

EXPLANATORY MEMORANDUM TO
THE EMPLOYMENT AND SUPPORT ALLOWANCE (WORK-RELATED ACTIVITY)
REGULATIONS 2011

2011 No. 1349

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

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Purpose of the instrument**

- 2.1. This instrument introduces new powers which enable the Secretary of State to require Employment and Support Allowance customers who are in the Work-Related Activity Group to undertake work-related activity. It does not apply to customers in the Support Group; lone parents on Employment and Support Allowance with a child under the age of 5 and Employment and Support Allowance customers who also receive carers allowance or a carer's premium.

- 2.2. Work-related activity is defined as "activity that makes it more likely that the person will obtain or remain in work or be able to do so"¹.

- 2.3. The instrument details:

- The circumstances in which a customer can be directed to undertake work related activity
- The use of action plans to record work-related activity
- The circumstances in which a customer can be treated as having undertaken work-related activity
- The circumstances in which work-related activity may not apply
- The restrictions on times for when a lone parent is available to undertake work-related activity
- The circumstances in which an action plan must be re-considered
- The circumstances in which benefit may be reduced if a person fails without good cause to undertake work-related activity and the circumstances in which the reduction in benefit will cease.
- Consequential amendments regarding action plans and attendance at work-focused interviews
- Revocation of regulations relating to work-focused health related assessments.

¹ Section 13 (7) of the [Welfare Reform Act 2007 \(c.5\)](#).

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

3.1. This is the first time that the Department has required Employment and Support Allowance customers to undertake work-related activity. We have therefore commenced section 13 (1) to (6) (work-related activity) and section 15 (directions relevant to work-related activity) of the Welfare Reform Act 2007 which provide the powers for this activity. The appointed day for commencement was 11th February 2011.²

3.2. The JCSI is also referred to paragraphs [4.4 to 4.6] regarding other provisions in the Welfare Reform Act 2009, which have not been commenced, which may have a bearing on provisions included in this Instrument.

4. Legislative Context

4.1. It is the first time the powers in sections 13 and 15 of the Welfare Reform Act 2007 have been used to make regulations.

4.2. The powers in the Employment and Support Allowance (Work-Related Activity) Regulations 2011 (the Regulations) will be exercised by Jobcentre Plus advisers and by providers of the Work Programme.³

4.3. Customers claiming Jobseeker's Allowance will also be required to undertake specific activities. Separate regulations, the Jobseeker's Allowance (Work Programme) Regulations 2011, will provide the framework for their participation in the Work Programme and other DWP employment initiatives led by Jobcentre Plus. The Jobseeker's Allowance (Work Programme) Regulations will use powers contained in the Jobseeker's Act 1995. They will establish a bespoke conditionality and sanctions regime specific to claimants of Jobseeker's Allowance and as such it is not appropriate to combine the two sets of regulations.

4.4. Through the Work Programme we are increasing the support available to help ESA customers move into work. In parallel to the introduction of the Work Programme we are also increasing the conditionality requirements placed on ESA customers with the introduction of these regulations. We want to give advisers both in the Work Programme and Jobcentre plus the flexibility to require customers to undertake activity to move them closer to or into work. We think it is reasonable for those in the work related activity group that are able to prepare for work to do so.

4.5. The regulations make provision for lone parents to restrict the times for which they are available for work related activity. In this context it is relevant to note that provisions relating to restriction on availability for work related activity for this customer group also appear in the Welfare Reform Act 2009. These provisions have not yet been brought into force.

4.6. Specifically, section 3(4)(b) of the 2009 Act inserts paragraph (6A) into section 13 of the Welfare Reform Act 2007 to the effect that "regulations under this section shall include provision for securing that lone parents are entitled (subject to meeting any prescribed conditions) to restrict the times at which they are required to undertake work-related activity".

² See the [Welfare Reform Act 2007 \(Commencement No.13\) Order 2011](#).

³ For further information about the Work Programme see section 7.

4.7. The Minister does not wish to take a decision at this point whether or not to commence the amendments referred to in the preceding paragraph. Current policy is explained in paragraphs [7.10 to 7.12] but is essentially that, at present, the Minister is not convinced that a blanket restriction should apply to children between the age of 13 and 16.

5. Territorial Extent and Application

5.1. This instrument applies to Great Britain.

6. European Convention on Human Rights

6.1. The Minister of State for Employment, Chris Grayling, has made the following statement regarding human rights:

“In my view the provisions of the Employment and Support Allowance (Work-Related Activity) Regulations 2011 are compatible with the Convention rights.”

7. Policy background

- *What is being done and why*

7.1. The Government is committed to ensuring that disabled customers and those with health conditions get the support they need to prepare for a return to work either through participation in the Work Programme or by working with a Jobcentre Plus adviser. In return, it is expected that customers who are capable of undertaking steps to prepare for a return to work should do so.

7.2. These reforms build on the powers that already exist to require some Employment and Support Allowance customers to attend work-focused interviews. They also complement wider reforms such as the current work to re-assess all those currently on incapacity benefit and move them to the more work-focused Employment and Support Allowance, and (for those on income-related Employment and Support Allowance) ultimately onto Universal Credits.

7.3. Under existing legislation introduced in 2008, Employment and Support Allowance customers undergo a Work Capability Assessment. This assessment looks at a customer's capacity for work and identifies whether it is reasonable for the customer to engage in work-related activity.

7.4. Those customers who have limited capability for work-related activity are placed in the “Support Group” and are not the subject of these regulations.

7.5. Employment and Support Allowance Work-Related Activity Group customers will be encouraged to take full advantage of the wide range of help they are offered to prepare for a return to work. They will have the opportunity to work with Jobcentre Plus advisers who will provide a more personalised offer of support. The Department for Work and Pensions will have various employment initiatives which customers in the Employment and Support

7.6. All Employment and Support Allowance customers with the exception of customers who are self-employed or who have a contract of employment will also be able to access the support provided by the Work Programme. Most of those expected to be fit for work within 6 months (as judged by the prognosis of the health care professional at the Work Capability Assessment) will be required to access the support provided by the Work Programme, stepping up their preparation for a return to work.

