

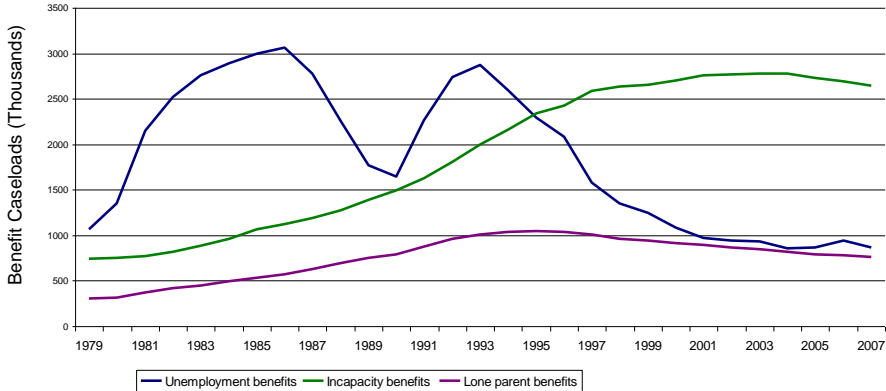
Pathways-to-work And The Recent Introduction Of The Employment And Support Allowance

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Incapacity Benefits

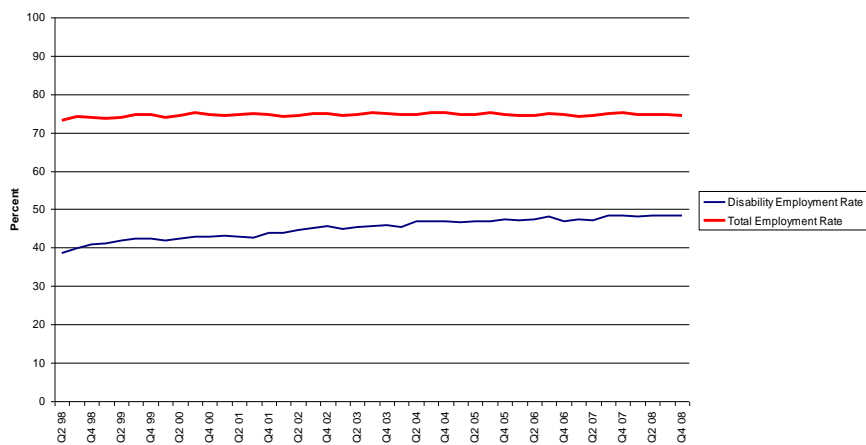
Incapacity Benefits are mainstream benefits, paid to customers who are out of work because of a health condition or disability.



Year	Unemployment benefits	Incapacity benefits	Lone parent benefits
1979	1100	750	300
1981	2200	800	400
1983	2800	1000	500
1985	3000	1100	600
1987	2800	1200	700
1989	1800	1400	800
1991	2400	1600	900
1993	2900	2000	1000
1995	2300	2300	1050
1997	1600	2600	1000
1999	1300	2700	950
2001	1000	2800	900
2003	900	2800	850
2005	950	2700	800
2007	900	2650	750



Employment Rates



Source: Labour Force Survey

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DWP Department for Work and Pensions

Pathways to Work

- Integrated conditionality and benefit is effective in moving Job Seekers into work.
- The UK Government is committed to:
 - reducing the gap between the employment rate of disabled people and the overall rate;
 - supporting customers off incapacity benefits and into work.
- So we used this approach to design the Pathways to Work Programme for Incapacity Benefit Claimants

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Pathways to Work

- A programme of back to work support for people with health conditions or disabilities receiving incapacity benefits.
- Represents an investment of around £1 billion between 2008 and 2011.
- Underpins the introduction of the Employment and Support Allowance

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Pathways to Work

- Includes up to 6 **mandatory** work focused interviews for **new** incapacity benefits customers
- Provides voluntary, tailored back to work support for **all** incapacity benefits customers including:
 - the New Deal for Disabled People job broking services in Jobcentre Plus areas, or similar help in Provider areas
 - Condition Management Programme – to help cope with the affect of the actual incapacity or disability
 - A weekly payment on moving into work (the Return to Work Credit)

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Pathways to Work is successful (1)

- More than 107,000 people into work (to March 2008).
- Those new customers who have gone through the Pathways to Work programme are around 25% more likely to be in a job after 18 months, than those who have not.
- Pilots have shown that Pathways to Work can have a positive effect for existing customers too. They found that Pathways to Work more than doubled the employment rate at 18 months for this group.

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Funding Mechanisms

- Providers deliver Pathways to Work in 60% of the country
- 70% of contract funding is fully outcome based. Providers are paid for each job entry and sustained job entry
- Contracts are flexible and low specification in order to encourage innovation – only work focused interviews and the condition management programme are specified.
- Providers can modify programmes to tailor provision to customers' needs.

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Employment and Support Allowance

- From 27 October 2008 incapacity benefits were replaced for new customers by the Employment and Support Allowance.
- Builds on the success of Pathways to Work, with a similar 6 work-focused interview regime, and access to the Pathways to Work service of employment support.
- Extra financial support for those for whom work-related requirements would be unreasonable.
- Introduces a robust medical assessment – the Work Capability Assessment, including a new work-focused health-related assessment.

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Lessons

- Integrated conditionality and support can work on Incapacity Benefit claimants to raise expectations and ultimately support those who are able to move into work.
- Need to work with Delivery Organisations to highlight the importance of culture change as well as process change.
- Allow providers flexibility of provision aligned with an outcome based funding mechanism

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The Future

- Mandatory Pathways to Work interviews to be applied to existing customers under 25 from 2009.
- We are piloting a new funding model to help us get more sustained job outcomes for long term claimants, and will also be piloting a different regime for the over 50s.
- From 2010, for new customers, the period of required engagement via Work Focused Interviews will be increased to two years.
- Pathfinders in 10% of the country will test increased conditionality, including requirements to undertake some work activity, with recourse to adviser directions in limited circumstances.