EXPLANATORY MEMORANDUM TO

THE JOBSEEKER'S ALLOWANCE (SUPERVISED JOBSEARCH PILOT SCHEME) REGULATIONS 2014

2014 No. 1913

1. This explanatory memorandum has been prepared by Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 The Department is piloting the Supervised Jobsearch Pilots scheme ("the pilots") following the Secretary of State's announcement in October 2013. The pilots will mandate claimants to attend full-time provision whereby they will receive support and supervision to look for work and improve their jobsearching and application skills to assist their return to work. There will be a full evaluation of the pilots.

2.2 These Regulations will provide the Secretary of State with the power to select and mandate claimants to participate in the pilot scheme for a period of up to 13 weeks. The Regulations also set out the information that must be provided to claimants participating in the scheme, the circumstances in which the requirement to participate ceases or is suspended and also makes provision for contracting out certain functions of the Secretary of State under the Regulations.

2.3 The end date for the Regulations is 30 April 2015.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None

4. Legislative Context

4.1 In October 2013 the Secretary of State for the Department for Work and Pensions announced his intention to run pilots testing full-time supervised jobsearch.

4.2 There will be a full evaluation of the pilots to understand the effects on work-related behaviour and readiness for work; benefit receipt and employment outcomes; and delivery models, delivery challenges and examples of best practice. These regulations enable these pilots to be conducted and provide the Secretary of State with the power to prescribe the scheme and require claimants to participate in the scheme[1].

5. Territorial Extent and Application

5.1 This instrument applies to England.

[1] http://www.legislation.gov.uk/ukpga/1995/18/contents

6. European Convention on Human Rights

The Minister for Employment has made the following statement regarding Human Rights:

"In my view the provisions of 'The Jobseeker's Allowance (Supervised Jobsearch Pilot Scheme) Regulations 2014' are compatible with the Convention rights."

7. Policy background

- ***What is being done and why***

7.1 The Supervised Jobsearch Pilots were announced by the Secretary of State at the Conservative party conference in October 2013 as part of the wider Help to Work package, which was included in the Autumn Statement[2]. This package targets claimants who have completed the Work Programme and are among the hardest to help. However, the scope of these pilots also covers certain pre-Work Programme claimants. The pilots were later noted by the Work and Pensions Committee[3] in January 2014.

7.2 The Government's labour market strategy is to ensure that our interventions are evidence based and offer value for money. These pilots will allow us to explore whether full time supervision of job search is an effective way of moving some of our hardest to help claimants closer to or into work, and the evaluation will inform future policy decisions.

7.3 The Department sees these pilots as complementary to the claimant journey. The Supervised Jobsearch Pilots will be a lot more prescriptive than other available provision, and running them will allow us to test whether this is effective.

7.4 These regulations are required as currently the Department does not have the power to run the scheme as defined below.

7.5 The Supervised Jobsearch Pilots will consist of two JSA groups. The pre-Work Programme pilot is aimed at those claimants who in the Department's view would benefit from regular jobsearch support and supervision, who are not taking sufficiently effective steps to secure employment. These will be selected according to the discretion of their Jobcentre Plus work coach, and guidance will be produced to support work coaches in this decision.

7.6 The post-Work Programme pilot will connect with claimants who remain on benefit after 6 months of post-Work Programme support from Jobcentre Plus. The Work Programme[4] supports claimants at risk of long-term unemployment for a period of up to two years. Depending on circumstances, claimants may join this at different stages of their claim to Jobseeker's Allowance. However, the most common referral points are 39 weeks for 18-24 year olds, and 52 weeks for those aged 25 and over.

7. 7 We are aiming to launch the pilots in autumn 2014 with 3,000 pre-Work Programme claimants and 3,000 post-Work Programme claimants in the treatment group,

[2] https://www.gov.uk/government/topical-events/autumn-statement-2013
[3] The role of Jobcentre Plus in the reformed welfare system http://www.publications.parliament.uk/pa/cm201314/cmselect/cmworpen/479/479.pdf
[4] https://www.gov.uk/moving-from-benefits-to-work/job-search-programmes

alongside a further two groups of 3,000 claimants acting as control groups, who will continue to receive their normal routeway of support.

7.8 All potentially eligible claimants will be put into a selection pool. A Randomised Control Trial tool will then be applied, selecting each claimant for either the control or treatment group. Claimants in the control group will not be informed that they are part of the pilot, as they will be continuing along the normal routeway.

7.9 At the point of referral, claimants would be able to make representations if they feel the pilot would not be appropriate for them, and the work coach would take this into account before making the referral. Where the work coach decides that a referral should nevertheless be made, the normal appeal route will be open to a claimant who refuses to attend and is sanctioned as a result.