7.7. The Work Programme will be at the centre of the Government's plans to reform welfare to work provision in the UK. It will replace much of the employment programme provision currently offered by the Department for Work and Pensions, including the Flexible New Deal, Employment Zones and Pathways to Work. The Work Programme will be built around the needs of individuals, and will be delivered by the private, public and voluntary sectors. These providers will be given the freedom to innovate for the benefit of their customers, will be free from over prescription from central Government, (the 'black-box' approach) and will be paid primarily on the basis of the results they achieve. The Work Programme providers will be confirmed once the current procurement exercise is completed in spring 2011.

7.8. The Secretary of State's functions under certain of these Regulations will be contracted out so that the providers of the Work Programme can use the powers in the Regulations to support the customer's participation in the Work Programme. These functions are:

- The requirement to undertake work-related activity;
- The notification of work-related activity and action plans;
- The requirement to undertake work-related activity not to apply;
- The reconsideration of action plans

7.9. Work Programme providers and Jobcentre Plus advisers will both be bound by the terms of these Regulations. They will work with Employment and Support Allowance customers in the Work Related Activity Group to assist them to prepare for a return to work. Both Jobcentre Plus advisers and advisers within the Work Programme will be able to impose work-related activity requirements. In discussion with the customer, the adviser will determine which work-related activities will best help prepare the customer for a return to work. Any work-related activity must be reasonable in the customer's circumstances. The required activities will be set out in the individual customer's action plan, together with the timescales. Other information, like the type of evidence which the customer should keep to show that they have complied with the requirement, may also be included. The powers in the Regulations are permissive, so the adviser can also decide not to impose a work-related activity requirement at that time.

Restrictions on times for which a lone parent is available to undertake work related activity

7.10. These regulations specify that lone parents on ESA with a child under the age of 13 can choose to restrict the times at which they are required to undertake work-related activity to

7.11. As mentioned in the section on legislative context, the Welfare Reform Act 2009 contains provision relating to regulations imposing work-related activity on ESA customers who are lone parents with a child under the age of 16 to the effect that such regulations must allow those customers to restrict the times at which they are required to undertake work-related activity

7.12. For the present the Secretary of State wants to take decisions about how the work related activity requirements should apply to the 13 to 16 age group on a case by case basis. We will therefore allow the customer to request the same restriction for children between the age of 13 and 16 but it will then be at the discretion of the adviser to take a decision taking into account all of the circumstances. The individual needs of the child should be considered together with their ability to remain unsupervised or in the care of another responsible adult for a short period of time – i.e. outside of school hours.

Reconsideration of action plans

7.13. Once an activity is recorded in the action plan it is mandatory and must be completed by the deadline set unless the customer requests a reconsideration of their action plan. The Secretary of State must consider any reconsideration request and notify his decision to the customer in writing. The timescales for this action are not specified in regulations. This important safeguard provides an opportunity for the customer to formally raise concerns about the requirement on them, and to have this reconsidered by Jobcentre Plus or the Provider, before the point of non-compliance.

Requirement to undertake work related activity not to apply

7.14. An adviser within Jobcentre plus or a Work Programme provider may decide that although a requirement to undertake work-related activity has been set, the customers circumstances have changed in a way that would make it unreasonable for the person to undertake the activity at that time. For example, if attendance at a specific job fair was required, but the customer was subsequently given a hospital appointment which clashed, or the customer completed a similar activity.

Sanctions

7.15. When a customer fails without good cause to undertake work-related activity as specified in their action plan, they risk having the work-related activity component of their benefit reduced (potentially by 100 per cent) under the sanction regime introduced by this legislation.

7.16. Benefit sanctions are an effective way to encourage compliance and a sanctions regime provides a framework against which to mandate customers to actively participate. This legislation will apply the existing sanctions regime for Employment and Support Allowance customers subject to work focused interviews, also to work-related activity requirements.

7.17. For those customers on the Work Programme, compliance concerns will be raised by the provider, with decisions on failures, good cause and penalties being made by a dedicated

7.18. A customer who fails to undertake the required work-related activity must show good cause for the failure within 5 days of being notified by the Secretary of State of that failure. In deciding whether a person has shown good cause, the Secretary of State must take account of all the circumstances of the case, including their mental and physical health or condition.

7.19. Customers will receive a 50% reduction of their Work Related Activity Component for the first 4 weeks of the sanction period followed by a 100% reduction of their Work Related Activity Component if they continue with non compliance. The sanction remains in place until the customer complies with either the original activity, or an agreed alternative activity in order to have their benefit re-instated. This should provide customers with an incentive to re-engage with the programme. Alternatively Jobcentre Plus or providers may determine that activity is no longer a requirement **at that time**, in which case the work-related activity component will be re-instated.

7.20. As now, Jobcentre Plus or the Work Programme provider will make reasonable efforts to contact Employment and Support Allowance customers with a mental health condition, learning disability or condition affecting communication/cognition to ensure that they fully understand their responsibilities before a sanction is considered.

Consequential changes

7.21. The work-focused interview requirements, defined within the Employment and Support Regulations 2008, are being changed as follows:

- The requirement for an action plan is being removed, to be superseded by the action plan requirements in these regulations.
- The requirement for attendance in person is being removed, to facilitate flexibility in delivery of interviews.
- Good cause conditions are being amended to be consistent with those specified for work-related activity.

7.22. The original powers to conduct Work Focused Health Related Assessments, contained within the Employment and Support Regulations 2008, will be revoked as this activity is being removed to allow for reconsideration of its purpose and delivery in the context of the Work Programme.

7.23. The amendments ensure that expenses payments, paid as reimbursement for expenditure incurred whilst undertaking work-related activity do not affect customers' benefit entitlement.

- ***Consolidation***

7.24. Informal consolidation of this instrument will be provided in due course 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 at:

<http://www.dwp.gov.uk/publications/specialist-guides/law-volumes/the-law-relating-to-social-security/>

7.25. Prior to the implementation of these regulations, changes will also be made to volume 9 of the Decision Makers Guide (DMG) which is also available free on the DWP internet at:

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

8. Consultation outcome

8.1. Work-related activity was consulted on as part of the 2008 Green Paper '*No One Written Off: reforming welfare to reward responsibility*'.

