

21st Century Welfare (Cm 7913)

Response to the Department of Work and Pensions consultation from the National Institute of Adult Continuing Education

1. The National Institute of Adult Continuing Education (NIACE) is an independent non-governmental organisation and charity. It is a membership body with corporate and individual members drawn from a range of places where adults learn: in further education colleges, workplaces, local community settings, universities, prisons and in their own homes via technology. The ends to which NIACE activities are directed can be summarised as being to secure more, different and better quality opportunities for adult learners in the UK. It is particularly concerned to advance the interests of those who have benefited least from their initial education and training. NIACE maintains a keen interest in Welfare to Work developments due to the pivotal role of learning within this process and because of the wider benefits of learning for unemployed people.
2. NIACE welcomes the opportunity to contribute to the DWP's consultation on reforms to the benefits and tax credit system and sees considerable value in attempts to integrate approaches to employment and skills so that education and training providers do not pull in opposite directions from those whose task it is to help individuals secure and maintain employment. Evidence shows that carefully designed incentives, or at least action which does not result in disincentives, can make a significant difference to well being and employment.
3. A concern expressed by NIACE members is that the welcome move to better integrate employment and skills will be disrupted. The limited mention of skills in this consultation is a cause for concern given the importance of the potential cost effectiveness of training when it is directly related to gaining work. NIACE would have wished to have seen more evidence of cross-departmental thinking across DWP and BIS to ensure that there is a comprehensive approach to addressing all the employability, functional and vocational skills necessary for any individual to enter work.
4. NIACE sees this consultation as an important stage in agreeing a base from which to move forward. However, NIACE notes that there are a number of omissions from the document including:
 - mention of the planned Single Work Programme of interventions to help people back into work;
 - discussion of barriers to employment or the changing nature of the labour market;
 - recognition of the role of qualifications in the labour market;
 - the place of informal learning;

- childcare challenges;
- levels of low pay and conditions;
- vacancy rates;
- structural inequalities in the workplace;
- the labour market's barriers to work;
- cost of the reforms and the timescale; and
- what the proposals mean for levels of benefits.

In short, the challenge is to make effective changes within the context of a tough spending review. Any structural reforms are likely to be accompanied by reduced, not increased, funding. Some of the families in receipt of benefits are likely to be poorer as a result of the changes.

Question 1: steps to reduce costs and dependency

5. NIACE welcomes the Government's commitment to reducing dependency on welfare benefits and the reduction of poverty. Although it is not our remit to comment on how to reduce the cost of the welfare system we recognise that through investment in learning opportunities there is likely to be a longer term saving in welfare benefits. Evidence received during our Inquiry into the Future of Lifelong Learning and from research by the Institute of Education's Wider Benefits of Learning Research Centre shows that broader social benefits can result from investment in education,

*'Our findings underline the importance of understanding why flourishing at secondary school is such an important signal for adult health and well-being. However, it does not negate the value of adult education, which seems to provide real opportunities for transformation of poor health and well-being amongst adults, whether or not they flourished at school.'*⁴

Question 2: aspects of benefits and tax credits which lead to the view that work 'does not pay for benefit recipients'

6. The argument made in the consultation document is convincing: work incentives can be poor. However, this may not be the result of high benefits but of inflexible benefits as the paper suggests, together with low wages. Much research shows that people do not work for money alone: many other aspects of life are lost when individuals do not have involvement in a work setting.
7. In addition, paragraph 10 suggests that multiple disadvantage includes low income, poor health, and no qualifications. It also includes poorer levels of aspiration.
8. As DWP knows from long years of development, learning can support unemployed people in more ways than the direct acquisition of skills. Informal adult learning, for example, can help develop and maintain self-esteem, confidence and motivation amongst unemployed people. It has, for example proven invaluable in supporting

people recovering from substance misuse by helping them to maintain healthy routines and progress towards goals. Learning can also contribute positively to the recovery of people with mental health difficulties and by improving their sense of wellbeing can protect against relapse. Learning can help unemployed people overcome feelings of isolation and exclusion through the development of new social networks and a sense of belonging. Learning can also help maintain existing family relationships through the development of a renewed sense of positivity, purpose and direction, which is valued by everyone in the family. Informal adult and community learning has been shown through the government financed *Transformation Fund*ⁱⁱ to enable people to have the confidence to follow a more formal course, to volunteer in an organised way, to confidently move into new employment and to set up their own enterprise. The role of learning in empowering people to take control of their lives in relation to employment is something that NIACE would like to explore further with the Department.

