



Work and Pensions Committee

Oral evidence: The Future of Jobcentre Plus, HC 707-i

Wednesday 4 May 2016

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Members present: Frank Field (Chair), Ms Karen Buck, John Glen, Richard Graham, Jeremy Quin,

Questions 1 - 67

Examination of Witnesses

Witnesses: **Matthew Oakley**, Director of WPI Economics, and Senior Researcher, Social Market Foundation, **Tony Wilson**, Director of Policy and Research, Learning and Work Institute, and **Patrick Hughes**, former Director, London and East of England Jobcentre Plus, gave evidence.

Q1 Chair: Welcome. Tony, might you once again identify yourself for the sake of the record? I invite your colleagues to do the same.

Tony Wilson: Thank you, Chair. My name is Tony Wilson and I am the Director of Policy and Research at the Learning and Work Institute.

Patrick Hughes: Good morning, Chair. My name is Patrick Hughes. I am an independent consultant in the employability sector, a trustee of Papworth Trust, a director of the Institute of Employability Studies, and in this context I previously spent 34 years as a director in Jobcentre Plus.

Matthew Oakley: Good morning. I am Matthew Oakley, Director of WPI Economics and Senior Researcher at the Social Market Foundation.

Q2 Chair: Matthew, can we begin with you and then open it up to Patrick and Tony? On the establishment of the really key thing about work coaches, what do you see their role as and what skills specifically do they need to make a real success of their roles? What evidence do you have that work coaches are gaining those skills?

Matthew Oakley: You need to look at the increasing pressure that jobcentre staff are going to be put under over the next few years and look back at some of the reforms that have

come through. I see this in two key areas. One is the volume of people heading into a jobcentre. We have seen quite significant increases in conditionality that means that the claimants of jobseeker's allowance will be at a jobcentre more frequently. Under Universal Credit, there will be up to 1.3 million more people who are in work having to attend a jobcentre. A third thing is that with the retrenchment of what was previously pretty much outsourced, a contracted model of employment support for the very hardest to help, those people are being brought back into Jobcentre Plus, so that is a huge increase in the number of people there, and simultaneously a huge increase in the range and difficulty of helping those people.

There are two quite untested areas: how to help people get a different job that is better paid, or to improve their skills so that they can progress within the job they are currently in; and a range of people with potentially quite significant barriers to work in terms of disability, ill health and potentially wider problems around housing and other things, who would have previously been in the Work Programme. Frankly, my view is that the Jobcentre Plus network is not prepared for delivering those two things, perhaps less so on the first in delivering a signing regime for a large number of people. It has shown in the past it can do that. During the recession it coped very well with an increase in the claimant count, so maybe it could deal with quite a significant increase with the recruitment it is currently undertaking. My biggest concern is how it will cope with the increase in difficulty of the people it is looking to help.

I cannot see how you can provide an adequate level of support to that many people while still trying to deliver conditionality and benefit delivery, as the current system does. From everything I have seen from the Department and from speaking to claimants themselves, I do not see any direction of travel that says that this is going to be a positive thing for claimants in terms of their experience of the jobcentre or their chances of finding work, and particularly productive work that pays them to a level that means they can lift themselves out of poverty.

Patrick Hughes: I think successful work coaches need two things: skills and knowledge. The skills should be about personal influencing skills, so influencing the person in front of them, and how they change behaviour in positive and desirable ways. The second set of skills is how they talk to employers and understand what employers require in their modern workforce. That needs to be built on a platform of knowledge of the local labour market and how the benefit system works. Forgive me if that sounds obvious, but it needs to be there and written in.

The other point I would add is that the scale of the changes that face Jobcentre Plus now means that they will be converting a lot of existing advisers but recruiting a great many more. I have already seen advertisements in the public domain in the south-east of England alone for 300 advisers. The big challenge in delivering reform in this area for Jobcentre Plus is to deliver that capability to two different constituencies, one bunch of new recruits and one bunch of people who have probably been around a very long time. I believe they can do it, but it is a very big challenge.

Tony Wilson: I think Patrick set out very well the skills that advisers need. I would add one thing, which is an ability to work in partnership with other organisations. That has become increasingly important in recent years. I think you will hear more about Universal Support Delivered Locally later.

Q3 Chair: When you say “other organisations”, which do you mean?

Tony Wilson: In particular local authorities, which are delivering things such as discretionary housing payments, local welfare schemes and providing signposted access to budgeting support, digital support and so on, but also directly with VCS organisations and skills providers and people who are delivering services themselves in local communities, in particular on things like digital and budgeting but potentially looking further into the in-work progression space that Matt has identified as well. We end up expecting quite a lot from advisers when you add all of that together. I think one of the big questions is the extent to which we expect advisers to be good at all of those things or to be excellent at one or two of them and then to organise the service so that you can draw on that excellence at different times.

One of the things that worries me a bit about the work coach delivery model is the expectation that people will always see the same adviser and, therefore, the adviser needs to be able to provide a range of support to people with a range of needs. I think that points towards more generalist rather than specialist advisers. In the past Jobcentre Plus has done specialist advice and specialist support very well, particularly through the new deal for lone parents, with very strong and positive evaluations of people’s experiences of that support. Unfortunately, the previous Government did not publish any impact assessment for the evaluation of it, but we know that they were very good at providing support services, understanding people’s barriers, motivating, doing action planning and understanding local labour markets. In the New Deal for Disabled People and the New Deal for people aged over 50, I think those are the three key groups we will be focusing on: parents, older people and disabled people. The real question is specialism versus generalism.

One other point about evidence, very briefly, is that we do not have much evidence about what is happening in Jobcentre Plus now. There is not enough transparency about plans, capacity and capability and future roll-out. The stuff that has been published by the Committee, what the Department sends to the Committee, was very welcome and that is now online.

Q4 Chair: Tony, your evidence is positive, isn’t it? Here is a new initiative that is in its very early stages. We are doing a report that might help shape that service and we have everything to play for.

Tony Wilson: I am quite hopeful, and I do not see that there is any reason why Jobcentre Plus cannot do this, why they cannot rise to this challenge. If I could make one very brief point, however, I would point—as we set out in our submission—to the declining satisfaction in Jobcentre Plus services. This is worrying. Satisfaction has fallen from 89% in 2010 to 82% now, and it is probably at the lowest it has ever been, although there is not consistent data going back to 2001. I think satisfaction with employment services specifically is low, so fewer than half of ESA claimants who have recently had support in Jobcentre Plus report they are satisfied with the employment support they have received. That is a worrying place to start from.

Q5 Chair: But when you ask whether one is satisfied with the service, if you are applying tough love, it might well be that immediately people are not very happy with the application of tough love but they might be much more satisfied a year hence when, hopefully, the positive aspects of that approach work through.

Tony Wilson: I think we do see that to some extent with Jobseeker's Allowance claimants, but satisfaction generally is high. You are talking about more than 80%. People generally will report they are satisfied with employment services. It is the direction of travel that worries me. On ESA specifically, the Department no longer publishes data on off-flows from ESA. It stopped doing that last year, which I think is bizarre and is a problem, but the ESA off-flow data that it published showed that it was a long way below expectations. The tough love—if it is tough love—for ESA claimants is not working.

Q6 Jeremy Quin: Who is being polled in that scenario?

Tony Wilson: It is independent research published by DWP, so it is published through research reports. Every year they do a customer satisfaction survey and it is delivered by an independent research organisation—I think it is MRB.

Jeremy Quin: Is it those who are currently being—

Tony Wilson: It is a representative sample. It is good quality. It is a representative sample of current benefit recipients and they are sampled through the administrative data that the Department has.

Q7 Jeremy Quin: Is there a polling of those who completely get off benefits? That is a small minority, but would the polling include that or not?

Tony Wilson: Of those who leave benefit?

Jeremy Quin: Yes.

Tony Wilson: I believe it should do, yes, because it is people who have used services in the previous year. We would expect about a third of JSA claimants to be in work and we would expect more than that to be off benefit.

Q8 Chair: Might you check that for us, because otherwise the sample is skewed?

Tony Wilson: Yes. Representative of people who are receiving Jobcentre Plus support, but is it representative of people who secure employment?

Chair: Yes, where the service has been successful. Will you come back to us on that?

Tony Wilson: Yes.

Chair: Great. Thanks.

Q9 John Glen: Can I probe back on that? It occurs to me that with the economy changing and the patterns of employment changing, you get to a point in the cycle where you have a record number of people in work, the expectations and the challenges facing the group

of people who are still on benefits are very different and their attitude to the assistance they may receive will also be different.