7.10 The Department is testing to see if 13 weeks is a suitable length of time to refer claimants to this more intensive activity. It provides sufficient time for claimants to adapt and benefit from the increased requirements, support and enhanced job search routine. At this point in their claim, the pilot participants will have already been supported by the Jobcentre Plus Offer or post-Work Programme support[5] longer than this before referral to the Supervised Jobsearch Pilots. It also gives providers a reasonable amount of time to work with claimants to ensure that the work is effective.

7.11 The Supervised Jobsearch Pilots will offer some of the things we know worked in the Mandatory Intervention Regime (jobsearch skills and IT training etc., as well as continuity of support). In addition, it will test intensity in the one area not covered by Mandatory Intervention Regime in the claimant experience, namely intensity in actual jobsearch as part of a structured daily routine. As part of the evaluation we would consider whether this is the optimum duration.

7.12 The pilots will be led by outside providers, who will be selected as a result of a procurement process involving suppliers on the Employment Related Support Services Framework. For the purpose of this pilot, payment is not related to job outcomes. Providers will be paid for the number of starts on the programme and then for service delivery. The standard of service delivery will be monitored and payment will be related to the providers consistently meeting the required minimum service levels.

7.13 The eventual unit costs of the pilot will depend on the final design of the commercial contracts and the bids we receive, but we anticipate that the contract value and referral volumes provide for an expenditure cap at £5000 per claimant. Our expectation is that the actual price will be significantly lower than this due to the competitive nature of the tendering process.

7.14 These pilots are testing whether intensity in job search by the claimant, accompanied by job search training and supervision is effective when compared to the tailored support of the Jobcentre Plus Offer (for those in the pre-Work Programme control), and more intensive support of Help to Work (for the post-Work Programme control).

7.15 It wouldn't be right at this stage to quantify what we think future cost/benefit analysis might show. The business case for the trial is based on this being a piece of research and development to see if this sort of approach works.

[5] https://www.gov.uk/government/news/help-to-work-nationwide-drive-to-help-the-long-term-unemployed-into-work

7.16 The results of the pilot evaluation will contain details of the total pilot spend. The final results of this evaluation will be used to inform any decisions on a wider roll-out of the scheme.

7.17 The intensity of the activity means that the pilot will need to have a significantly positive impact in order to be good value for money as measured by benefit savings as well as wider fiscal, economic and social impacts. However, even if it does not prove to be good value for money in financial terms, wider learning will be gained from the pilot such as: whether intensity in job search activity works better for pre-Work Programme or post-Work Programme groups, whether the 35 hour/13 week treatment is too long or not long enough and whether the threat of significantly increased requirements produces large deterrent/anticipation effects. We also intend to measure softer outcomes such as increased job search ability and confidence amongst participants.

7.18 The providers will be responsible for travel, childcare, replacement adult care costs and additional support costs while the claimant is on Supervised Jobsearch, in line with guidance. Claimants should not be financially worse off by virtue of participation. Providers will be giving us their plans for claimant journeys as part of their bids, but we do have certain Minimum Service Levels that we would expect to be maintained.

7.19 On day one, the provider must: assess the claimant's skills and experience, IT skills and job readiness; and start to develop an individually tailored action plan and claimant portfolio. In week one, the provider must: carry out a number of activities with the claimant on a one-to-one basis, including career options and guidance and reviewing and updating CVs. On an ongoing basis, providers must: review and update the claimant's portfolio, CV and action plan; build the claimant's confidence and discuss career aspirations; and coach and support the claimant with job applications.

7.20 Through claimants attending on a full-time basis the pilots aim to also develop and improve behaviours required for working life, such as punctuality, engagement with others, and routine.

7.21 The pilot regulations will give powers for claimants to be mandated to attend and participate in the pilots. Any failure to attend or participate will invoke a lower level sanction[6] (four or thirteen weeks) unless good reason can be applied.

7.22 Additionally, providers will be given certain Employment Officer functions by designated authority for them to mandate claimants to: apply for vacancies, attend job interviews and accept a job offer. If claimants do not take these actions for vacancies the provider has mandated them to without good reason a higher level sanction (sanctions ranging from three months to three years) will be applied.

7.23 This is in line with how Jobcentre Plus operates, whereby work coaches have the power to mandate claimants to vacancies where they are appropriate to the claimant's circumstances. There will be provider guidance in place detailing their role and responsibilities, to ensure that the Employment Officer function is applied consistently and in the same way as they would by Jobcentre Plus staff.