<http://www.dwp.gov.uk/docs/noonewrittenoff-complete.pdf> A range of responses were submitted, which stressed the need to build in appropriate flexibility and safeguards around the provisions. Responses to the consultation are summarised in the 2008 White Paper '*Raising expectations and increasing support: reforming welfare for the future*'.

<http://www.dwp.gov.uk/docs/fullversion.pdf> A specific question asked by the then Government was whether work-related activity should include the requirement to undertake job search. Many respondents were concerned that this would blur the boundaries between Job Seekers Allowance and ESA. We agreed, and will therefore not require ESA customers to apply for or take up work as part of the work related activity requirements. Also as a result of the consultation, the then Government introduced the specific work-related activity provisions in the Welfare Reform Act 2009.

8.2. Additionally, between November 2009 and January 2010, the Department held meetings and workshops with a range of stakeholders to discuss support and conditionality for Employment and Support Allowance customers. Stakeholders included Employment and Support Allowance and Incapacity Benefit customers, disability organisations, representatives from Jobcentre Plus, Pathways suppliers, Condition Management Programmes, the Social Security Advisory Committee, the Disability Employment Advisory Committee, the Work and Pensions Select Committee, the All Party Parliamentary Disability Group and the Devolved Administrations.

8.3. Stakeholders identified a number of priorities relating to the provision of support and conditionality:

- Greater flexibility in the nature and timing of support to meet the needs of individual customers;
- Views on whether mandatory work-related activity should be introduced were mixed;
- Any increase in conditionality would need to be personalised, and the customer's abilities thoroughly assessed;
- More intensive conditionality should be matched with more intensive support.

8.4. In order to gather stakeholder views on the proposed changes being introduced under the Work Programme, DWP ran a number of face to face meetings with stakeholder groups, and provided the opportunity for people to comment on the proposals online.

8.5. DWP officials met with representatives from around 60 organisations face to face, drawn from: customer representative groups; providers; think tanks and lobby groups. An online forum was launched on 11th September 2010, and was available for comment until 20th October 2010 – around 100 comments on the Work Programme proposals were received.

8.6. Annex A of the Work Programme prospectus sets out the results of the consultation and our response, showing there was generally broad agreement, and the issues taken on board - <http://www.dwp.gov.uk/docs/work-prog-prospectus-v2.pdf>. The consultation exercise and the design of the Work Programme ran concurrently - therefore, while the design was informed by the ideas raised, we cannot specify the things that were changed as a result of the consultation. We are unable to categorise the views in either positive or negative terms, as feedback was complex.

8.7. In their responses, stakeholders expressed a significant range of opinions in relation to the Work Programme proposals. These included:

- Broad support for fast-tracking vulnerable groups onto the Work Programme, and for a differential pricing system, in which providers receive higher rewards for supporting harder to help customers into employment;
- Broad support for the principle of avoiding paying providers for people who would have found work anyway, but concern from providers regarding the level at which employment outcomes would become eligible for payment;
- Concern from customer representative groups regarding the equality impact of the planned 'black box' approach to delivery, and the plans to monitor the equality impact of the Work Programme; and
- Concern from voluntary sector providers that the Work Programme would require them to act contrary to their guiding principles, as they would have to report any non-compliance with required activity to Jobcentre Plus.

8.8. The outcomes of the consultation has informed the development of work-related activity and back to work support for Employment and Support Allowance customers. For example:

- The work-related activity provisions will be flexible, so that the requirements can be personalised to the particular circumstances of the individual. An adviser does not have to require work-related activity where they do not think this is appropriate.
- The Department has introduced safeguards to address concerns about unreasonable requirements being imposed on customers, e.g. the activity must be reasonable in the customer's circumstances and cannot involve mandation to medical treatment or finding work.
- Through the Work Programme, we are increasing support in line with increases in conditionality.
- With regard to concerns from the voluntary sector over compliance issues, we believe it is right that conditionality has a role to play in supporting people back to work, and we will expect sub-contractors to report any breaches of conditionality they recognise to the Department.
- With regard to the concerns over equality impacts, we have set out in the Invitation to Tender for the Work Programme that we will require minimum service standards for all customer groups. These will be used to manage performance, and will be clearly set out for customers.

8.9. The draft regulations were referred to the Social Security Advisory committee, which after careful consideration decided that a public consultation exercise on the proposals was not required.

9. Guidance

9.1. Information products such as leaflets and letters, including in accessible formats, are being developed to ensure that people claiming Employment and Support Allowance who are required to undertake work-related activity, understand their rights and responsibilities.

9.2. Employment and Support Allowance work-related activity group customers will be provided with details of what is expected of them, and will have the consequences of not undertaking work-related activity fully explained to them by their Jobcentre Plus adviser. This will cover the consequent loss of benefit if they fail to undertake work-related activity without good cause and the different ways in which payment of full benefits will be re-instated. Customers will also be told about the process for raising complaints about their treatment, including ultimate recourse to the Independent Case Examiner.

9.3. Guidance is being developed for staff in the Jobcentre Plus offices who advise customers and for staff in benefit centres who maintain Employment and Support Allowance claims, including decision makers. This guidance will contain information relevant to all of the process involved in Employment and Support Allowance Work-Related Activity.

9.4. Guidance is also being developed for the Work Programme providers who will deliver work-related activity for Employment and Support Allowance customers to ensure they understand what is expected of them and their duty to customers. This will be distributed to providers and will be available on the Department for Work and Pensions website.

10. Impact

10.1. This instrument has no impact on business, charities or voluntary bodies.

10.2. The impact on the public sector is limited.

10.3. An Impact Assessment is included with this document and will be published alongside the Explanatory Memorandum on the legislation.gov.uk website.

11. Regulating small business

11.1. The legislation does not apply to small business.

12. Monitoring & review

12.1. The Department for Work and Pensions will commission independent researchers to evaluate the Work Programme and Jobcentre Plus offer to determine the overall effectiveness of the support. The evaluation strategy will include specific consideration of how the work-related activity provisions are operating, as well as overall impact and cost effectiveness. The evaluation will bring together commissioned evaluation, performance management information and internal analysis.