Tony Wilson: That may well be true. It is a shame that we don't have consistent data back to 2001, when Jobcentre Plus was created, but throughout the 2000s satisfaction was measured in a different way, but it was consistently very high. That was in a period as we are now, coming into a recovery with more jobs available and expectations quite high among jobseekers.

Q10 John Glen: If I could turn to the budget. If we did have an economic downturn, what are your views of the capacity of Jobcentre Plus to deal with the increased footfall with existing presumptions around resources? Obviously there are opportunities to train staff differently, to combine roles, to use new platforms for giving clients opportunities for online services and so on, but what is your view on how JCP would cope in a situation of increased footfall with the resources they have?

Tony Wilson: If I may go first, I think this is where there is a huge benefit in having what is normally a criticism of the Department, which is having a very centralised command and control Jobcentre Plus network for dealing with downturns. When you compare how the UK responded with other countries where there were similar problems, and obviously similar recessions, I think the UK response in the previous downturn was exceptionally good. Patrick will be able to say more about the ability to expand quickly to deal with literally a doubling of the number of claimants and still maintain continuity of service and decent performance through that period.

It is much harder to do when you have fully devolved systems. I think the first challenge is in future discussions about devolution but also in the reduction of the Department's estate. One third of the estate will be lost by 2018, or from 2018 there will be more colocation, more integration of services. It is making sure we maintain that responsiveness, because that will be a big challenge. The resourcing challenge is real. I think if there is a further downturn it had better happen in the next two years, because Jobcentre Plus resourcing will increase over the next two years and then fall very steeply from 2018. Its final position will be 14% lower in real terms than its starting point at the start of this Parliament, but it will go up over the next two years and then come down. I think if we hit a downturn and that sharp downwards slope, DWP will be quite near the back of the queue, frankly, for spending.

Q11 John Glen: But there is not a direct correlation between the volume of jobcentre staff and the volume of work that they are capable of delivering. The reality is that you can deliver things differently to get better outcomes, and in the private sector training and support this would be normal.

Tony Wilson: But I do think the employment services are first and foremost a people business. It is about being able to see people, to action plan, to produce a plan, to start to work with people regularly, build their confidence and motivation and help to match them to jobs and so on. If you are doing that with a caseload of 200,000 new JSA claimants a month—that was the steady state pre-2009—and that increases to over 300,000 a month, you need more people or you see them less frequently. The consequence of seeing them less frequently, for example seeing them digitally, is not that the same number of people move into work or move off benefit. There is a very clear link between the frequency and

quality of interventions—the Department has published research on this and you see it internationally as well—and the likelihood of people leaving benefit. My view is that we will never been able to take people out of the delivery of employment services.

Matthew Oakley: For me it depends what you are trying to deliver and what you think success looks like. If you think people claiming their benefits and having a system of conditionality applied to them is success, yes that is fine. I think JCP has shown that it can do a really good job of delivering that. If what you want to do is create a more productive economy—high wage and low welfare—launch a full-out assault on poverty and halve the disability employment gap, then you need something very different for the support that JCP is going to provide. I would suggest that although it can manage a huge increase in that footfall during the recession, there will be longer-term implications in the potential scarring effect of that on those who are further away from the labour market, who do not get back into work immediately. Frankly, I don't see the level of support needed to help some of these people. Again, you are talking about somebody with a potentially quite severe mental health condition on Jobseeker's Allowance. I think anyone here can recognise that saying, "Let's apply conditionality and get them to come in and sign every day and that is going to get them to work" is just not going to work. My question is: where is the support that that person needs? Where is the support that people with really significant barriers to work need and who is going to deliver that?

Q12 Chair: But isn't what you are saying, Matthew, that on the task it currently has, Jobcentre Plus performs very well?

Matthew Oakley: Yes.

Q13 Chair: Looking to the future, it may need to develop specialist services for people who are furthest away from the labour market, like people with mental health issues, and that as nowhere else in the world has a public service of trying to encourage people both into work and then up the pay scale, they need to acquire new sets of skills?

Matthew Oakley: Absolutely. I think my main message is that everything that we see from jobcentres—if you speak to claimants about their experience within the jobcentre—talks to directional unemployment, having to harass people to get them back into work as quickly as possible, and into relatively low-skilled, low-wage jobs, which was fine for the last 20 years. If we are going to be more ambitious about meeting the productivity challenge in the UK, we need to change what we think the employment service is there for.

Q14 John Glen: Matthew, on that, what would be the best targets to try to encourage delivery of a new approach? What would you have the Department looking at to try to measure this?

Matthew Oakley: Jobcentre Plus has historically been measured on benefit off-flows, so the proportion of people moving off benefit by a certain length of time. Ministers and Secretaries of State will have sat in this room and talked to you about 75% of people going off benefit within six months and 90% within a year, I think. But, as Tony mentioned earlier, only around two thirds of those people enter employment; around a third claim benefits again within eight months. If you put all those things together, only about 36% of

people who enter a jobcentre find a sustainable job within six months, so that is quite a big difference in the performance level if you look at proper, sustainable work.

What I think we need to do is change that metric and change how we measure how Jobcentre Plus is performing. As I said, if we are looking at productivity and our goal is a high-wage economy, why are we not measuring that? Surely the best measure of an outcome for Jobcentre Plus is the level of employment and pay that it gets for someone who comes through the door or helps someone to get. In turn, that means they reduce the benefits they are on. What I think anybody going into a jobcentre would want to do, and anybody sat behind that desk would want to do, is to get someone the best possible paid job and get them off benefits. But we do not measure that at the moment and we should do.

Q15 Chair: But that has not been a Government objective until recently, so what we are suggesting is that the Government should set targets and collect data?

Matthew Oakley: They should do. The real-time information stream that is coming through the Department from HMRC should be able to do that, but for me that will require a significant change in culture at Jobcentre Plus in terms of what it is there to achieve and I think that is a huge change.

Q16 Richard Graham: Matthew, you are very gloomy about all this—a bit Eeyore-ish really. You talked about people not getting jobs out of Jobcentre Plus for very long and then coming back into the system and so on, but that was precisely because the system incentivised that by effectively meaning that if you had a job for more than 16 hours a week, you were going to lose out on your benefit, so that process was inevitable. But it feels as if you are driving and looking out of the back window a bit. We are trying to look forward. You must have come across organisations such as Pluss, which specialises in taking people with severe disabilities and getting them back into jobs. They are going to be showing a film on some of this on 26 May, which perhaps you ought to come along and watch. It gives a slightly more positive sense of what I see on the ground, which is really hard-working, dedicated people in Jobcentre Plus who are turning around people's lives. It may be that if there was a bigger budget for organisations such as Pluss, we would see better results for more people with disabilities. That is an area I think the Committee is looking at, the business of getting people with disabilities back into work.

But on this more general approach that we are discussing today, surely you see advantages of greater partnerships with not least local authorities, but other organisations as well, so that people who are coming into the world of looking for jobs get the best possible and widest advice from this greater range of people who jobcentres are going to take on. Don't you see that broadly as a positive? What is the issue you have with that?

Matthew Oakley: I see all those things as positive. For instance, let us take people on Jobseeker's Allowance who have a significant problem—maybe they are prison leavers. Previously they would have been referred to the Work programme at three months and might have gone to Pluss or might have gone to Working Links or one of the many other people in this space. That is not going to happen anymore, because they will be sat at Jobcentre Plus for up to two years before they get referred to specialist employment support. That is my problem. The system at Jobcentre Plus is set up to be an incredibly

effective and efficient system of benefit delivery and conditionality; it is not resourced or set up to provide the employment support that somebody who might have just left prison needs to get back into work.

What we saw on the Work Programme was those groups of people it was incredibly effective for. It performed well above the minimum performance levels for young people on JSA, for over-25s on JSA, for people who were early entrants on JSA, so people such as care leavers and people leaving prison. It performed incredibly effectively. Now those people are arguably going to be sat at Jobcentre Plus for up to two years, and I think that is letting those people down.

Q17 Richard Graham: Again, that is fairly gloomy. Since you raise the question of people coming out of prison, surely the real issue there is what happens while they are in prison?

Matthew Oakley: Absolutely, and that would be some of the ways that people on the Work Programme would have been engaging with those people.

Q18 Richard Graham: In terms of partnerships, are you trying to say—let's try to interpret your words positively—that there are opportunities for Jobcentre Plus to work better with the Prison Service in arranging the training and the skilling up and so on, that it starts much earlier, before they come out of prison? Is that what you are implying?

Matthew Oakley: I am going to stop being negative then and talk to solutions instead.

Richard Graham: The Committee welcomes that.

