

**EXPLANATORY MEMORANDUM TO
THE SOCIAL SECURITY (COMMUNITY TASK FORCE) REGULATIONS 2010**

2010 No. 354

AND

**THE COMMUNITY TASK FORCE (MISCELLANEOUS PROVISIONS) ORDER
2010**

2010 No. 349

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

2 Purpose of these instruments

2.1 The Social Security (Community Task Force) Regulations 2010 make the legislative changes required to introduce Community Task Force (CTF) as a mandatory employment programme for Jobseeker's Allowance (JSA) claimants aged 18 to 24. It also defines a benefit sanction structure whereby claimants who fail to engage with the programme as instructed will have their JSA reduced or stopped for a set period.

2.2 The Community Task Force (Miscellaneous Provisions) Order 2010 specifies the legislation for which a person, whilst participating in the Community Task Force (CTF), is not to be treated as being in employment, but as being engaged in training. Any payment is to be treated as a payment of Training Allowance, which is an allowance paid to those on approved training programmes, equivalent to their underlying benefit entitlement, but without the requirement to be available for, and actively looking for work.

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

None

4 Legislative Context

4.1 CTF is an employment programme under section 2 of the Employment and Training Act 1973, introduced as a voluntary option from 25 January 2010 and as a mandatory programme from 26 April 2010. The programme is for those young people aged 18-24 years at the point of referral, who have been claiming Jobseekers Allowance for six months, and before the end of month 10 on JSA. CTF is one component of a package of measures (the Young Person's Guarantee) aimed at addressing long term unemployment affecting young people as a result of current economic conditions.

- 4.2 This Statutory Instrument applies a structure of fixed-length sanctions to the CTF programme as a means of encouraging continued participation. This underpins the Government's belief that the welfare state should combine rights with responsibilities and that people should be expected to engage with the support provided to help them move closer to employment.
- 4.3 The Community Task Force (Miscellaneous Provisions) Order supports the main CTF Statutory Instrument, in ensuring that:
- a) claimants are not treated for certain purposes as being engaged in employment whilst they are participating in the CTF, but are regarded as taking part in training; and
 - b) payments to participants are treated as Training Allowances.
- 4.4 The order applies for the purposes of the benefits, awards and grants referred to in Article 1 and the Schedule of the Order. For example, it ensures that those taking part in full-time activity as part of CTF are not to be treated as in remunerative work under Jobseeker's Allowance legislation nor may payments made to CTF participants attract liability to pay Class 1 or 2 National Insurance Contributions. This Order also protects payments of the other benefits, awards or bursaries listed in the Schedule to the Order that an CTF participant, or (in some cases) a member of their family, may be receiving by ensuring those taking part in CTF are not treated as being in receipt of earned income.
- 4.5 The provisions in this Order adopt a similar approach to those Orders applying to the New Deal schemes and the Flexible New Deal.

5 Territorial Extent and Application

These instruments apply to Great Britain.

6 European Convention on Human Rights

As these instruments are subject to negative resolution procedure and do not amend primary legislation, no statement is required.

7 Policy Background

Description of the CTF

- 7.1 Since 2008 People aged under 25 years old have been more adversely affected by rising unemployment when compared to other age groups. In the April 2009 Budget, the Government announced a package of measures designed to counter this increase and help those aged under 25 to secure a job. This includes the 'Backing Young Britain' campaign and the 'Young Person's Guarantee' – of which the CTF is a component.

- 7.2 From January the Young Person's Guarantee (YPG) will be available from 6 months of unemployment and comprise a menu of: a subsidised job via 'Routes into Work' or the 'Future Jobs Fund', a work-focused training placement, or a work experience placement on CTF. If a customer expresses a particular preference, or if the adviser identifies that the customer has a specific need, referral can be made – at any stage – to whichever option (including CTF) represents the best response to the customer's needs. Advisers are likely to agree referral to CTF where they agree with the customer that a lack of recent, or any track record of, basic work habits/disciplines would prevent effective jobsearch.
- 7.3 Mandatory CTF referral will also be used where a customer has not engaged with a YPG option at the point they reach the 10 month point of their claim. This is to ensure that all customers engage with at least one element of the support on offer through the YPG.

When will CTF be introduced?

- 7.4 CTF was introduced on 25 January as a voluntary option. It will become a mandatory programme from 26 April 2010. Those customers that join CTF on a voluntary basis will not face sanctions should they subsequently fail to engage with, or do not complete the programme. The sanction regime that will apply to those customers entering the mandatory programme is described in paragraphs 7.5 onwards.