13. Contact

Richard Jackson at the Department for Work and Pensions Tel: 0114 2408769 or email: richard.jackson@jobcentreplus.gsi.gov.uk can answer any queries regarding the instrument.

Title: Employment and Support Allowance (Work-Related Activity) Regulations 2011 Lead department or agency: DWP Other departments or agencies:	Impact Assessment (IA)
	IA No:
	Date: 27/1/11
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Secondary Legislation
Contact for enquiries:	

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary?
Supporting people to find and retain employment is a key Government priority. The state will help customers to find work and make sure work pays when they do. These regulations will extend the existing conditionality regime and enable Jobcentre Plus advisers and Work Programme providers to require ESA customers in the work-related activity group to undertake work-related activity as a condition of claiming their full benefit. This reinforces the message that ESA WRAG customers are expected to prepare for a return to work. Any work-related activity must be reasonable in the customer's circumstances.

What are the policy objectives and the intended effects?
The Government is committed to ensuring that customers with a disability or a health condition get the support they need to prepare for work. In return, those that are capable of undertaking steps to prepare for a return to work should do so. The objective of these regulations is for more people in receipt of ESA to move into, and sustain, work. This will reduce poverty and long-term worklessness and will support economic growth.

What policy options have been considered? Please justify preferred option (further details in Evidence Base)
Option 1 – do not exercise the work-related activity powers
Option 2 – exercise the work-related activity powers uniformly and without exemptions
Option 3 – exercise the work-related activity powers flexibly, at the discretion of the adviser.
The preferred approach is option 3.
Exercising the powers taken in the Welfare Reform Acts of 2007 and 2009 will allow advisers to use conditionality in a much more flexible way than at present, which should improve the value for money of ESA welfare-to-work support. The draft regulations exclude lone parents on ESA with a child under five and ESA customers in receipt of carers allowance or a carer premium from the requirement to undertake work-related activity in recognition of their additional caring responsibilities. They also provide extensive safeguards to protect against inappropriate use of the powers.

When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?	Evaluation date tbc
Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?	As far as is possible

SELECT SIGNATORY Sign-off For final proposal stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible Minister: C Grayling

Date: 24th February 2011

Summary: Analysis and Evidence Policy Options 2 and 3

Description:

Price Base	PV Base Year	Time Period	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate:
COSTS (£m)		Total Transition (Constant Price) Year	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)	
Low					
High					
Best Estimate		Positive			
<p>Description and scale of key monetised costs by ‘main affected groups’</p> <p>Monetised costs of these regulations are likely to be relatively low. Jobcentre Plus already imposes sanctions and incurs corresponding administrative costs. However, there are potentially higher costs related to any increase in sanction rates and corresponding appeals. Monetised costs could have been higher with no benefit if advisers were required to mandate work-related activity for all customers on a regular basis or if exemptions and safeguards were not made in the regulations.</p>					
<p>Other key non-monetised costs by ‘main affected groups’</p> <p>Non-monetised costs may include the disengagement of some customers from the job-search process as a result of a perception of a “tougher” regime. Overall, non-monetised costs are expected to be low. Non-monetised costs could have been higher, with no benefit, if advisers were required to mandate work-related activity for all customers on a regular basis or with no benefit, if exemptions and safeguards were not made in the regulations.</p>					
BENEFITS (£m)		Total Transition (Constant Price) Year	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)	
Low					
High					
Best Estimate		Positive			
<p>Description and scale of key monetised benefits by ‘main affected groups’</p> <p>Key monetised benefits are likely to be benefit expenditure saved as a result of i) more customers finding work and leaving benefit and ii) some customers being sanctioned and receiving benefit at a lower rate. Greater employment outcomes would also result in benefits to the wider economy.</p>					
<p>Other key non-monetised benefits by ‘main affected groups’</p> <p>The policy could lead to increased disability employment and greater equality for disabled people. Evidence suggests that work is good for physical and mental wellbeing. Therefore, assisting people to prepare for a return to work, thereby moving more customers into work could lead to increased physical and mental wellbeing of disabled people and people with health conditions</p>					
Key assumptions/sensitivities/risks (%)				Discount rate	

It is not possible to quantify the scale of either the costs or the benefits because of a lack of detailed, accurate data about the current sanctions system and a lack of evidence for how the work-related activity powers will be used by advisers, and what their impact will be.

The estimate that benefits outweigh costs is based on the fact that work-related activity is an improvement on the current system. The key assumption is that work-related activity will result in more customers finding work, but there is limited evidence to quantify the scale of the impact.

Impact on admin burden (AB) (£m):		Impact on policy cost savings		In
New AB:	AB savings:	Net:	Policy cost savings:	Yes/No

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			Great Britain		
From what date will the policy be implemented?			01/06/11		
Which organisation(s) will enforce the policy?			Jobcentre Plus/DWP		
What is the annual change in enforcement cost (£m)?			Unknown		
Does enforcement comply with Hampton principles?			N/A		
Does implementation go beyond minimum EU requirements?			N/A		
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A	Non-traded: N/A	
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			Costs: N/A	Benefits: N/A	
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	Micro £0	< 20 £0	Small £0	Medium	Large £0
Are any of these organisations exempt?	N/A	N/A	N/A	N/A	N/A

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties ⁴ Statutory Equality Duties Impact Test guidance	Yes	7

⁴ Race, disability and gender impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Economic impacts		
Competition Competition Assessment Impact Test guidance	No	
Small firms Small Firms Impact Test guidance	No	
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	Yes	12
Human rights Human Rights Impact Test guidance	No	
Justice system Justice Impact Test guidance	Yes	12
Rural proofing Rural Proofing Impact Test guidance	Yes	12
Sustainable development	No	
Sustainable Development Impact Test guidance		

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in References section.

