

**No One Written Off: Reforming welfare to reward responsibility  
Newcastle Partnership Consultation Response  
September 2008**

**Background**

This response has been prepared on behalf of the Newcastle City Council and the Newcastle Partnership. The views within have been generated by the Economy Delivery Partnership which reports to the Delivery Board.

Newcastle City Council and the Newcastle Partnership's vision for Newcastle is that by 2021 it will be a vibrant and sustainable city with a healthy, diverse, growing population. Driving economic competitiveness and enabling all our communities to participate in the economy is fundamental to this. This ambition is frustrated by high levels of economic inactivity which is recognised as a major challenge for the city. A serious consequence of low economic participation rates is the high incidence of child poverty and young people with poor life chances creating an intergenerational cycle of deprivation.

Therefore the ambition of the green paper, to give people the opportunity to develop the skills to find and get on in work, is encouraging. In particular the proposal to devolve power to deliver local flexibility is warmly welcomed and we believe in Newcastle we can respond immediately.

**Comments**

Before responding to the numbered consultation questions we would like to forward some broader responses:

**Co-commissioning**

We are extremely encouraged to see Newcastle Futures cited as an example of a wrap around service that is working well and would like to start discussions as soon as possible about how we can take forward the proposal for devolved co-commissioning. Within this context we would also like to discuss how, and over what geography, Job Centre Plus contract for other provision in the area to ensure the best fit of services provided by each to the maximum benefit of customers.

We are concerned that the much larger prime contractor regime proposed will not provide the local, flexible client centred response that we have found effective.

## **More support, more responsibility**

The combination of greater support but with a greater responsibility placed on individuals for their own employment is clearly a necessary part of the response to high levels of economic inactivity. However significant policy shifts as are proposed for Incapacity Benefit claimants and lone parents can generate unintended as well as intended consequences. To give an example lone parents going back to work, even with the available subsidy, might find the cost of formal childcare prohibitive or not available and therefore opt for informal, unsuitable childcare arrangements raising child welfare issues.

Many who have spent significant time out of work are going to find the transition difficult and will need a high level of support. For instance those leaving Incapacity Benefit will frequently need help with different aspects of their life before being able to sustain employment. Experience tells us that this can take significant time. It is also likely that progress might not be linear or smooth and we need to ensure that adequate support and benefits are available to those who might find at that point they cannot sustain employment. Again the wrap around service as provided by the Newcastle Futures Partnership will be invaluable and we would encourage investment in this type of provision accordingly.

## **Ending Child Poverty**

The link between unemployment and poverty is self evident and this impacts on the lives of children. A recent study, Child Poverty in the North East of England, concluded that there were at least four reasons why child poverty matters;

“First, poverty damages the lives of children. Second, poor children tend to become poor adults. Third, poor adults tend to produce poor children. Fourth, this creates a cycle of poverty that causes major damage to society.”

Barry Knight 2007

In Newcastle 10,000 (65%) of children living in workless families live with out of work lone parents. The experience of Newcastle Futures working with this group is that often they are eager to return to work. During 07/08 Newcastle Futures registered with them 15% (710) of all the lone parents in the city of which nearly ½ (328) were successfully supported into work. Again the value of the wrap around service in addressing an individuals needs holistically is self evident.

## **Economic Climate**

Whilst it is entirely reasonable to expect individuals to take responsibility for their own employment, it goes without saying that the potential for them to realise their employment objective is governed by the prevailing employment conditions. As we enter a time of economic uncertainty it is likely that this will impact disproportionately on the employment opportunities for workless people. We must take this into account in our target setting.

## Responses to the Consultation Questions

Only the questions where it was felt a valuable response could be made have been addressed.

### Questions 1 – 3 Work for Benefit

The focus should be increasing employability. It should be obligatory but not a punishment. The duration of a work activity should therefore relate to that required to maximise the improvement of an individual's employability. It should also be accompanied with other employability support. If co-ordinating employment / volunteering activity is to be provided by the voluntary and community sector the full cost of this will need to be covered.

### Questions 6 – 7 Drug Users

Drug use is commonly a symptom of a chaotic life as much as it is a cause. Agencies who deal with drug users are best placed to advise on appropriate regimes, realistic outcomes and timescales for this group. Expecting individuals to declare they are taking drugs as part of a benefit claim, we think will be ineffective as drugs use is a hidden problem and it is only longer term support that drugs misuse becomes evident.

### Questions 8 – 9 ESA and Skills

Core skills are clearly a prerequisite to most employment and should therefore be encouraged to be addressed but not enforced as soon as possible within a claim for ESA, with the understanding that individuals progress at their own pace. An imposed timelines/programme can be counterproductive to overall progress

### Question 20 A more active regime for partners

Reducing the number of workless families is fundamentally important to tackling child poverty. When addressing the employment of partners a whole family approach is needed. A wrap around service such as offered by Newcastle Futures is well positioned to provide this. Historically these customer groups have been very difficult to engage. Some form of mandatory attendance at initial interviews maybe necessary with the offer of support from a local provider as the best long term approach.

Simplifying the benefit system is always welcome and the government have taken great steps to achieve this already, however there are still problems over housing benefit which effects individual's ability to move smoothly from benefit to employment. This becomes worse for temporary jobs. In the current economic climate we would urge that housing benefits are included in the overall benefit support to avoid putting individuals into needless arrears as they make the transition to employment.

Moving carers from IS to JSA we feel would not encourage individuals to access employability support more easily; rather it would add more pressure to their situation without any real benefit. We consider an approach will

makes direct offer to carers via a wrap around service would offer both support and encouragement depending on individuals circumstances

Questions 27 – 29 Three levels of devolution to local partnership

Because of the variety of funding regimes the landscape of provision for the workless is cluttered with unhelpful competition for outputs and money which often results in ‘cherry picking’ and an overall poorer quality service for individuals. These were very much the drivers which led to the establishment of Newcastle Futures. Moving from a competitive model to the collaborative model (which is now delivering results) required three essential elements;

1. A focus on outcomes as opposed to outputs: Simply put, this allows more than one provider to work with a customer in delivering the service they specialise in without having to compete for the output.
2. Strategic Co-ordination: a central agency which is given the role of developing agreements with providers and engaging them as appropriate in an individual’s action plan.
3. A sophisticated and powerful data base that providers share. Along with ensuring a quality service for customers which records and supports their employability progress, it also provides excellent management information which allows provision to be focused on targets.

The model was developed with the Neighbourhood Renewal Fund providing the core of the service through a range of providers. Agreements attached to this funding negotiated by the central hub, Newcastle Futures Ltd. have ensured that providers work within the model. Subsequently DAF and Single Programme resources have been attracted expanding the model.

The wrap around service provided by Newcastle Futures is supremely configured to maximise the impact of an output funding model as outlined in Chapter 3. Acting as it does to bring providers together, funding routed through this model will ensure provision is effectively targeted. Careful consideration will need to be given to how funding per output is weighted.

The proposal for much larger but fewer prime contractors gives us major concern. Maintaining local level intervention is extremely important in gaining access to communities. The offer of larger prime contractors which often have a “one model fits all” approach can be counterproductive in not meeting individual and community needs.

If you have any queries regarding this consultation response please contact:

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