Delivery of CTF

- 7.5 In line with the ongoing direction of travel of Welfare Reform, the CTF will be flexible, with support tailored to the customer where possible. It is designed to increase a customer's chances of entering sustained employment and improve their work-related skills, whilst providing some benefit to the community. CTF will be delivered by private, public and voluntary organisations through contract with DWP. These will be in projects that are of genuine help to local communities comprising 25 hours work experience with five hours job search activity per week. Work experience activities and tasks will be similar to those experienced in a normal working environment. CTF placements will be delivered in situations that are suitable for customers' needs, address their barriers to work with the aim of enhancing their work-related skills to increase the chances of securing work.

Benefit Sanctions

- 7.6 JSA is not payable when a person fails to attend, refuses or loses a place on CTF without good cause or is dismissed from the programme due to misconduct. The first sanction for such acts or omissions is for two weeks, and a second act or omission within 12 months carries a four week loss of benefit.
- 7.7 In CTF a third act within 12 months will carry a 13-week loss of benefit, rather than the 26 weeks for other employment programmes such as Flexible New Deal (FND). In addition, in CTF this 13 week sanction will be applied only once, whereas in other programmes a customer may be subject to successive 26 week sanctions for further acts or omissions. This adjustment to the existing model is

considered to be in better proportion to the duration a person will be required to participate in CTF.

- 7.8 Customers will receive a training allowance whilst participating in the CTF, paid at the equivalent rate of their JSA award. In addition, participants will receive a training premium of £15.38 per week to encourage them to remain engaged with the programme. It is a general feature of a training allowance that sanctions run on ‘underneath’ the payment of allowance; in this way customers subject to a CTF sanction will always have opportunity to regain an income by re-engaging with the programme and having their training allowance re-instated.
- 7.9 Appeal rights against a decision to sanction a customer’s benefit remain unchanged by this proposal (they are the same as for other employment programmes), as do the reasons for good cause.

Completion of CTF Participation

- 7.10 Those people completing their spell on the CTF without securing work will return to JSA. The period spent on the scheme will not add to the time they have been unemployed so they rejoin the Jobseeker’s Regime at the point at which they were prior to CTF. Those still unemployed by the 50th week of their claim will be referred to the Flexible New Deal.

Consolidation

This legislation will be included in the ‘Law Relating to Social Security’ (referred to as “The Blue Books”) which are regularly updated and are available to the public at no cost via the internet.¹ Changes will also be made to volume 6 of the Decision Makers Guide (DMG) which is also available free on the DWP internet².

8 Consultation Outcome

- 8.1 The YPG (including CTF) continues in the same direction of travel for welfare reform and employment initiatives signalled by the Green Paper *‘No one written off: reforming welfare to reward responsibility’*³ published on 21 July 2008. An extensive three-month consultation followed publication of this Green Paper during which we sought views from the public on the options put forward in the paper. Consultation documents were sent to a wide range of individuals and organisations, and consultation events were held.
- 8.2 Responses to the consultation were evaluated by the Department for Work and Pensions and a summary of responses is included as an appendix to the White Paper *‘Raising expectations and increasing support: reforming welfare for the future’*⁴.

¹ http://www.dwp.gov.uk/advisers/docs/lawvols/bluevol/pdf/c_0031.pdf.

² Decision Makers Guide: <http://www.dwp.gov.uk/publications/specialist-guides/decision-makers-guide/>

³ <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/no-one-written-off/>

⁴ <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/raising-expectations/>

- 8.3 Responses were also independently evaluated by GfK NOP Social Research. Their report *'The Green Paper Consultation: No one written off - reforming welfare to reward responsibility'*⁵ concluded that most people welcomed welfare reform and recognised the need for change. Their research also found that respondents felt it was essential that the particular needs of different groups of people affected by the reforms were taken into account in implementing Green Paper proposals.
- 8.4 Consultation participants were particularly positive towards the provision of individual support to help people gain employment. There was also strong support for the proposition that people on benefits should take part in training and/or community work in return for benefits.
- 8.5 The consultation asked specific questions on work experience in the community, primarily in respect of 'Work for Your Benefit (WfYB)', a scheme announced in the Green Paper. There are several parallels between the WfYB and CTF programmes, most notably the concept of mandatory work experience placements coupled with job search and work-skills acquisition. In this regard, the consultation responses on WfYB (and the principles behind it) have also informed the development of CTF.
- 8.6 The Government's policy development since the publication of, and consultation on the Green Paper has aimed to further the principles of flexibility, response to customer needs, and benefit receipt obligations, in its employment programmes – both for the longer-term and in the immediate short-term. CTF is one such short-term measure, primarily in response to the economic downturn, and our knowledge that young people in the labour market can be most at risk from the effects of a recession.
- 8.7 The immediacy of CTF's aims, and the short timescales available to put these measures in place, have meant that we were unable to consult specifically on this programme. The Government were keen that the help offered by this initiative was available when it was needed the most. However, as described above, we are confident that there is sufficient weight of consultation behind the basic principles of this initiative.
- 8.8 These instruments were considered by the Social Security Advisory Committee (SSAC) on 5th November 2009. The Committee decided that the proposals need not be referred for wider public consultation.