Matthew Oakley: As you might have guessed, I think that what is happening is slightly traumatic in terms of the people who will be relying on a service that is not going to be there and is not going to be effective. What I do think we have is a huge opportunity over the next three or four years to take not insubstantial amounts of money and pilot some really interesting approaches, whether that is through the devolved cities that Tony has already talked about, through partnerships with other organisations, working in partnerships with charities or third sector and private sector providers. I think there are a whole host of areas of interesting pilots. What that needs, though, is central co-ordination from the Department. I would be very much pushing for a framework of evaluation, a framework of pilots set out by the Department for Work and Pensions to say, "These are the sorts of things that we want to test. These are the sorts of things we want to know whether it works or not and here is the information that we want you to present in terms of an evaluation" so that in five years' time when we are recommissioning contracted support or rethinking how employment support looks more generally, we have the information that Tony has said is not there. We have that information to hand to say what works and what we can do to improve these people's lives.

Q19 Chair: Matthew, we are obviously aiming to write a report that will hopefully influence the Secretary of State on how this service develops. Are your criticisms fundamental or are they ones that could be tweaked? Although you say that it is not going to deal adequately with people leaving prison—and that is an issue we may take up—most people going to Jobcentre Plus aren't coming from prison. Can we evaluate how serious your

comments and criticisms are? Are they ones that could be dealt with by modifying the system or do you think they are structural?

Matthew Oakley: My personal view is that they are structural.

Q20 Chair: Why?

Matthew Oakley: Jobcentre Plus has been set up to achieve benefit off-flow and benefit delivery and conditionality. My personal view is that is not enough for an economy that I think everyone in this room would probably want to achieve, which is a productive economy where we can compete with our closest neighbours on equal terms for productivity. At the moment there is a huge churn at the bottom of the labour market, with people moving into low-paid, relatively poor jobs. They are still living in poverty and they are still claiming benefits from the state to quite a significant extent, and then they move back to Jobcentre Plus within three or four months.

Q21 Chair: Yes, but that is going to be the bulk of the client group, isn't it?

Matthew Oakley: Yes.

Q22 Chair: That is separate from people who have disabilities trying to get into work or from people coming from prison wanting to get into work. Are you saying that the service, as it is currently funded and structured, will fail that vast group of people who move into work and for whom the Government have the objective of increasing them up the pay scale?

Matthew Oakley: I think the system as it is currently structured and funded, with the current incentives in place, means that you will not achieve what the Government are looking to achieve by increasing the productivity of the labour force or halving the disability employment gap. As you have said, there are a lot of people at the bottom—the vast majority of the people Jobcentre Plus deals with—but we cannot forget the 1.2 million people it needs to help get back into work in terms of halving the disability employment gap either. That is also a lot of people. Those two groups I believe will be affected.

Q23 Ms Karen Buck: I want to pursue this point, and possibly see what Tony and Patrick want to say. This is an old problem, isn't it? It is how you strike the balance between bulk and the significant minority with high levels of need. Part of the argument, you are saying, is the inability of JCP to refer quickly to specialist help and that would be one structural change that needs to happen, but then the second part of that is what capacity is there, particularly now, within the system outside JCP to meet those needs and provide that level of support. Are you and others looking at that issue of capacity and how is that being paid for? It seems to me, from anecdotal experience, that there has been enough help to do everything we wanted to do, but a lot of the third sector organisations that were there to provide specialist input or possibly also the work within the health service that was being done, for example with mental health, is not there anymore. How are you proposing that gets measured and tracked? Even if we were to say that referral could be done from JCP straightaway, who is going to provide that support, how is it going to be paid for and how is it going to be monitored?

Matthew Oakley: That is a very good question. That is why I am slightly negative, because basically I think that debate has long gone, following the spending review settlement. As I said, I think the more positive take is that we have a chance here and an opportunity to say that we are not going to solve this problem for everyone. We might want to, but we can put forward 10 or 15 significant pilots to look at how we design a system of support to help the people you are talking about, both those with significant barriers to work but also people trying to get better jobs, more jobs, more hours, better pay. How can we do that and evaluate it so that in five years' time we can put in the money that it needs?

Q24 Ms Karen Buck: Just to be clear, the structural problem that you are describing in JCP is about the ability to refer to high-level support for the minority of people who need it, but there is a second structural problem, which is the capacity and the resource out there to pull in tailored support for ex-offenders or for people with mental health problems. So effectively there are two structural problems.

Matthew Oakley: I do not feel I can comment on the capability or the capacity of the private or third sector. What I would say is that the spending review envelope for that provision is too small for that to be sensible.

Ms Karen Buck: It would be interesting to know what Tony and Patrick think.

Patrick Hughes: I am hearing two strands to this; one is capacity and one is culture. To go right back to Mr Glen's comments about were there to be a downturn, the strength of Jobcentre Plus in some ways is that it is an instrument of national policy and national Government, something in my view—I suppose I would say this—it has done rather well over a number of generations for both parties. So where do we get then? I think responding to a downturn and a fast rise in unemployment is the sort of thing that Jobcentre Plus does really well and we would regret its absence. The problem with a countercyclical organisation is one feels less of a need for that at a time of economic success and it is a question of whether you want to hold that investment in reserve.

Secondly, leading into the culture point, there is a lot of organisational knowledge—some might say wisdom; some might say scar tissue—among a very large leadership cadre in Jobcentre Plus, which is one of the very biggest public service organisations we have, where there has been a series of cultural changes. It is capable of cultural change if it is pointed in the right direction, in my view, and I have a couple of caveats to that, which I will come to in a moment. That would include reform of the target regime, where I would not put all my eggs in one basket. This is an organisation that has to resolve tensions locally between jobseekers, non-jobseekers and employers and it needs a portfolio of targets. I would vote for four or five targets and that should include satisfaction measures for customers and employers, without a shadow of a doubt, to produce a balanced effort in each locality. That is the first thing.

The second thing is that there needs to be a sustained drive to make the organisational boundaries of Jobcentre Plus more porous. By that I mean welcoming non-Jobcentre Plus services into its offices and resolving some of the really tedious but knotty rent issues between public sector organisations that have hindered that in the past. Thirdly, it does need well-trained advisers with skill sets devoted to the people they are there to serve. One big missing gap that I think is going to surface pretty quickly is advisers with the skills and

the training to helpfully support and advise people who face mental health challenges in getting back to work, where the numbers are very large. There is a lot of nervousness among Jobcentre Plus staff, and my belief is that special training is required, as it would be for any other organisation.

Q25 Ms Karen Buck: The one that you did not mention was basically going out. You have talked about bringing organisations into JCP, but in my experience there is a world out there, of schools, FE colleges—

Patrick Hughes: I couldn't agree more.

Ms Karen Buck: —and mental health services and their interaction day to day. I do not know how much that is cultural and how much that is capacity.

Patrick Hughes: Jobcentre Plus is a very—forgive me, I am trying to find the right word that will not upset my former colleagues. It does what it is told, and if Ministers say, “Get out there and sit at other people’s desks and provide a service,” it will. That is both a strength and a weakness in some respects of a public service organisation, but in this context they need the policy statement to say, “Do it.” Colocation in a sense is a means to an end. The purpose is to take services to the people where they are most comfortable receiving them, including some services that might involve, if I may use blunt language, both the carrot and the stick, but that is life, isn't it? The sort of caveat I would talk about, to go back to my earlier remarks, would be simply that it is very much in the interests of an economy to have a national labour market delivery spine.

There are very few things in the world of devolution that are not up for grabs, and I agree with that, but right at the heart of it is that people who have the first contact with labour market delivery services, the gateway to the whole system, who may find themselves—let us, sadly, look at Port Talbot as an example—suddenly in need that they were not expecting. That is where you need an organisation such as Jobcentre Plus to step in.

Chair: Tony, you were going to come in.

Tony Wilson: Yes. I think Jobcentre Plus has done this sort of stuff very well over two decades at different times. It has very much relied on ministerial and senior leadership direction to do that. If you look at the New Deal for Lone Parents, New Deal 50-plus, the New Deal for Disabled People, even the New Deal for Young People and a really good track record of working closely in partnership with organisations in the voluntary community sector and in local communities, there are some good examples right now where that is happening, but I think it is often patchy. A good example is Islington, where there is colocation of local authority and council services. You will hear from West Lindsey later, one of the Universal Support Delivered Locally pilots, which we have been evaluating for the Department. There are a number of good examples where that has happened.

There are definite issues of culture and capacity, and I suppose overriding all of this is the renationalisation of employment support for the long-term unemployed and those who are more disadvantaged. We should not lose sight of the fact that we are seeing a huge cut in the funding of previously contracted-out services, an 80% plus cut in funding, and those services being brought into Jobcentre Plus's remit. I think that will be very challenging for

the organisation to deliver and it will be required to work in a very different way culturally. The tension that Matt outlined, I think correctly, between applying a conditionality regime and providing a personalised employment service comes down fundamentally to the integration of the original decision to integrate the Benefits Agency and the Employment Service in 2001, and we shouldn't forget why we did that. We did that because we had the two operating in completely different ways, with different targets, not always talking to each other, not always communicating that effectively.

