

EXPLANATORY MEMORANDUM TO
THE SOCIAL SECURITY (INCAPACITY BENEFIT WORK-FOCUSED
INTERVIEWS) AMENDMENT REGULATIONS 2005

2005 No.3

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.
2. **Description**
 - 2.1 These regulations extend the mandatory work-focussed interview regime within the existing Pathways to Work pilot areas to some existing claimants of incapacity benefits (IB). This extension of the Pathways pilots to a group of existing customers is to encourage these customers to consider what steps they could take to move them towards, or into, work and to promote voluntary participation in activity that will move them towards, or into work.
3. **Matters of special interest to the Joint Committee on Statutory Instruments.**
 - 3.1 None
4. **Legislative Background**
 - 4.1 The IB Green Paper ‘Pathways to Work’¹ detailed the Government’s aim to reform IB so that all customers with a health condition or disability who are capable of doing some work are given help to find a job and the support needed to remain in employment. The Pathways to Work pilots are an initial step in this strategy and are testing out a range of measures to find out what works for providing the effective work focused interviews and support required to encourage people to take the steps that will help them move towards, or into, work.
 - 4.2 The Social Security (Incapacity Benefit Work-focused Interviews) Regulations 2003 were laid to allow the introduction of pilots in fully integrated Jobcentre Plus offices. A representative sample of seven Jobcentre Plus districts, with different labour market conditions, was chosen. A first tranche of three districts² commenced on 27th October 2003 and a second tranche four districts³ on 5th April 2004.
 - 4.3 Participation in the ‘Pathways to Work’ intensive work focused regime is only mandatory for new customers, although any IB customer in the

¹ Pathways to Work: Helping people into employment published 28th November 2002

² Derbyshire, Renfrewshire, Inverclyde, Argyle and Bute, Bridgend, Rhondda, Cynon and Taff

³ Essex, East Lancashire, Somerset, Gateshead and South Tyneside

pilot area can volunteer to access appropriate provision. However, the Government made the commitment in the Green Paper, which was confirmed in the Response and Action Plan that it would consider if it was sensible and feasible to extend the pilots to existing customers.

- 4.4 Some respondents to the consultation exercise also commented that it appeared perverse not to apply the full regime to existing customers, as those who are capable of some work are in more need of accessing the intensive support available to help them gain the social and financial benefits that having a job brings, and prevent them spending prolonged spells on benefit.
- 4.5 In light of the successful launch of the pilots, and the fact many existing customers are voluntarily participating in, and been helped into work by the pilots, the Government announced in the 2004 Budget that the pilots would be extended to some existing customers early in 2005. This regime is due to start 7 February 2005 and will apply to those customers who started their claim for IB in the two years before the start of the pilots.
- 4.6 This instrument amends the Statutory Instrument 2003 Number 2439 - The Social Security (Incapacity Benefit Work-focused Interviews) Regulations 2003, in the 7 areas testing out Pathways to Work to allow this extension to be implemented.

5. Extent

- 5.1 This instrument applies to Great Britain.

6. European Convention on Human Rights

- 6.1 Not applicable

7. Policy background

- 7.1 There are presently three times as many people on benefits in this country because of sickness or disability as there are unemployed people on Jobseekers Allowance (JSA). Currently 2.7 million people of working age receive incapacity benefits, this is 7.5% of the working age population (rising to 15% - 20% in the most affected local authority areas in the North West and South Wales). This number has more than trebled since the 1970s, despite improvements in most objective measures of health since that time, because whilst there has been a slowdown in the rate of increase of claims, customers are staying on Incapacity Benefit (IB) longer.
- 7.2 The Government gave a commitment in the Green Paper '*Pathways to Work: Helping people into employment*' and the Response and Action Plan, to consider whether it would be sensible and feasible to extend

some of the mandatory elements that were currently being piloted in the Pathways Districts to existing benefit customers as well.

- 7.3** Because there has been a positive start to the Pilots, and the fact that this has included many existing customers volunteering to take part and being successfully helped back into jobs, the Secretary of State (SoS) has decided that it is now right to extend the proactive help and support available in Pilot areas to certain existing IB customers as well. This extension of IB Reforms was announced in the 17 March 2004 Budget statement.
- 7.4** The Budget Report confirmed that the Department would be seeking the views of key external stakeholders on the implementation of the extension. It was further agreed that we would consult with those Jobcentre Plus staff directly involved in developing and delivering a WFI service on what is the best way to engage with existing customers.
- 7.5** A consultation exercise was carried out earlier this year. Both internal and external stakeholder were invited to attend seminars and requested to submit any comments on the design of a WFI regime. A range of replies was received, with most of the 20 external respondents welcoming the principle of extending the mandatory help available. There was broad support for the main features of the proposed regime and agreement that, because they have been on IB for some time, many existing customers are likely to have more barriers to work and require greater support and reassurance than new clients. The following was frequently highlighted:
- A need for sensitivity in the way we communicate with customers to minimise unnecessary fear and concern, reduce non-attendance levels and maximise interest in ongoing voluntary participation. It was felt customers need positive messages about the help on offer, reassurance that the aim of the regime is to help them consider their employment options and that participation in work related activity is voluntary
 - As each customer will have their own individual needs and expectations, Personal Advisers (PAs) will need to adopt a flexible approach. It is important they have the skills, knowledge and confidence to deal with the additional barriers they may encounter and the ability to tailor support to meet each customer's specific requirements.
- 7.6** We accepted that these are important issues and, along with other issues raised by the stakeholders, we have taken them into account in the design and implementation of our pilots. The regime has been amended to meet the needs of existing customers, and the key differences from the Work Focused Interview regime introduced for new customers are:

- There will be an intensive phase of three mandatory work focussed interviews (instead of six, as for new customers) after which the standard repeat Work Focussed Interview regime that applies elsewhere in Jobcentre Plus is applied.
- The introduction of a new financial incentive, the Job Preparation Premium, a payment of 20 a week payable for up to 26 weeks under section 2 of the Employment and Training Act 1973.

8. Impact

- 8.1** A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.
- 8.2** New joint programmes have already been established in the 7 areas testing out Pathways to Work that combine support to find jobs delivered by Jobcentre Plus personal advisors with health-focussed condition-management delivered in collaboration with the NHS.

9. Contact

- 9.1** Philip Rescorla at the Department for Work and Pensions – Jobcentre Plus e-mail: philip.rescorla@jobcentreplus.gsi.gov.uk can answer any queries regarding the instrument.