References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	Welfare Reform Act 2007 http://www.legislation.gov.uk/ukpga/2007/5/contents and associated impact assessment http://www.dwp.gov.uk/docs/welfarereformria.pdf
2	Welfare Reform Act 2009 http://www.legislation.gov.uk/ukpga/2009/24/contents and associated impact assessment http://www.dwp.gov.uk/docs/welfare-reform-bill2009-imp-assess.pdf
3	2008 Green Paper 'No One Written Off: reforming welfare to reward responsibility' http://www.dwp.gov.uk/docs/noonewrittenoff-complete.pdf and associated impact assessment http://www.dwp.gov.uk/docs/noonewrittenoffer-impactassessment.pdf
4	2008 White Paper 'Raising expectations and increasing support: reforming welfare for the future' http://www.dwp.gov.uk/docs/fullversion.pdf and associated impact assessment http://www.dwp.gov.uk/docs/impact-assessment.pdf
5	Research Report 552: The impact of Pathways on benefit receipt in the expansion areas (2008): http://research.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_552.asp
6	Pathways to Work: The experiences of new and repeat customers in Jobcentre Plus expansion areas. <i>Realising Potential: A vision for personalised conditionality and support</i> (2008) http://research.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_627.asp http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/realising-potential/
7	Research Report 627: Pathways to Work: The experiences of new and repeat customers in Jobcentre Plus expansion areas (2010). http://research.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_627.asp
8	Research Report 525: Pathways to Work for new and repeat incapacity benefits claimants: evaluation synthesis report (2008) http://research.dwp.gov.uk/asd/asd5/rports2007-2008/rrep525.pdf
9	Employment and Support Allowance: findings from a follow-up survey of customers, forthcoming in the DWP Research Report Series in April/May 2011

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the Annual profile of monetised costs and benefits (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs										
Annual recurring cost										
Total annual costs										
Transition benefits										
Annual recurring										
Total annual benefits	+ve									

* For non-monetised benefits please see summary pages and main evidence base section



Evidence Base (for summary sheets)

Problem under consideration and Rationale for intervention and Policy Objective

At the moment, 46.1% of disabled people are in work, compared with 71.2% of the adult population. The Government is committed to increasing disability employment and will provide better and more intensive support to help people off benefits and find sustainable work. In return, the Government believes that customers who are capable of undertaking steps to prepare for a return to work should do so.

Conditionality was first introduced for customers with a disability or health condition in 2000, in the form of work-focused interviews, with the first Pathways to Work pilots commencing in 2003. Initial evidence from the Pathways to Work pilots was positive and Pathways to Work was rolled out across the country. National rollout was completed in 2008. However the impact from the initial pilots was not replicated when the programme was rolled out more widely (see research report *The impact of Pathways on benefit receipt in the expansion areas*). During Summer 2009 the Department reviewed the overall package of support provided to this group of customers. It concluded that whilst the customers appreciated many of the aspects of the programme, overall it was not increasing the number of people finding work. The quantitative research does not allow us to isolate the impact of conditionality within Pathways to Work, or to explain why the programme did not retain its impact on national roll-out. However, some further evidence is available from the 2008 Independent Review of Conditionality, qualitative research and from consultation with stakeholders.

An Independent review of conditionality by Professor Gregg *Realising Potential: A vision for personalised conditionality and support* recommended the introduction of work-related activity for ESA customers in the work-related activity group. Gregg argued that although 90% of new IB customers say that they want to work, voluntary take up of support to get back to work is low. When support was entirely voluntary under New Deal for Disabled People, only 3% took up the support available. With the introduction of mandatory WFIs, take up of additional support increased to around 21%. We need to increase take up further if customers are to get the help they need to get back to work.

Gregg found that on balance, international evidence suggests that increased conditionality to engage in employment preparation programmes for those with limited capacity has been successful in increasing participation and reducing benefit caseloads. Increased requirements have been most successful where they have been backed up with a sanction regime that acts as an effective “last resort mechanism” (Tergeist and Grubb, 2006). This is supported by a recent survey of ESA customers where 83 per cent of those who said they had recently attended Work-Focused Interviews and knew they were compulsory, agreed that this made them more likely to attend them.

Gregg also noted the importance of personalisation. He said that the department needed to do more for the wider population of those further from work who “need more sustained and personalised engagement to make a reality of their aspirations”.

This is backed up by qualitative research. The experiences of customers on Pathways are explored in *Pathways to Work: The experiences of new and repeat customers in Jobcentre Plus expansion areas*. This concluded that “WFIs were generally well received” with 60% of customers saying that WFIs helped them think about work a little or a lot. However, research suggests that personal advisers felt it would be helpful to allow more flexibility in the timing of the WFIs so that they could be tailored to individual needs. This flexibility would also be valued by customers.

Views on conditionality amongst stakeholders have been mixed (see explanatory memorandum for more details of consultation). However, an important theme has been that any increase in conditionality would need to be personalised, and the customer’s abilities thoroughly assessed; and that more intensive conditionality should be matched with more intensive support.

On the basis of these findings, the Government plans to introduce a more personalised model of support and conditionality, so that the support will always fit the circumstances of the particular individual.

The Welfare Reform Act 2007 (and amendments in the Welfare Reform Act 2009) gives the Government powers to require Employment and Support Allowance customers in the Work-Related Activity Group to undertake Work-Related Activity. These regulations are necessary to provide the parameters in which advisers can require Work-Related Activity, balancing the flexibility to adapt the requirements to fit individual circumstances with safeguards to ensure that no one is unfairly treated.

The Employment and Support Allowance (Work-Related Activity) Regulations 2011 (the Regulations) will provide the legal basis under which the back-to-work support will be provided both through Jobcentre Plus and the Work Programme. The Regulations will enable work-related activity to be required at the discretion of advisers. The powers will be used flexibly so that the adviser can devise a tailored plan for each customer. This means that the nature and amount of work related activity required could vary from customer to customer, but it must always be reasonable in the customers' circumstances.

The Regulations also set out the safeguards which will ensure the provisions are fair, such as exemptions for lone parents with young children and carers, reconsideration and good cause provisions.

The objective of these Regulations, as part of wider changes to the back to work support for Employment and Support Allowance customers, is for more people in receipt of Employment and Support Allowance to move into, and sustain, work. This would reduce poverty and long-term worklessness and will support economic growth.