However, now is probably a good time to think about whether we should think about separating out again the benefits agency function, so conditionality, the core regime, compliance with the terms of your benefit, and the employment service type function and then thinking whether that is the sort of thing that we could devolve. Patrick has talked about some of the challenges with that. I would say you can look at franchise-type models. MyGo, which is happening in Ipswich, is effectively a franchise, where Jobcentre Plus is delivered through a contracted-out organisation with Jobcentre Plus staff, or at least part of it is franchised. If we are thinking about the future of Jobcentre Plus, we should think fundamentally about whether we still want a Jobcentre Plus that combines Benefit Agency and Employment Service functions.

Q26 Chair: But also, Tony, there was a hint from your colleagues that having a public service that does as it is told, for example what Ministers want it to do, is somehow a disadvantage. I think that is a huge advantage, isn't it?

Tony Wilson: I would agree that for large parts of what it does, it must be an advantage, because it enables it to run a system that can respond to the national needs of the economy, if it is done correctly, and ensure that we are running a national benefits system and we are correcting what I think are UK economy risks of market failure and benefit spending. But that is not to say that we cannot get much better. That core spine does not need to be that wide. There is a lot we can get much better at and we could think about devolving, and we could devolve a lot of that very effectively. That is the sort of thing we should be testing.

What we do not have at the moment is a true public employment service; we have a claimant employment service, because 57% of the unemployed are not claiming JSA and so are not receiving support through Jobcentre Plus. We should at least think in the growth deals, in the upcoming devolution debates, about testing a true public employment service that is devolved and that carries out the Jobcentre Plus functions with clear guidance or instruction about how it delivers that regime and core service.

Q27 John Glen: It seems to me that we are trying to combine an in-work and out-of-work function at the same time as we are trying to encourage stronger collaboration with other entities locally. That does demand quite a lot of change simultaneously in an organisation that you have described as culturally bound around certain parameters and expectations with a strong relationship from the centre. Notwithstanding the fact that the economy regionally is very different across the country, how do you think there will be a reliable transfer of that combination of both in-work and out-of-work support as well as collaboration? Couldn't we end with quite an irregular and—how can I say?—messy provision that is very different in different places and therefore you will not have an

expectation of a universal service delivery, or is that appropriate given the nature of the economy that is so different in different parts of the country?

Tony Wilson: I have a couple of brief points on that. One is that Jobcentre Plus in the past—it feels quite counterintuitive, given the debacles around universal credit—has been very good at delivering large-scale projects and dealing with recessions. Dealing with that big change is something it does very well.

Q28 Chair: So we should be hopeful, shouldn't we?

Tony Wilson: I am genuinely hopeful.

Chair: Good. So am I.

Tony Wilson: With the right leadership and the right direction, the right investment and resource in the next two years and then the cuts to resource that need to follow, I think there are real opportunities here. The big rider on this is Universal Credit. Of all the things we mentioned, universal credit is the elephant in the room. That will be by far the largest consumer of time and resource in Jobcentre Plus over the next few years. We are talking about rolling out full service for all new claimants between now and 2018, and full service, as you will have seen, does not really exist—it exists in a couple of offices. This change programme and the move to the work coach, the delivery model and everything else is going to be huge. That will inhibit its ability to run more flexible and local services, because when you are rolling out something of that scale you have to run standardised systems and you have to make sure it runs safely.

Q29 John Glen: But given the history of change management, you are optimistic about that too?

Tony Wilson: In terms of the ability to implement it, I think if they resource it properly then absolutely. I think the big problem with universal credit is that we still do not know well enough whether it is deliverable at all because it is not approaching on any scale. I think there is an issue about its ability to implement large-scale change at the same time that universal credit is happening.

On the issue of patchy coverage, I think we do have that to some extent already with support for disadvantaged groups. We have a very clear regime for jobseekers and what you get beyond that in terms of additional support often depends very much on the Jobcentre Plus district manager, even the local office manager, and often the local authority and how effectively organisations talk to each other.

Q30 John Glen: Is that not reflective of the different volumes of people requiring that service in different areas?

Tony Wilson: No, I don't think it is. A lot of it is cultural, about leadership culture and how people see their role and how managers see their role.

Q31 John Glen: So there is variability in cultures across the organisation?

Tony Wilson: Within Jobcentre Plus, absolutely. Patrick would have witnessed this. I did when I worked there and I have seen that in research that we do as well. Some managers are incredibly well integrated into local working, local authorities and partnership

working; services are collocated—you would be able to visit them and see it—and people talk to each other. You have strategic and operational integration, and you need both. You need the same leaders talking to each other and you need operational delivery talking to each other. In other places it just does not happen. This is a real patchwork. As Matt mentioned earlier, we need clear direction centrally about the parameters within which local areas should be operating, and training for managers, the expectations of managers, about how they do that.

I would like to see, locally, a system of local labour market agreements where local areas, city deals, city regions and Jobcentre Plus agree the priorities between themselves. I would also like to see some oversight of that—a taxpayer voice, if you like—some assurance that we are getting what we think we should be getting from the public investment.

Q32 Richard Graham: On that, you are distinguishing, understandably, between those Jobcentre Pluses that you think are most adaptable and are already doing the most work with other partners and those who are not. Both you and Patrick have said that the thing about the JCP is that it is like a good army; that it does follow instructions from its commanders. Once they are given the very clear steer that the game is now collocation and working more closely and so on, then presumably the managers who are not yet doing that are going to be able to move in to that mind-set fairly quickly. Are you saying that there is a distinction between the different qualities of different JCP managers; that some can't and some can?

Tony Wilson: I think they will. There is a distinction between the process and the outcome. You can tell people we need to colocate and people will colocate. But the real prize of collocation, as we said earlier, is not just about people being in the same office; it is about people talking to each other, working in different ways, improving the outcomes locally and, as Matt said, having the right outcome framework against which you are measuring success. There will be some managers who will be good at process and will colocate fine, but they may not get the outcomes. There are others—as there is now in Jobcentre Plus—who are very focused on outcomes and they are prepared to give their staff cover on the process. They will let them push the boundaries on what they are allowed to do, so long as they are getting the right outcomes.

It would be great if you could find some of those managers as well to talk to them. They operate in some Jobcentre Plus districts and they work very effectively.

Q33 Chair: Matthew, my worry with all of this is that we have a collocation policy going on, we have rolling out of Universal Credit to an extremely tough timetable and the development of this outward-facing service with developing new qualities of people who advise on how you get up the pay ladder. From my brief experience, in the Department there is only so much intellectual and social capital available to push through major reforms. I think each one of those is a major reform. Is your advice to the Minister that he ought to prioritise the more important of those, that having a new timetable to roll out universal credit is an acceptable price to pay to get the new job coaches off the ground and working, whether you have universal credit or not, and changing the service, and what Matthew has been talking about, which is the crucial importance of bringing together services so that if you do roll out devolution you know you are going to get at least a minimum response from every area to which you delegate?

Matthew Oakley: That is a big question. The new Secretary of State and the Ministers in the Department have a big challenge on their hands, obviously. For my part, I do not see any reason why the timetable of Universal Credit should not be delivered. As we discussed, Jobcentre Plus is incredibly good at delivering the nuts and bolts of a process. That has to be a priority for tying it down and making sure it works, as will be tying down the new work and health programme, ensuring that rolls out to the relatively small number of people it will be covering.

There are some very big reform agendas underway that still need to be tied down in the next two or three years. Perhaps that is why we have seen what we have seen in terms of the renationalisation of the wider employment support kind of contracts. What I would say is get those three, four or five things done properly and then think about, as I have been saying all along, how you can use the money that is left over in various disparate pots, bring that together and say, “Let’s get some proper pilots underway here with the devolved cities and regions” with partners who want to take on the funding with us to try to tackle the knottier issues of mental health, physical disability and progression, because frankly in those three areas we still do not really know what works.

Q34 Chair: On the three big reform programmes the Secretary of State is pushing through simultaneously, you are optimistic?

Matthew Oakley: I am optimistic on the three things that I have mentioned that are kind of processing points, yes.

Chair: Great.

Matthew Oakley: I think that the process side is fine, but if we want to have an ambition for a more productive economy we need to start thinking about the next five years, which means piloting now to get the results.

