.

If a very targeted programme is developed it will be possible for the Government to tackle severe disadvantage and to do something remarkable for extremely disadvantaged groups such as rough sleepers.

Question 16

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

At St Mungo’s we have, for the last 20 years, used work experience placements as a tool to help homeless people gain current work experience. We have found it to be a positive approach for both employers and beneficiaries and it has resulted in many people moving into sustainable employment.

The jobs pledge outlined in the Green Paper should help to increase the supply of work experience placements, which is always a barrier to the approach. It is our experience that jobseekers can see the benefit of such an

opportunity and are usually happy to engage. However, schemes that have required such an involvement from jobseekers in the past, have not worked and have been very controversial.

As a result we would suggest the alternative approach of making such an opportunity available to those who want it. We have always found more demand for this sort of opportunity than we can service. If someone needs forcing onto such a scheme they will resent it and gain little. They are more likely to be difficult and this will alienate employers who will withdraw their support. Of all of the interventions suggested we would maintain that it is work experience placements that it is most important to keep on a consensual basis.

St Mungo's would be delighted to help the DWP develop an effective model of support and supervision to place around work experience placements should such help be useful.

I hope that St Mungo's response to "In Work; Better Off" is helpful. We probably exceed Government in our desire to help as many long-term unemployed people (including rough sleepers) find routes back into work. Should you wish us to expand or clarify any of the points made in this document do not hesitate to contact me.

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