Options considered

As well as the option of not enacting the powers in the 2007 and 2009 Welfare Reform Acts, there were choices about how the powers can be used:

Option 1

Not exercising the work-related activity powers

Deciding not to exercise the powers in the Welfare Reform Act 2007 would leave Employment and Support Allowance customers with an unsatisfactory system of conditionality that does not allow advisers the flexibility to use conditionality in the best way for the customer. Currently, less than a quarter of Pathways customers engage with the voluntary aspects of the support provided to them. If the percentage of Employment and Support Allowance customers moving into employment is to increase, we think we need to increase participation in activities that help people prepare for a return to work.

As stated above, enacting these powers would ensure advisers have the power to require customers, where appropriate, to prepare for a return to work.

Option 2

Exercise the work-related activity powers but apply them uniformly without any exemptions

The work-related activity powers could be enacted uniformly across the work-related activity group so that all customers are required to undertake a set amount of work-related activity on a regular basis. This would ensure that all customers knew exactly what to expect, and when. However, it would also be

inflexible and costly, and would make it more likely that customers could be required to undertake activity when it was not appropriate.

Option 3

Exercise the work-related activity powers flexibly, at the discretion of the adviser

The work-related activity powers could be enacted flexibly, so that the adviser has discretion over whether to require work-related activity, when to require it and how much to require. This approach should deliver support that is more effective for an individual and better value for money than a more uniform approach. However, it is important that it is accompanied with appropriate safeguards to ensure that customers understand what is required of them and that they are not required to undertake activity that is unreasonable in their circumstances.

Costs and Benefits

1. Not exercising the work-related activity powers

- a. This is the Do Nothing option and would maintain the status quo.

2. Enact the work-related activity powers but apply them uniformly without any exemptions

- a. The work-related activity powers are expected to result in more people leaving Employment and Support Allowance and entering work. The scale of this impact, however, is difficult to quantify. Using work-related activity powers has not been tested for this group of customers.
- b. This option is expected to be more costly than option 3 because advisers would be required to mandate all customers to work-related activity on a regular basis, rather than to use it as a tool to facilitate compliance with particular activities that are likely to be of benefit to the customer. This would therefore significantly increase take up of support services.
- c. The work-related activity powers are expected to increase administrative costs both from the time taken to discuss work-related activity with customers but also from additional sanctions. Jobcentre Plus already runs a sanctions system so the marginal cost of these additional sanctions is likely to be small.
- d. However, although costs would increase as more people are mandated to support services, benefits (in terms of job outcomes) would be unlikely to increase proportionately. If advisers are forced to mandate customers to do activity then many of them may end up doing something that is not contributing to their preparation for work.

3. Enact the work-related activity powers flexibly, at the discretion of the adviser

- a. This option is expected to be better value for money than option 2 because advisers would only require work-related activity where they think the activity will help to move the customer into work.
- b. As well as ensuring that customers are only mandated to support which is likely to significantly contribute to their preparation for work, the exemption of certain groups from conditionality (lone parents and carers) also helps to minimise the extent to which the use of these powers impact negatively on well-being.

Option 3 is the preferred option, as it should result in the highest net benefit and the best service for customers.

Risks and Assumptions

The data available on sanctions for Employment and Support Allowance and Incapacity Benefit is limited. At the moment, it is estimated that around 1% of customers receive a sanction per year.

New data on Employment and Support Allowance sanctions should be published from new sources within the first half of the year.

Because of the lack of quantitative evidence, it is difficult to quantify the costs and benefits of the chosen option or of any of the alternatives. There is therefore a risk that the reasoning that these regulations will have a positive NPV is inaccurate.

Impact of the Measures

While it is not possible to quantify the costs or benefits, it is our belief that the benefits of these regulations outweigh the costs.

Impact on Business / Public Sector

Work-related activity powers can be used by welfare to work advisers working in Jobcentre Plus or Work Programme providers. The impact for business of the Government enacting the work-related activity powers should be an improvement in job outcomes for Employment and Support Allowance customers, which will mean the Department for Work and Pensions will pay Work Programme contractors more in outcome payments.

Impact on Operations

Through the merging of most existing employment programmes, provision will be extended to cover a wider customer group than ever before under a single programme. This will reduce the administrative steps that staff will have to follow as the number of available programmes will greatly decrease.

Implementation of the new arrangements in Jobcentre Plus, including work-related activity, will impact Jobcentre Plus operations in that advisers will be equipped with additional flexibility to improve and tailor the service offered to customers. Jobcentre Plus will ensure that advisers have the appropriate guidance and training to deal effectively with the greater flexibility available to them.

Available IT will be used to support the new Work Programme and work-related activity procedures for which staff will receive awareness training prior to go-live. Suppliers will be responsible for training their own staff.

As existing procedures for the referral of customers to the Work Programme will be used, the evidence/information gathering requirements for staff will remain unchanged. As the Work Programme will be replacing most other employment programmes, staff should be more readily able to explain the rationale and operation of the programme to customers. Jobcentre Plus will ensure that processes are as straightforward to comprehend and operate as possible.

As with existing programmes, Work Programme proposals will require the passing of information between Jobcentre Plus and contracted suppliers. This will be the passing of customer information through secure IT systems when the referral takes place and at the end of provision.

Impact on Customers and mitigation

The greatest impact on customers will be the mandatory nature of the requirement to undertake work-related activity; this will need to be agreed with the adviser/provider and recorded on the action plan together with the timescales for completion.

The use of these powers is at the discretion of the adviser/provider who “may” require a customer to undertake work-related activity if they think it is appropriate for the customer to do so. Any requirement must be reasonable in the customers’ circumstances. However if the customer fails to undertake an activity once it has been included on the action plan then they may become subject to a sanction. This would not have happened in the past. Employment and Support Allowance customers have until the introduction of these regulations only been required to attend a work focused interview as a condition of claiming benefit.