Q35 Ms Karen Buck: Is there not a risk that, given the level of challenges we are facing, we are beginning to fetishise colocation a little bit? Physically ensuring a sliver of a local authority and a sliver of JCP are in the same physical space, which is an extraordinary difficult thing to achieve, becomes something that it is physically able to do and, therefore, we like the idea of doing it. Is it not true that however you colocate you are going to end up with the vast majority of services that you want to engage in not being in the same space and it is the relationships that matter? What we need to do is find a way of measuring the relationships and supporting and guiding the relationships and a needs assessment that is flexible to local areas, that is parallel to the kind of labour market understanding that we are trying to get in the frame as well.

Q36 Chair: Patrick, that is your point about cultural changes, isn’t it?

Patrick Hughes: It is. I warmly agree with the spirit of the question. I think the kind of language that is best used is not language of formal cash exchange. It is to do with collaborative advantage and to do that successfully. In other words, to make two plus two equal five in a particular locality, you need to give something away. You need to yield some kind of sovereignty in the locality to the other party, and they to you. To make that work requires giving people permission, but it does not require the centre of DWP doing all the work; it needs to be allowed to happen.

To go back to the big point the Chair raised about Universal Credit on the one hand and devo on the other, the reason why I think the system will not collapse under those two pressures is because they are interwoven. I would almost go so far as to say that some aspects of them you can't do properly without the other, candidly. I do think a big signal could be given to the organisation, partly around permission and partly around the expression I used about porous boundaries—don't have a fortress; have a welcoming environment. I think targets are really important.

Can I put on the table something that has not been mentioned yet, which is opening hours? I don't think that a successful public employment service, or whoever is employed in it, can run properly for in-work progression unless it is open in the evenings and on Saturdays. It simply cannot run as a nine-to-five operation and I see no sign yet of Jobcentre Plus properly addressing this question. They may be, but I—

Q37 Chair: One lesson that we could learn from the NHS reform how one actually—

Patrick Hughes: I am certainly not saying 24/7—no way. But there is a cultural change to do with that.

Chair: We should actually get people to volunteer to do it and then build on it, don't you think?

Patrick Hughes: Absolutely, or recruitment to do it.

Chair: Yes, absolutely and you will find you have the service you want.

Patrick Hughes: Exactly.

Chair: Maybe a seven-day service eventually.

Richard Graham: I hope you are not recommending a JCP officers strike.

Patrick Hughes: They are fairly dutiful people. I don't think that will happen.

Richard Graham: But, Chairman, Patrick's point is a very good one, and one we should consider for the report, because it is true of so many things. It was true of libraries and youth centres, which is one of the reasons why many of them are better off now being run by people who have a much more flexible interpretation of when their customers want to go there. That is the key point.

Q38 Jeremy Quin: Following on naturally from what Patrick just said, the Chairman talked about the intellectual bandwidth in the Department for pushing through large change programmes. You have not focused much on the resources available, although it has been alluded to. Things like Saturday openings would obviously require extended resources. What is your sense of the advocacy of resources to support the capability and culture that has been discussed?

Patrick Hughes: Very briefly, because I am sure my colleagues will want to come in on this, I will say two things. One is that it is an awful lot more practical to aspire to this kind of thing when you are recruiting and Jobcentre Plus has to recruit in order to get the work coaches on board to meet the spending review requirement. It is easier to do that when you

are in-boarding people, if you will forgive that dreadful jargon. The second thing is that it is important that the policies are not kept in small groups of policymakers in DWP head office. To marshal and exploit the resources, there are some very experienced delivery managers out there, of whom there are hundreds because we have hundreds of jobcentres and about 35 to 40 district managers. This resource has been around for years. There is not a very high turnover in that group and they offer an opportunity to deliver change if they are skilled and marshalled and directed in the way I have described.

Tony Wilson: One point I will make—it is in our submission as well—is that Jobcentre Plus has reduced its staffing. I should say DWP, but the majority of that is Jobcentre Plus. DWP has reduced its staffing by 40,000 over the last five years, which is about a third of its staff. It has gone from 110,000 to 70,000. I think we should absolutely commend the Department on the fantastic job it has done in dealing with tough times and being able to downsize quite significantly. We said at the time that we thought the spending review settlement was as good as the Department should expect. They were going to see a resourcing increase over a couple of years and then fall sharply and they will end up lower than they were. They do have the room to manoeuvre to deal with changes that are coming.

On the issues that the Committee has identified about future challenges—roll-out to in-work, people in work, roll-out to other claimants, the universal support-type functions and the support for the long-term unemployed—I don't actually think they are going to be big in scale over this Parliament. On the support for the one-year-plus JSA claimants, we think that will mean there would be a similar resource commitment as currently exists under the Help to Work scheme for people returning from the Work Programme. It is slimming down the Help to Work scheme that currently existed so it will be more focused and claimant volumes are falling very fast so there are not going to be many people in that group. That is not going to be a massive claim on resource. For the in-work support stuff, as we have discussed in the previous inquiry, it is a pretty modest offer at the moment and it is only being piloted for the next few years, so that will only start to kick in from 2018 onwards. I would be surprised if in the bottom line those two factors are making much difference and the other ones will progress alongside universal credit, so very much contingent on the universal credit roll-out.

We think overall the Department needs to publish a Command Paper, a Green Paper or something to set out what is the resourcing in Jobcentre Plus and what they are going to deliver with it, and to engage with people, consult more, talk more about the sorts of functions, specialism versus generalism, local partnerships, where the parameters should be and so on. We are not getting a lot of information, but from what we have seen from the outside I think the resourcing looks commensurate with the challenges the Department faces.

Matthew Oakley: I agree with most of that. As we have all said, Jobcentre Plus is very good at delivering a very efficient service for conditionality and benefit delivery. I cannot see any reason why it would not do that over the course of this Parliament and meet those challenges. As I kept saying, like a broken record, if you wanted to do more in the future on productivity and halving the disability employment gap, I do not think the resource is there. I do not think there is any reason why it should not be. If you look at what the Treasury would save just by increasing—anybody who is on tax credits in work, if you increase all of their earnings by £30 a week, so much less than an hour a day each, you are saving £4.1 billion a year. By halving the disability employment gap, we are talking about benefit savings of over £6 billion. There is a huge amount of money here to play with. Let's think about how we can get the Treasury to invest that in sensible ways to get some

much better programmes, more intensive programmes and achieve the economy and market that we want.

Chair: Great. Thank you all very much indeed.

Examination of Witnesses

Witnesses: **Claire Horton**, Project Manager, Newcastle City Council, **Nicoya Palastanga**, Partnership Manager (Universal Credit), West Lindsey District Council, Lincolnshire, **Kirsty McHugh**, Chief Executive, Employment Related Services Association, and **Chris Williams**, President, British Association of Behavioural and Cognitive Psychotherapies, gave evidence.

Q39 Chair: Claire, could you begin by identifying yourself for the sake the record and then we will go down through your colleagues?

Claire Horton: I am a project manager for Newcastle City Council in the north-east and I am responsible for our approach to welfare reform and how we co-ordinate work on financial inclusion.

Kirsty McHugh: I am Kirsty McHugh, Chief Executive of the Employment Related Services Association, and my members deliver employment services.

Nicoya Palastanga: I am Nicoya Palastanga. I am a partnership manager employed by West Lindsey District Council, and I also work for City of Lincoln Council and North Kesteven District Council.

Chris Williams: I am Chris Williams, Professor of Psychiatry at the University of Glasgow, and I am currently President of the British Association for Behavioural and Cognitive Psychotherapists, a psychotherapy organisation.

Chair: We are very grateful to you for coming because we are very anxious, now we have a national setting, to put some local flavour on all of this. Richard, could you begin?

Q40 Richard Graham: We are exploring the way in which Jobcentre Pluses can adapt and change to an environment of greater partnerships with different organisations, starting with local authorities but certainly not ending there. Today can we start by hearing your experiences, if you have any, of working in partnership with Jobcentre Pluses? What does it look like, very briefly and has it been a success? Shall we go from left to right and start with Claire?

Claire Horton: We have started some work, about 18 months ago, with Jobcentre Plus on reducing benefit sanctions. This was a particular issue in the city and we wanted to do something in partnership with them to make the best use of all of the services that we commission as a local authority and that we also provide directly in supporting claimants, and how we tie the two things together, because it is the same group of people that the public purse is supporting.

Q41 Chair: Claire, before you go on, did you initiate that or did Jobcentre Plus?

Claire Horton: We initiated that. We approached them. When I have looked at some of the submissions to the inquiry, there is quite a lot in there about service integration and greater opportunity for joint working, but I think you can only do those things if you break it down into small steps. So we started it very simply with doing some joint information. It took us a while to get it through the DWP communications department, but we managed to get it through so that then both claimants and support workers understood what the system was. I think if support workers don't understand what the system is, there is no way that residents can understand it.