Question 3: the complexity of the system as a barrier to work

9. NIACE agrees with the summary in paragraphs 23-28. The system appears too complex to administer and for users to know what they can receive. It is suggested that trust in the system has been undermined. It makes the specific point that those for whom English is a second or other language have difficulties with this complexity. NIACE's major work on English for speakers of other languages (ESOL)ⁱⁱⁱ pointed to many things that the Government could do to improve the ESOL programme - given that it had been for ten years a priority under the 'Skills for Life' strategy¹. NIACE urges the DWP to secure, with BIS, enough provision for ESOL which directly aims at those for whom there is an agreed priority, whether or not a qualification is the end point. Of particular and urgent concern is ensuring that good quality support is given to refugees and to those who have made the UK their home to enable them to play a full and effective role in the labour market and to accelerate their capacity to become self-reliant.

Question 4: the need for structural reform

10. The need for structural reform is self evident. However, NIACE has noticed that each time there is such a major reform in almost any area of Government's public policy a number of those who should be benefiting from the changes lose out. We urge the DWP to ensure that careful impact assessments are done in relation to those who are poorest, or least skilled and articulate, and that training and educational provision is properly integrated into the solutions. The standard test used by NIACE to evaluate policy proposals is the extent to which they assist those adults who have benefitted least from their initial education and who face particular barriers. These include:

- part-time and temporary workers in insecure employment for whom time for formal learning is a major problem since it will seldom, if ever, be in the interest of employers to prioritise their skills development;
- those employed in businesses which are ‘cool to training’ who will not be reached by initiatives such as Train to Gain;
- older people - whether those in work needing to extend participation in the labour market, the active retired or older people needing care;
- migrants, whose potential contribution may not be recognised by employers unfamiliar with a culturally and linguistically diverse workforce with skills but not qualifications recognised in the UK;
- women disadvantaged by gendered education, training and employment opportunities, especially those from ethnic minority communities culturally resistant to high levels of female employment outside the home;
- people currently on welfare benefits - including those on incapacity benefits as a result of mental ill-health;
- ex-offenders; and
- adults with the lowest levels of literacy and numeracy.

Question 5: the right principles to guide reform?

11. The devil is always in the detail. NIACE supports the seven principles as set out in paragraph 1 on page 18. However, it is not convinced that there is a common understanding of ‘basic needs’- which must include the ability to use language and literacy - and that digital solutions for self-service can only work when people have access and the ability to use online solutions. This should not be presumed and requires solutions that include learning opportunities - whether through courses or informal learning - which are effective. It is as if the White Paper fails to recognise how a strategy for learning is required in order to effect the principles. Additionally, as the IPPR has argued: a ‘one size fits all’ approach may adversely affect vulnerable groups. Some people are legitimately unable to work 16 hours a week, these individuals should not be penalised.
12. A missing principle which would be helpful to reiterate is the Government’s wish to see the protection of people from poverty and enough benefits to afford the basic necessities of life as a fundamental purpose of the welfare system. Such a purpose is part of Article 11-94(3) of the EU Charter of Fundamental Rights. A statement of the purpose of the system would be helpful.

Question 6: the models in chapter 3

13. NIACE supports the points made by the Institute for Fiscal Studies^{iv} in its response: 'The report is much weaker in facing up to the age-old trade-offs between redistribution, work incentives and affordability. It is difficult to strengthen work incentives without either spending more money or hurting the poor - neither of which seems likely to be an attractive proposition to the government. In some cases the pursuit of conflicting objectives leads the paper to make proposals that seem to contradict each other. The report concludes that the government could 'improve work incentives by reforming the way benefits are tapered as incomes rise and allow people to keep more of their earnings' (implying less rapid withdrawal of benefits) and, in the next bullet point, that the reforms could be 'targeted to those most in need through tapers which focus payments on those with lowest incomes' (implying more rapid withdrawal of benefits).'
14. Incentives as set out in this White Paper suggest that people do not wish to work. Most people do and that if they are unable to do so, require guidance and learning opportunities to confidence and help people change direction. The key to such action is effective information, advice and effective guidance (IAG). NIACE would welcome far closer articulation between the benefits system and the work of the BIS-funded Next Steps service. In many policy streams guidance is an important contributory factor in how people can find new directions^v.