9 Guidance

- 9.1 Jobcentre Plus has developed a communications strategy to ensure that young people and stakeholders are made aware of the changes and how they impact on individuals. This builds on communication and marketing work already undertaken within Jobcentre Plus for the YPG. The communications strategy will be further updated to reflect the mandatory programme.

- 9.2 Jobcentre Plus has regular personal contact with young people through work-focused interventions, which provide an opportunity for the customer to ask questions about how and when the change will affect them personally, and to seek reassurance.
- 9.3 A full suite of guidance products has been provided to Jobcentre Plus staff with information to increase their awareness and understanding so that they can help customers in the best way possible. Detailed process maps have been prepared, and supporting narrative guidance on the procedural operation of CTF will be published on the guidance area of Jobcentre Plus' internal intranet system. Staff will also receive full instruction on how CTF links with other employment programmes, processing of benefit for CTF participants, and action to take at the end of participation. Decision Making Guidance, used by those who adjudicate on sanction doubts, will be updated to include information on the CTF sanction regime. All guidance products will be revised and supplemented in due course to reflect the introduction of mandation to the programme, in April.
- 9.4 Full guidance will be issued to CTF providers, detailing both the requirements of CTF provision, and processes to follow with regard to liaison with Jobcentre Plus, for example notifying customers' progress, raising doubts about satisfactory participation, and notifying starts, ends, and changes etc

10 Impact

- 10.1 These instruments have no impact on business, charities or voluntary bodies and so full impact assessments have not been published. The commercial arrangement with organisations with whom we contract to provide CTF will be managed according to standard procedures.
- 10.2 Any public sector impact will be confined to the operating department - the Department for Work and Pensions (Jobcentre Plus) and will be absorbed via management of the operational business. Jobcentre Plus managers at all levels will facilitate the incorporation of CTF into the suite of employment initiatives offered as per standard business processes.
- 10.3 No additional staff or infrastructure will need to be put in place to deliver CTF.
- 10.4 Mandatory participation in the CTF will be funded from within the resources allocated to DWP for the Future Jobs Fund and YPG. The Department can afford this within the funding announced in Budget 2009. Of the £1.1b announced in the Budget, the total cost to run and administer the CTF is estimated at £141m, comprising £122m in admin running costs and £19m for making benefit payments including training allowances and premiums. Whilst each element will operate separately, the focus of the Guarantee must be on getting people into work. So funding will be switched between strands if evidence shows particular options are more effective at this than others.
- 10.5 We estimate that 119,000 people will participate in CTF. However, this is based on current unemployment projections and will be subject to change.

11 Regulating small business

These instruments do not apply to small businesses.

12 Monitoring and review

- 12.1 As described in paragraphs 9.6 and 9.7, CTF is a short-term initiative implemented quickly in response to economic conditions unprecedented in recent times. Referrals to CTF will end in March 2011, so there will not be a sufficient window to evaluate or gather robust information with a view to adapting the programme itself. It will be more valuable for lessons learned from CTF, along with other programmes, to inform future policy developments.
- 12.2 The impact of the YPG as a whole, in terms of people moving off benefit and into work, will be measured against a comparison group. If sample sizes prove sufficiently large, the impact of CTF will also be measured separately. Whilst evaluation is likely to be limited, due to the reasons given above, we will be able to assess the success of the initiative in broad terms, and this, in combination with the findings of the qualitative study planned for Spring 2010, will provide information on any key issues.
- 12.3 Paragraph 9.5 touched upon the parallels between CTF and Work for Your Benefit (WfYB) a programme that will also test the success of mandatory work experience placements. There *will* be a full and robust evaluation of WfYB. The results of which, when combined with lessons learned from CTF will give us a good idea of how successful this type of initiative can be, giving us a significant body of evidence to influence the development of future welfare reform.
- 12.4 The Provision Assessment Tool (PAT) is a questionnaire that is designed to provide Personal Advisers with a mechanism to record each customer's level of proficiency both before and after referral to CTF programme. The Assessment tool itself will be used in conjunction with other initiatives to establish the effectiveness of the Provision. An electronic version of the PAT is under development which will allow data to be collated automatically in order to monitor Provision performance. The information gathered will also be used as part of the overall Contract Management Framework.

13 Contact

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