We then moved that on to doing some face-to-face training sessions, so we do these in conjunction with Jobcentre Plus. We do them to support workers, for volunteers in food banks, for example, places where we know benefit sanctions are an issue and we will know because routinely on a quarterly basis—as I say, it is a partnership approach between the local authority and Jobcentre Plus. Again, that is so that everyone understands the system and they can use the contacts that they have with those claimants to support them to respond.

Q42 Richard Graham: Claire, was the aim of this co-operation simply to reduce the number of people who are getting sanctions or to help explain what the system was and what would happen if you did not go to the job interviews and so on? Is the outcome measured by the numbers of people who are getting into jobs or simply by the number of those who are not getting into jobs that are not being sanctioned?

Claire Horton: The measurement that we have, using the DWP data, is the proportion of benefit sanctions and we have seen those reduce in the city over the period of time that we have been doing this. It is about people understanding the system but also avoiding benefit sanctions and the destitution that can come from that and, as a local authority, the worries that we had around homelessness and so on. We have taken that approach.

One of the obstacles that we have then come to—as I said, we started small—is we want to take that to a much deeper partnership level and work on an individual claimant basis. We know there is always an issue with information sharing but we didn't think that this could be as difficult as it has proved to be. What we wanted to do was share the claimant commitment between the support workers—when I talk about those I am talking about people working, for example, in supported housing, our hostels. It is claimants who might have drug and alcohol addictions, people who have come out of prison, people with mental health issues. We commission quite a lot of support. For a small local authority, we still commission over £5 million worth of support that is out there. We wanted to maximise that support and those day-to-day contacts by sharing the claimant commitment between the jobcentre, with the consent of the claimant, so that the support workers can use their day-to-day contacts to encourage people to comply and to support them to get into work.

Q43 Richard Graham: What is the next stage of that? Are you looking, for example, at colocation?

Chair: Richard, before you go there, on the sharing did you go to the authority or did you just go to—

Claire Horton: There is a problem at the moment.

Chair: But have you been to the Information Commissioner to say, “Please tell us what we can and can’t do”?

Claire Horton: As far as I am aware, the district manager is doing that. We have worked through some of the practicalities on how we would share a pdf and that kind of thing, so that is something that is in progress at the moment, but that is just an example of how we want to get things down to an individual claimant level.

Q44 Chair: Great, because the Commissioner has a record of being very positive on this.

Claire Horton: Right, okay.

Chair: Everybody thinks he is going to refuse them, but once you say it is going to the Commissioner, the Commissioner may well help you settle what cannot be shared but often tells you what immediately can be shared.

Claire Horton: Right, okay.

Q45 Richard Graham: That is a very helpful tip from the Chairman. But what is next for you? How do you think you can take the partnership closer so you can get better results from working together?

Claire Horton: You mentioned colocation there, and I know we might come to that so I will just touch on that briefly. We are again extending some of the colocation arrangements that we have had for universal credit, which have primarily been on personal budgeting support. The idea is, as I think I put in our written submission and it links with the point that was made earlier, about being much more than just a physical space; being about the relationships. What we are wanting to do is use some of the experience from our Universal Support Delivered Locally informal trial to have some shared triage processes, to have some consistency of messages, so that whether it is a Jobcentre Plus work coach or another member of staff, they are asking the same questions routinely and referring to the same services.

Richard Graham: Chairman, I am conscious that there are a lot of people who want to ask questions and there are similar things, I am sure, that all on the panel are going to share, but do you want to bring in others?

Q46 Chair: Do you have any local flavour you can add?

Kirsty McHugh: It is hugely variable. Picking up comments from the previous panel, it is hugely variable and it very much depends on the district manager. A couple of positives I have picked up recently in Greater Manchester, an area where there is a lot of focus, there has been permission from DWP for the Jobcentre Plus to be reconfigured to coincide, to align, with the Greater Manchester boundaries. That was on 1 April. Prior to that I think they had three Jobcentre Plus districts, which was extremely unhelpful for joint working.

The Greater Manchester Combined Authority is very positive about realignment. I think we could see that elsewhere.

Another example is from when I was up in the west midlands on Thursday. We are working with Norman Lamb of the Mental Health Commission up there, with some good examples of Jobcentre Plus, the specialist third sector employment support services—who I do think are the most successful in relation to supporting jobseekers with mental health problems—and the Birmingham and Solihull NHS Foundation Trust colocating services, not permanently but bringing them together to support particular groups of jobseekers. That does seem to be working well because it creates a safe space. They come through the door for a particular service and then you don't lose them and they feel more confident about accessing another one. There is a particular issue with some groups of jobseekers, particularly from some racial backgrounds, feeling stigmatised about mental health issues, but also about using public services generally. The third sector element there has proved very successful.

Q47 Chair: What about the others? Are there any national examples or any local ones for us?

Nicoya Palastanga: My local example is that within the three councils that I cover all of our Jobcentres have been colocated within the local authority, so we have quite a lot of learning from what that means in practice. I have to say, from what Karen said earlier, that relationships are the important thing rather than physically being there. But you get that relationship building from having a shared coffee space. Where somebody from Jobcentre is sitting beside somebody from the local authority and somebody from Citizens Advice and they are all talking about what they are doing, that adds hugely to the relationship.

Chris Williams: As an organisation, we are very interested in looking at long-term mental health problems, particularly depression and anxiety and how that has a corrosive impact on people's lives. There are three different examples that I can point to. First of all, there is a current pilot looking at IAP teams—increasing access to psychotherapies teams—colocating into jobcentre settings. There are some other projects I have been involved with more personally, with training condition management, back-to-work NHS teams, to help people focus on that. Also I have done some work with Remploy, outside Jobcentre Plus, looking at disability and whether it is possible to introduce computerised CBT for these sorts of problems. It proved quite problematic and we had to come up with different solutions. I think with all of these different interventions how you do it is more complex than it sometimes seems on paper.

Q48 Chair: Do you sense or accept that you are apostles in all of this, or do you sense there is a real change and movement of culture in local authorities, the third sector and Jobcentre Plus for a different approach?

Chris Williams: I was in a Scottish Parliament meeting with some charities representing depression in Scotland, and they had linked in with depression groups in Ireland and Wales as well as England. All of them were saying how important it is that depression is picked up when people are off work and the need to screen, alert and point people to sources of support, but to do so in sensitive ways that engage. I think certainly in the third sector there is real support that depression needs to be taken seriously. It makes huge sense

at an individual level. As I said, depression is corrosive, it really does damage and destroy lives. Some of the labels that we use, like mild to moderate, do not do justice to the negative impact it has. It has huge impacts on whether people feel they have the energy and the motivation to seek work in the first place and do all the other important things in their life like meeting friends, looking after children, all those things.

Q49 Jeremy Quin: You have touched on colocation. I think for all of us it seems absolutely self-evident that this must be a great way of delivering better outcomes. Is there a way of measuring that? What have you been able to do in getting to the actual improvement in outcomes for individuals?

Nicoya Palastanga: It is quite difficult to measure because a lot of it is about that cultural exchange and how you get the different organisations and their different cultures together. The impact that has on customers is probably slightly clearer, even though the evidence we have is more on individual case studies rather than something more significant than that. For instance, in my main setting in Gainsborough we have knocked down the walls so our ground floor is a completely open space and there is no distinction between that is the council part of the building, that is the jobcentre part and that is whatever. Everybody is working very much together.

The difference that has made to customers is that it is not immediately clear, they can be coming in for everything, so there is no stigma attached to what they are coming in for. Looking forward, once we start looking at people who are in work getting jobcentre support, there will be an element of them not wanting to be seen to be accessing the jobcentre. But it also means that for an individual customer who has come in to see their jobcentre work coach and that person also has an entitlement to local council tax reduction, they can be referred immediately to that person. If they pick up that there is likely to be some issue around them needing financial support, they are referred immediately to somebody. They are taken and there is the warm handover of, “This is the person that you need to speak to who will help you with your budgeting support,” or they are taken over to somebody to help with online support. Being able to walk somebody over and get that immediate support means we are getting a lot more people taking up support because previously, even though our jobcentre was a three-minute walk from the council office, it was amazing how many people got lost in that three-minute walk, in that referral process.

Q50 Jeremy Quin: It is an incomparably better system but you may have just touched on one way we could measure the outcome: the take-up of additional support. Are there other ways you can think of—and I am sure Claire will have views on this as well—how you would measure the success of colocation in actual customer outcomes?