Question 7: increasing the obligations on those who can work

15. The issue of when a person is deemed to be doing enough work and the issue of conditionality are subtle and difficult concepts to apply. Some transparent and publicly available criteria will clearly be important. However, throughout this White Paper there are changes which will involve a major staff development strategy. It would be good to see a commitment to this.
16. Jobseekers Allowance recipients are already under significant pressure to take the steps necessary to seek and enter work, through their jobseekers agreement, regular reviews and the requirements for them to participate in employment programmes and/or training. There is no description within 21st Century Welfare of the further obligations that could be expected of them and therefore we cannot assess whether these would be appropriate. However, any increase in conditionality and benefit sanctions does not only place more responsibility on individuals but also on the capacity of the Department of Work and Pensions and its agencies especially Jobcentre Plus. The department thus, has a greater responsibility to ensure that support for individuals is responsive, easily accessible and of high quality so that the system is transformative rather than punitive. Included in support would be those courses, training activities and guidance which might empower people to improve their dependency on benefits and their independence. Long-term removal of benefit eligibility that leads to destitution is obviously going to be totally counterproductive for both the individual and society.

Question 8: a system of conditionality

17. These arrangements appear more complex than the proposition to simplify the system promised. NIACE agrees that if a tapered system of benefit withdrawal for people in work is established, people should be encouraged to maximise the number of hours work they undertake.

Question 9: greater localism

18. NIACE has supported a greater focus on local solutions, particularly where more discretion is possible in order to reflect local needs. Those who have had least opportunity in education are more likely to travel shorter distances to attend educational opportunities and education and training providers find that locally based activities tend to attract those who are furthest from participating in work, training or education. However, NIACE also points out that quality assurance is important for this provision and localism must not mean poorer quality. For this reason and for reasons of equity NIACE can see no reason to take a localised approach to welfare provision: it would add complexity, and different forms of provision across the nation might be perceived as inequitable.

Question 10: affordable homes and training

19. The brief comment in paragraph 10 about training needing to be flexible, responsive and relevant to the labour market is important. For far too long there have been conflicting purposes to education and training in the area of support to unemployed people. It is to be hoped that a measure of agreement can be reached between BIS and DWP which integrate employment and skills acquisition in meaningful ways to service users. NIACE would point out that the distinction between 'education' and 'training' is often spurious and that there needs to be very clear guidance on this to DWP/Jobcentre Plus staff. Such guidance should assist key frontline workers with understanding this point, as well as understanding that qualifications are not an end in themselves, and that the vocational purpose of taking a programme of learning cannot always be judged by the title of the course.
20. NIACE supports Shelter's warning that affordable housing is critical and the costs of housing frequently form a barrier to participation. It is welcome that 21st Century Welfare recognises the need to increase the supply of affordable housing. It is beyond our remit to comment on this issue. However, we would recommend that such a significant issue is given consideration in a consultation of its own as 21st Century Welfare is not likely to reach all of the organisations and individuals who would wish to make suggestions on how to secure affordable housing.

Question 11: delivering the reformed system

21. NIACE believes that any system must be accessible for all benefit customers and should not require them to possess costly forms of IT or telecommunications.
22. NIACE believes that there is also a significant staff development challenge for the DWP. Staff in Jobcentres need training to better understand the interface between DWP funded programmes sits alongside provision funded through the Skills Funding Agency of Business Innovation and Skills. Too often there appear to be tensions and misunderstanding at the front line which impedes the achievement of the Government's policy objectives.

Question 12: anything else we would like to say

23. NIACE sees this consultation as an important stage in agreeing a base from which to move forward. It offers a snappy summary, a short list of important questions and a clear argument for the simplification of the current system. However, NIACE notes that the document does not cover some key things adequately. This includes the place of education and training in reducing dependency, enhancing employability or fostering entrepreneurial skills. A greater integration of employment and skills would be welcome.

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ⁱ Hammond, C and Feinstein L (2006) *Are those who flourished at school healthier adults? What role for adult education?* Wider Benefits of Learning Research Report No.17, Institute of Education, University of London.

ⁱⁱ See <http://www.transformationfund.org.uk/>

ⁱⁱⁱ <http://rwp.excellencegateway.org.uk/readwriteplus/>

^{iv} See IFS website <http://www.ifs.org.uk/publications/5217> accessed 22 September 2010

^v <http://www.niace.org.uk/research/HDE/Documents/PfL1.pdf> accessed 22 September 2010 (NIACE 2001)