The risks around the introduction of these Regulations for Employment and Support Allowance Work-Related Activity Group customers mostly relate to catering for the needs of an extremely diverse customer group through the use of a flexible and personalised approach. There is the potential for requirements to be placed on some customers that they find difficult to meet because of their disability or health condition. The risk will be mitigated by:

- Giving advisers, working with the customer, the flexibility to personalise requirements to the individual. The adviser will only apply the work-related activity powers where they think it is appropriate to do so.
- Specifying that any activity that is required must be reasonable in the customer's circumstances.
- Specifying that customers cannot be required to apply for or take up work, or undergo medical treatment.
- Providing guidance to advisers on the amount and nature of work-related activity that might be appropriate in different circumstances.
- Giving customers the right to request a reconsideration of the activities in their action plan;
- Ensuring that a customer has the opportunity to show good cause for failure to comply with a work-related activity requirement.
- Meeting a customer face to face if they have a mental health condition, learning disability or condition affecting communication/cognition to ensure that they fully understand their responsibilities before proceeding with a sanction. This will involve a home visit where necessary.
- Positioning Jobcentre Plus Advisory Services as a profession with a clear career path, accredited learning, ongoing professional development whilst delivering to a set of agreed standards recognised as best in class. We will equip Personal Advisers with the support and tools they need to enable them to offer a much more customer-focused and personalised service. New training material, supporting tools and products have been developed to help bring this vision to life.
- Assessing suppliers’ expertise and proposed minimum service standards as part of the evaluation of bids.
- Having robust systems in place for dealing with customer complaints about treatment by providers, which feed back into overall contract management.

The reforms are designed to help disabled people and those with health conditions into work. As such, the measures have been designed to have a positive impact on people with health conditions and disabilities and aim to promote equality of opportunity.

Impacts on gender

Males account for around 58 per cent of the incapacity benefits (Employment and Support Allowance , Incapacity Benefit, Severe Disablement Allowance) caseload. Therefore it is likely that these reforms will affect more males with disabilities than females with disabilities. However this is only because more of

the disabled group are likely to be male. The introduction of the work-related activity will allow advisers and suppliers to provide personalised support to all customers with disabilities so no negative impacts are expected on disabled female customers. Exempting lone parents on Employment and Support Allowance with a youngest child under the age of 5 from work-related activity and enabling lone parents with older children to restrict their availability for work-related activity to school hours will help to ensure that lone parents, the vast majority of whom are women, are not subject to requirements with which they are unable to comply.

Working-age incapacity benefits customers by gender⁵

Benefit	Male	Female	Percentage Male	Percentage Female
IBSDA	1,205,000	882,000	58%	42%
ESA	301,000	225,000	57%	43%
Total	1,506,000	1,107,000	58%	42%

Impacts on Disability

Employment and Support Allowance is specifically for people who have limited capability for work by reason of a physical or mental condition and the work-related activity provisions will apply across the customer group. People who are so limited by their illness or disability that it would be unreasonable to require them to undertake any form of work-related activity are in the Support Group of Employment and Support Allowance and are not subject to any conditionality. However, they are able to volunteer to participate in work-related activity if they choose to do so.

The reforms are designed to help disabled people and those with health conditions into work. As such, the measures have been designed to have a positive impact on people with health conditions and disabilities and aim to promote equality of opportunity. There is a potential risk that requirements could be placed on some customers that they find difficult to meet because of their disability or health condition. However, there are a range of safeguards included in the provisions to minimise this risk, which are set out in the section on 'Impact on Customers and mitigation' above. In particular, any work-related activity must be reasonable in the customer's circumstances, which should take account of the impact of their disability.

Work Programme providers will be bound through the terms of their contract to not unlawfully discriminate on grounds of disability, and must comply with the Equality Act 2010.

The table below shows the distribution of incapacity benefits customers by medical condition, with mental health and behavioural conditions being the most common.

Working-age incapacity benefits (ESA, IB, SDA) customers by medical condition⁶

Medical Condition	Share of the incapacity benefits caseload
Mental and Behavioural Disorders	43%
Diseases of the Nervous System	6%
Diseases of the Circulatory or Respiratory System	7%

⁵ Source: Department for Work and Pensions Longitudinal Study May 2010. Figures may not sum due to rounding.

⁶ Source: Department of Work and Pensions Longitudinal Study May 2010. Figures may not sum due to rounding.

Diseases of the Musculoskeletal system and Connective Tissue	16%
Injury, Poisoning and certain other consequences of external causes	6%
Other	22%
Total	100%

Impact on Age

Employment and Support Allowance is a working-age benefit and can be claimed from age 16 to the day before a customer reaches pension age. The help and support provided by Employment and Support Allowance is available regardless of age.

Nearly half of customers claiming incapacity benefits are over the age of 50 years and nearly half of Employment and Support Allowance customers are over the age of 45 years. This is because older people are more likely to have a disability or health condition. It may also reflect labour market factors such as decline of traditional manufacturing industry having a disproportionate impact on particular age groups. However, this does not mean that they do not want or are unable to work. The Government is committed to promoting employment prospects for older people, indeed for people of all ages, with and without health conditions. Introducing the work-related activity powers will contribute towards this. All customers will be able to access the Work Programme after their work capability assessment, regardless of age. There is a potential risk that providers might focus less on older customers because they see their employment prospects as weaker. This will be mitigated by ensuring that the minimum service the provider will deliver for all customers is part of their contract.

Working-age IB/SDA customers by age⁷

Age	Percentage
16-17	0%
18-24	4%
25-34	12%
35-44	21%
45-49	15%
50-54	16%
55-59	19%
60-64	13%

Employment and Support Allowance Customers by age⁸

Age	Percentage
16-17	1%
18-24	14%
25-34	17%
35-44	24%
45-49	13%
50-54	13%
55-59	12%
60+	5%

⁷ Source Department of Work and Pensions Longitudinal Study May 2010. Figures may not sum due to rounding.

⁸ Source Department of Work and Pensions Longitudinal Study May 2010. Figures may not sum due to rounding.

Impact on Ethnicity

There is a lower proportion of ethnic minorities on incapacity benefits (6 per cent) relative to the working age ethnic minority population as a whole (12 per cent). Therefore these reforms may affect a disproportionate number of white disabled customers but that is because a higher proportion is claiming IB compared with the working age population. The introduction of work-related activity will allow advisers/suppliers to provide personalised support to all customers with disabilities so no negative impacts are expected on disabled customers from ethnic minorities.

Work-related activity will apply equally to everyone who is in the work-related activity group irrespective of race. There will be no direct impact on customers in terms of their race, though the Department will take steps to be sensitive to the needs of customers of different races.