Nicoya Palastanga: We will measure success, and the success that we are measuring will be as a result of people actively taking support particularly. We have done a huge amount with online digital support. We have a team of volunteer digital champions who provide support for people and we have been able to see and capture people who have been referred across, people who have been unemployed for maybe some time, and we have put a volunteer with them who has the time to spend with that individual, realising that the reason that person does not have a job is because they do not know how to upload their CV to send it to an employer. That is something really simple that you can sort in a few

seconds. We have had numerous examples of people being given job offers just by doing that.

The results we are getting are as a result of the support that people are getting. But, yes, we could measure, and we do measure, how many people access that support as well.

Kirsty McHugh: Our main metric has to be the number of people who go into work and stay in work. Realistically we are talking about colocation of Jobcentre Plus, and the Jobcentre Plus metric, as we well know, is not about getting people into long-term work. We do not have the evidence in relation to Jobcentre Plus colocation with others and whether that actually delivers what we are looking at, which is sustained jobs.

There are quite a lot of examples across my membership, because they have been working in a payment-by-results environment for an extended period, where they can say colocating services have led to stronger outcomes. An example again, top of my mind last week, is a Newcastle College group, public sector entity, a Work programme prime contractor delivering—again in the west midlands area, that is very much at the top of the mind at the moment—open-ended counselling to any individual, whether they are on jobseeker's allowance or ESA. That is something that is not available via the NHS in many areas, which tends to be short CBT-type approaches or crisis care. It is then referred on to a range of other service colocated with them. That is delivered around 40% to job outcomes, but a group who have mental health difficulties is 80% sustaining rates. We need to be look at hard-core data there. I would suggest that exists in the outsource services under DWP direction to a greater extent rather than JCP.

Claire Horton: I was going to add that on the measurement and the outcomes of our Universal Support Delivered Locally informal trial we were looking at the foundations for stability, so we were looking at housing, financial and digital areas as well as employment. We did three different things in how we would measure outcomes. It was a trial so it might be that it is not replicable to scale up, but there is some learning that we take.

We checked with the services that received the referrals as a result to see what happened, so it was not just about signposting or making a referral and then hoping that person went to the service. We checked what happened. For people we identified for whom budgeting was an issue, we checked their rent accounts to see whether or not they reduced their rent arrears following budgeting support, because then we could assess whether providing that budgeting intervention had done something. Then we also did some telephone follow-up with the individuals about whether or not their lives had improved as a result of what we had done, which they had done in 87% of cases with self-reported improvements. I think we tried to take a quite holistic approach to how we measured what had happened with people as a result of staff asking them these same consistent questions, identifying needs and then referring them into support that could help them.

Q51 Ms Karen Buck: I am getting slightly anxious about colocation becoming the answer. It is not because I cannot see entirely the logic of having the coffee moment where people can speak to each other informally; I can see all of that. The first thing is you have obviously made it work but nobody is ever going to be in a situation where they can colocate with the whole range of services, the health service being an absolutely obvious example. We can't carry on going in that direction or we just end up with one enormous building in the

middle of every local authority full of every service. We have to make sure that a sensible taking of opportunities to colocate when they arise is fine but that we also have a means of breaking down cultural and organisational barriers so that we can exchange information and get these things working better. The question for me seems to be: how do we ensure, given that Jobcentre Plus in particular is a national organisation that takes national direction, that is facilitated and supported to be able to be more integrated with other services, even when they are not actually sharing a cup of coffee with you?

Nicoya Palastanga: I think the key element—it is something that has been touched on earlier—is data sharing and how we share data. I think that applies regardless of how many partners we are talking about and who those partners are. From our experience in the work that we have done through piloting and through our Universal Support Delivered Locally trial, the difficulty is with the fear about data sharing and how we manage to do that. We have certainly found that data sharing between the local authority and third-sector partners has not been an issue. We did have some issues with Citizens Advice but we were able to overcome those. We have not been able to overcome the data sharing issues between any other organisation and DWP and that has been the biggest barrier to moving forward. That is irrespective of the fact that we are colocated; even within a colocated very open environment we still have huge difficulties with that. If that is the situation in that scenario, it is much more difficult when everybody is in different offices.

Kirsty McHugh: I would like to pick up this point about JCP being a national organisation, taking national direction, because I have to say I do not believe it. That is not what my members see on the ground. It is hugely variable. Previous Secretaries of State thought of it as a command and control operation. I heard on a number of occasions, “I say something on Friday afternoon and it is done on Monday morning”. Rubbish. It is a very complicated, large organisation with all the issues that affect that.

In terms of colocation, I think you are entirely right; it is fetishized. However, it is useful. What I am very conscious of is that Jobcentre Plus—DWP—is likely to want to ration its estate, particularly from 2018 onwards when the PFI comes to an end. Local authorities under the cosh want to ration their estates. Who is going to take the saving in relation to this, because somebody has to pay?

I am also conscious that what we really need is places where individuals can go and access computers with help. Some of my members are saying that maybe 40% of the jobseekers they are supporting don’t have a computer at home. We know that libraries, for instance, have been closing in many areas but not in others. We need physical places where people can go. Somebody has to provide those services. Colocation is part of it, but for me it might be about colocation of services at particular times. It might not be permanently, it might be the pop-up stuff that comes along and there might be some level of online integration that we can do as well. People are passed over in an online platform way, which at the moment I don’t think we have really explored.

Q52 Ms Karen Buck: I think I agree with that. Is it also the case that particularly in the third sector, to some extent possibly within the health service, it is necessary to hold JCP and other statutory agencies to account and sometimes to challenge them? We are not always necessarily on each individual case pursuing the same agenda. Sanctions is an example but there are many others, work capability assessments that we do need to make sure culturally

we are sharing information and doing our best for clients but that sometimes it is necessary to have that degree of separation.

Chris Williams: This matter is an awful lot different in the mental health subject because the whole idea of sanction is completely inappropriate when it comes to seeking help for depression. It is the same for very practical things of colocation around privacy, thickness of walls, how it is introduced, whether people feel coerced in some way. So language matters and labels matter. I think colocation, although it needs piloting and independently assessing, it is also whether that is the best model or whether pointing people to mental health services that are nearby but not in the same offices might work better. I think it needs independent analysis and talking with people to find out what works best.

Q53 Ms Karen Buck: Absolutely. My third point, and I touched upon it in the earlier session, is that some of this is about what happens within JCP and its partner organisations, but some of it is what is happening outside the doors, and you talk about variable practice. I have also seen variable practice, but it does seem to me a no-brainer that Jobcentre Plus in its work—I think Tony Wilson mentioned the figure of 57% of unemployed not being on JSA but still needing support—needs an outreach into the community. There needs to be a presence in the community and using trusted institutions, schools being a particularly trusted institution, and possibly GPs as well. There is good practice but it is by no means universal. How do we try to ensure that we make that cultural change and universalise the good practice?

Nicoya Palastanga: We have a real opportunity here to make that happen and I think that for me and from my experience what is working for that is a digital inclusion agenda because that is something that everybody has a vested interest in, regardless of what they are trying to do. At the moment we are working with our local CCG because local GPs want to get their patients online because that saves them time and money. As a local authority, we are trying to get people to communicate with us online. Everybody has a vested interest in getting people online and that whole agenda, having that huge number of people who do not go online for whatever reason is something that we all can buy into. That is the area where, for me, everybody, all the partners, are coming to me to say, “Okay, you are doing a lot with this, how can we be part of that? How can we share what we are doing? How can we be integrated into that?”

Q54 Ms Karen Buck: That is physical capacity for people outside the home who do not have a computer? It is about training and it is about support?

Nicoya Palastanga: We have looked at two things: access and skills. For us in a rural area access means that we have put wi-fi into village locations and we have put physical IT into those locations, but in return what we have said to those locations is, “Your community needs to provide us with volunteer digital champions.” We have the volunteer lead to manage, train and support those people but the volunteers are providing support to people in their own location. That is something that we are doing in a rural location because we can’t get everywhere, but that works anywhere. It also means that we have a variety of different organisations that are going in and taking part in that. We are gradually training those volunteers to provide support for different things. Our local credit union has people now to do their sign-up, to start accounts online, through all those different things and, as I say, it is spreading. That is the area that I think everybody can easily see and buy into.

Q55 Ms Karen Buck: What the needs are in your rural community for wi-fi may be very different from what we might need to do in my area where your particular need might be outreach to Bangladeshi women, for example, where physical capacity is not a problem but the relationship building with the community might be.

Nicoya Palastanga: The beauty of using volunteers is when you are looking at that skill level and people not having skills but volunteers have the time to spend with people to build up their skills. We also find that volunteering itself is a good thing for people moving on to work and a lot of our volunteers are moving on to work, but we also have somebody who comes and can't use IT and is so delighted that they have learnt to use it that they then want to volunteer to help others to do that. There is a rolling process with it, which is really positive.