[6] Please see section 19A of the Jobseekers Act 1995 http://www.legislation.gov.uk/ukpga/1995/18/section/19

7.24 Consideration of whether to apply any sanction (either higher or lower level) will be undertaken by a DWP Labour Market Decision Maker, and this applies both in Jobcentre Plus and the pilots. The decision must take into account the claimant's circumstances and any other relevant information to determine whether the claimant had good reason for the failure.

7.25 If a claimant was to cease claiming Jobseeker's Allowance at any point whilst participating in the pilot, for example because they have found full time work (of 16 hours or more per week), this would also end their participation in the pilot. If they were then to re-claim Jobseeker's Allowance before the end date specified on their initial referral letter, they would be re-referred to the scheme to complete any time remaining until this date.

- ***Consolidation***

7.26 As this is a new time limited and free standing statutory instrument, the issue of consolidation doesn't apply.

8. Consultation outcome

8.1 This is a pilot and therefore it is not appropriate to consult at this stage. However, depending on the outcome of the pilot, we would consult before any national rollout.

8.2 Due to these regulations, consequential amendments must be made to Housing Renewal Grants Regulations 1996[7] and the Housing Benefit Regulations 2006[8] in order that claimants are not penalised for expenses received as a result of attending the pilots. A letter was sent to all Local Government Associations in England concerning the amendments made to Housing Benefit Regulations, and all agreed that formal consultation was not required.

8.3 Although there has been no formal consultation for the reasons above, we have informed the design model of the pilots through running a small-scale test bed at Wolverhampton Jobcentre, whereby Work Programme completers were mandated to attend for two hours a day for a period two weeks (re-referral was available for claimants requiring more than two weeks support).

8.4 Although the test bed was a different model to the full-scale pilots (which involves full-time attendance for three months), it has provided some useful feedback on how to deliver this type of support. As a result of the lessons learnt from the test bed, we are incorporating the following elements into the Pilot's design:

- basic IT training to address issues where claimants had to be exited from the test bed due to a lack of IT skills;
- ensuring that providers offer an induction session, setting our clear expectations and assessing an individual's jobsearch ability;
- asking providers to supply a mixture of activities tailored to raise jobsearching skills, for example through providing group sessions. This will help to retain claimants concentration and engagement ; and
- highlighting the need for job applications to be of quality rather than quantity.

[7] http://www.legislation.gov.uk/uksi/1996/2890/contents/made
[8] http://www.legislation.gov.uk/uksi/2006/213/contents/made

9. Guidance

9.1 Learning and Development awareness products will be delivered prior to the projected go-live date. The relevant Districts have appointed a nominated Single Point of Contact within DWP prior to go-live who will be responsible for working with their District, their linked Decision Making team and provider to provide advice on various processes associated with the provision, such as absences, Decision Making and Appeals activity, referrals and exits.

9.2 The products and guidance to support the Supervised Jobsearch Pilots will be available from mid-September ahead of go-live scheduled for 6 October 2014. This will include an awareness pack which will specify the referral criteria and process.

9.3 A referral letter will be issued to claimants who are selected into the treatment group by Jobcentre Plus, which will give the claimant notice that they are required to participate, the details of their initial interview with the provider, a description of the scheme, commencement/ end dates, and consequences of failing to attend or participate. This will be followed by an engagement letter to be issued by the provider within 4 working days of the initial interview. This will outline more detailed requirements of the programme, together with the consequences of failing to participate.

10. Impact

10.1 There is no impact on business or civil society organisations.

10.2 As this is a pilot, there is no impact on the public sector.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

The legislation does not apply to small business.

12. Monitoring & review

12.1 The pilots will be fully evaluated. The objectives of the evaluation will be:

- to measure the impact of the Supervised Jobsearch on claimants' work related behaviour and readiness for work;
- to measure the impact of the Supervised Jobsearch on benefit receipt; and employment outcomes for claimants.
- to explore the delivery challenges and examples of best practice
- to inform the design of any national rollout of the policy

12.2 Full evaluation of the Supervised Jobsearch Pilots will take place through analysis of internal management information and administrative data supplemented by research with providers, customers and JCP staff in order to gather feedback on the delivery of the support, the customer experience and the impact on intermediate outcomes such as jobsearch skills and attitudes to employment.

12.3 It is our intention to publish results of both the qualitative and quantitative evaluations.

13. Contact

Jasmine Grieve at the Department for Work and Pensions Tel: 0207 449 5621 or email: jasmine.grieve@dwp.gsi.gov.uk can answer any queries regarding the instrument.