Proportion of incapacity benefits customers by ethnicity⁹

Ethnicity	Incapacity benefits	Working Age Population
White	93%	89%
Ethnic minority	7%	11%

Impact on Regions

The table below shows the breakdown by region of the Incapacity Benefit/Employment and Support Allowance caseload and the proportion of the working age population claiming. Wales, the North East, North West and Scotland have the highest proportion of customers claiming incapacity benefits. Introducing work-related activity is therefore expected to benefit relatively more customers in these areas than areas with a lower proportion of working age customers.

The introduction of work-related activity will apply nationwide so no negative impacts on these groups are anticipated.

Incapacity Benefits Caseload (IB, SDA, ESA)¹⁰		
	Incapacity Benefits (Working Age)	% of Working Age Population
South East	247,000	4.8
East of England	183,000	5.2
London	314,000	6.0
South West	194,000	6.2

⁹ Source: Based on the Family Resources survey 2006/07, 2007/08, 2008/09

¹⁰ Source Department of Work and Pensions Longitudinal Study February 2010. Working age population figures not available for May 2010. Figures may not sum due to rounding.

East Midlands	181,000	6.5
Yorkshire and The Humber	233,000	7.1
West Midlands	237,000	7.2
Scotland	285,000	9.0
North West	393,000	9.3
North East	151,000	9.4
Wales	187,000	10.3
All	2,605,000	7.0

Impact on Gender Re-assignment and Sexual Orientation

All participants on the Work Programme will be treated fairly and equally regardless of their gender or sexual orientation. DWP does not currently collect data on customers who have undergone gender re-assignment or on their sexual orientation. The more personalised and flexible support on offer, however, will enable us to take each individual's personal circumstances into consideration.

Work Programme suppliers are bound through the terms of their contract to not unlawfully discriminate on grounds of sexual orientation.

Impact on Religion and Beliefs

All participants on the Work Programme will be treated fairly and equally regardless of their religion or beliefs. They will not be asked to undertake any activity which goes against their beliefs and allowances will be made to reflect religious holidays and practices. The more personalised and flexible support on offer, however, will enable us to take each individual's personal circumstances into consideration.

Impact on Child Poverty and Impact on Families

The primary purpose of the work-related activity provisions is to improve the employability of customers and either assist them in finding and keeping work or move them closer to being job ready. Two of the risk factors associated with child poverty include children who live in workless households and/or have parents with low educational attainment. The work-related activity provisions will seek to engage more people, including parents, in activity to support a return to work, which we believe will lead to increased employment outcomes. With most people being better off in work than on benefits, these provisions will have a positive impact on families and on child poverty. The Child Poverty Act 2010 requires strategies to be put in place that describe the activities to be undertaken to tackle child poverty. One of these strategies is for 'the promotion and facilitation of employment of parents or the development of the skills of parents'. The WRA provisions, in the context of the Work Programme and Jobcentre Plus offer will address this issue. Appropriate safeguards will be applied to ensure that families of lone parents are not negatively affected by the WRA requirement. These include exempting lone parents from work-related activity until the youngest child is aged 5 and at school, and specifying that work-related activity for lone parents with older children should be undertaken during school hours.

If a customer fails to undertake work-related activity a sanction may be applied to their benefit. This is equivalent to 50% of the work related activity component for the first 4 weeks followed by 100%

reduction of the work related activity component after 4 weeks if they have still not complied. The 100% would remain in force until the customer complies with the requirement.

Hardship payments are not appropriate for these customers in this circumstance because the benefit rate does not fall below the personal allowance rate. This is the same rate as the personal allowance for JSA customers aged 25 or over.

Rural Impact Assessment

Work Programme suppliers and Jobcentre Plus will be expected to design support which is appropriate to their geographical location, produce innovative solutions to counter geographic barriers and adopt a flexible approach when interacting with customers.

Bids from prospective Work Programme suppliers will be evaluated for a complete and comprehensive geographic coverage of that area to ensure that all customers will have reasonable access to provision.

As Jobcentre Plus and suppliers will be responsible for covering customers' travel costs, those from rural communities having to travel will not suffer a financial disadvantage as a result. Any work-related activity requirement must be reasonable in the customer's circumstances. This would be expected to include consideration of the customer's ability to get to the activity.

Impact on Health and Well-Being

It is known that moving from benefits into employment improves health outcomes and well-being. Given this, work-related activity is likely to improve health and well-being, as its main objective is to improve the employment outcomes of people claiming Employment and Support Allowance. There may be a slight cost to well-being in the short term from Employment and Support Allowance customers viewing the system as being "tougher" than it has been.

The scale of these impacts cannot be quantified at this time.

Impact on the Justice System

Given that these powers increase the range of things for which Employment and Support Allowance customers can be sanctioned, it follows that the number of sanctions applied is likely to increase. It also follows that there is likely to be an increase in the number of appeals to sanctions.

The scale of this increase cannot be quantified. However, as now, DWP will pay for all appeals made by Employment and Support Allowance customers.

Impact on Communications

Jobcentre Plus will ensure that existing information products are reviewed and updated and if/where appropriate new materials are developed to timescale to reflect the Work Programme. All communications will be in plain English and to ensure this, an evaluation will take place which will look at the whole chain of delivery to see how key messages are to be communicated to staff and customers and whether advisers and customers are accepting them. Information which clearly outlines customers' rights and responsibilities, conditionality requirements and the minimum service they can expect from a provider will be produced. Where applicable, Work Programme literature will also be available in Braille, Welsh and in other languages and accessible formats.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

The department is currently developing plans to evaluate the use of work-related activity powers for Employment and Support Allowance customers as part of the evaluation of the Work Programme and Jobcentre Plus support. It is anticipated that this will include investigation of how advisers make decisions about applying work-related activity powers, what activities customers are being directed to undertake, whether and how this differs by customer characteristics, and the outcomes for these customers.

The evaluation is likely to include qualitative and quantitative approaches, alongside internal monitoring

As work-related activity is being introduced as part of a wider package of changes to employment support, it is unlikely that the impact of Work-Related Activity on employment outcomes will be able to be quantified for Employment and Support Allowance customers.