Q56 Richard Graham: We are building up a picture from you all that colocation is good, it is probably good in itself, not least because it will save money, but it will certainly also be easier for customers who are able to find a one-stop shop. But it is not enough on its own, as previous people have suggested. There are one or two things that are coming through, like issues with mental disabilities. Professor, you were implying, I think, that colocation would not be a good thing for people with mental disabilities, or were you implying that it would be a good thing but only if mental health trusts were involved? What about charities in that sector and so on?

Chris Williams: I think in principle it could be a good thing if it is delivered in a language and tone that allows people choice. That is the crucial aspect. There is a group of five psychotherapy organisations that are all recommending the same thing. It needs to be independently evaluated, including speaking to people who have gone through this to check on whether they wish it, how they want it to be delivered, how it can be delivered privately, how it can be delivered in a way that does not feel coercive, which is very important.

Q57 Richard Graham: But you are not suggesting that we are going to be able to have a Jobcentre Plus employment assistance for people with a wide range of different mental health issues that has to be individually tailored for everyone? That is not going to be practical, is it?

Chris Williams: One of the things that is being trialled at the moment is IAPTs, which take a range of severe mental health problems—not all mental problems but a range of things—and having IAPT services delivered within Jobcentre Plus settings. I think it would be very interesting to look at the results of that but IAPTs have been effective. It has been a helpful intervention for many. It does not work for all and it is not targeting absolutely everybody, but for many people it can be very helpful, particularly for anxiety and depression.

Q58 Richard Graham: Kirsty, do you want to comment on that? Clearly getting people with disabilities into work is a major goal for the Government, but it is also a major goal for many of those with the disabilities. What do you think could work best?

Kirsty McHugh: I think the direction of travel that the Government have taken is absolutely the wrong one, to be completely open about it. The biggest challenge for JCP is

going to be about the most vulnerable. It is not set up to do the outreach element. If there is a conditionality element for those who are vulnerable, who are worried about public services, who may have a mental health difficulty, who may have been out of work for a very long time, they do not really want to interact with a public service, particularly if there is a threat of a sanction hanging over their shoulders. We hear that again and again.

I think Government know that to some extent and that is why they will be commissioning the Health and Work Programme. However, as previously explained, if we are stuck with the current financial envelope—and I am hopeful that the Government will expand that—very few people will be referred to their programme. It is likely to be those who have a fighting chance of getting into work, which will leave a huge tranche of people with health issues and disabilities who are further away from the labour market who will just be with the JCP regime. It will focus on the middle. It is not going to be for the hardest to help, which is a penny that hasn't dropped, I think, with disability charities and other organisations. Has Jobcentre Plus got the front-line skills to be able to deal with those people? I would suggest not.

Q59 Richard Graham: Okay, so what are your solutions?

Kirsty McHugh: I think we have a vested interest, however a vested interest that believes what is right in terms of jobseekers. We have a huge amount of capacity in this country, primarily through third sector organisations but also through private sector organisations who have delivered and developed a lot of expertise in relation to these client groups. A lot of them will be known in your constituencies. I think you mentioned Pluss earlier on, a good ERSA member, and we should absolutely use them. If we do not use them we are going to lose their capacity and we will not be able to call upon them in future. I think we have a choice.

Q60 John Glen: I think Richard has covered it, but in terms of the capacity to deal with this availability in the labour market for different needs across the clients that you are dealing with, what you are saying is that there needs to be greater movement to collaborate in different ways with partner organisations that are not constituted within the JCP at the moment?

Kirsty McHugh: Indeed, yes. Jobcentre Plus needs more flexibility to be able to refer people who need specialist help earlier in their journey. At the moment, if you are under the new regime you have to be two consecutive years unemployed to qualify for automatic specialist help if you are on jobseeker's allowance. If you have a disability or health condition, there will only be a very small number of places through outsource support.

Q61 John Glen: The framework of collaboration, of organisations working together, in terms of what you said about there being great diversity on the ground in how Jobcentres function, the command and control thing not being triggered, does provide great structural enablers to that collaboration to work, doesn't it?

Kirsty McHugh: If there was the funding to support that. I am afraid third sector organisations or private sector ones also need paying. Either they go through a national programme, such as the work and health programme—the one that is being developed at the moment and we are actively supporting the Department to get the best possible

framework for that programme—or Jobcentre Plus uses its flexible support fund. Some really good stuff gets delivered through the flexible support fund but there is not a national picture of that. There is no way that you as a Committee can say to the Department for Work and Pensions, “What is being delivered through the flexible support fund and what is working?” because it is so devolved we do not know. There is a lot of employment support that goes on outside the DWP framework funded by Big Lottery funding, corporates, social investment, trusts and foundations but it is a huge patchwork and it is a complete postcode lottery in terms of what you might get.

Q62 John Glen: With respect, doesn’t that reflect the diversity of the needs out there? What you are talking about is the inadequacy of the metric to measure it reliably. The reality is if you go to different parts of the country there are very different needs and expectations of the provision required and it would not be unrealistic to see different providers and different sources of innovation across the estate.

Kirsty McHugh: I think we are talking about slightly different things. You are absolutely right that we want there to be flexibility and that is why the payment-by-results regime was developed to allow the providers to flex their delivery depending on local environments, but there is an issue about availability of different funding in different parts of the country, which is slightly different.

Q63 John Glen: Chris, could I come to you with respect to your comments on mental health and JCP’s capacity to deal effectively with people with mental health problems generally? To follow on from my colleague Richard, you seem rather anxious and sceptical about the capacity of JCP to deliver. I want to be clear about what you are saying.

Chris Williams: Can I differentiate two things? I think there is Jobcentre Plus, the conversation with people to try to alert that the three big things that keep people off work are depression, anxiety and musculoskeletal, so long-term off-work people tend to have one of those problems. Approaches like cognitive behavioural therapy and some other psychological therapies can help each of those different conditions, so the idea of alerting people that there are potentially effective treatments around that can be of benefit is really important. The question is who delivers that and who does the alerting and detection. I think it would be good for Jobcentre Plus staff themselves to know a lot more about depression, anxiety, musculoskeletal, the impact it has on people’s live and have a conversation about that.

The challenge then is in such a training package how is the language phrased in a way to alert people that treatments are available and where that treatment is available. I am open to whether the actual treatment bit by a trained mental health accredited practitioner should be colocated or not colocated, but the main thing is the independent evaluation to find out what is best for the individual so the outcome that has been looked at is the treatment of their depression, anxiety and musculoskeletal, rather than the outcome being whether they get back to work.

Q64 John Glen: The core point I am trying to get at is the capacity for the JCP. Notwithstanding the crucial nature of the way it is delivered and the language used, currently

in your view does the JCP model have adequate resources and understanding of the impact of mental health incapacity on people using the service?

Chris Williams: I will answer that in two parts. I cannot tell you for sure but I would imagine if it is like every other organisation within the health service, social care, there is a huge lack of knowledge about depression and anxiety in general. What we know about depression and anxiety is that less than 50% of people with diagnosable depression and anxiety have that picked up or detected in any way. There are huge numbers of people out there with depression and anxiety, long term affecting in adverse ways their outcomes, that is undetected. I think looking for opportunities to detect, to signpost people to effective treatments is really crucial in this, but how it is done is also crucial.

Q65 John Glen: Is it a resource issue, or is it about improved collaboration with mental health professionals alongside JCP?

Chris Williams: I think it is education of JCP staff about anxiety and depression, how they affect people, to have a conversation with people, to be aware that when people suddenly begin to lose confidence that might be depression, but also having the signpost to where there are services locally. That is crucial and it needs to be delivered by accredited, trained mental health practitioners as a mental health treatment, not necessarily going into the same notes; clinical notes separate from JCP notes, if you like.

John Glen: I understand. Thank you, Chris.

Q66 Chair: It could have really big employment consequences though, couldn't it, Chris?

Chris Williams: I think it is potentially one of the biggest interventions that could happen, because depression kills people's ability to make changes in their lives.

Q67 Chair: Given that the health sector is trying to reallocate whatever the size of the budget is and a growing importance is for countering problems with mental health, would it help as a first move if we recommended that part of this budget could be accessed in the combined service that we are talking about? For people coming in with clear problems with mental health who are not posted on, as the old service used to post everybody on, you go and fix up help straightaway because you have commanded part of the budget.

Chris Williams: I think there is real potential for it but, as I have mentioned, the independent testing of it is very important too because it makes logical sense. But some things make logical sense and are hard to deliver in effective ways.

Chair: Very good. Thank you very much all of you. It has been very helpful, as I think you will see in our report.