

### In a nutshell, what is happening to the welfare state at the moment and how is it relevant to drug and alcohol services?

It’s difficult to know where to start, with so much changing in what has been described as the most radical shake up of the welfare state in sixty years.

The Welfare Reform Bill 2011 is in its final parliamentary stages in the House of Lords. It will introduce the ‘carrot’ of a ‘Universal Credit’ to ensure that ‘work pays’, and the ‘stick’ of increased financial sanctions for those who are not seen as actively seeking employment or being available for work. On 10 June, the Welfare Minister, Chris Grayling, launched the ‘Work Programme’ which will provide back to work support for the long-term unemployed and those moving off disability benefits. There are also major changes to housing benefits and incapacity benefits.

These reforms will have a big impact on drug and alcohol services. The Drug Strategy 2010 says that 80 per cent of problem drug users are on welfare benefits, and 160,000 claimants are alcohol dependent. There is growing pressure on treatment services to support more service users to move into work (for example, this is one of the four ‘outcome domains’ for the Drug Recovery Payment by Results pilots due to be launched later this Summer).

On top of all this, leading political figures at the Department of Work and Pensions – the Department responsible for welfare reform – have a long-standing interest in drug and alcohol issues, including the Secretary of State, Iain Duncan-Smith.

### Didn’t the last Government have plans for a new welfare regime for claimants with drug problems? What happened to them?

That’s right. The Welfare Reform Act 2009 included proposals to introduce a ‘treatment allowance’ for problem drug users, who would not be subject to the normal conditions to seek employment actively as long as they were engaging with treatment, and would qualify for individualised support.

At the same time, JobCentres were to be given new powers to investigate people who they suspected of having drug problems, and to require them to attend ‘education programmes’. Non-cooperation could result in welfare benefits being cut or withheld.



None of this was piloted in the summer of 2010 as originally intended. And now the relevant statutory provisions are going. Clause 59 of the Welfare Reform Bill 2011 will ‘remove in their entirety’ the provisions in the 2009 Act ‘which apply to persons claiming JSA or ESA who are dependent on, or have a propensity to misuse, drugs’.

In the 2010 Drug Strategy the Government promised that it would introduce flexibility into the benefit system to support claimants engaged in treatment and ‘provide them with the necessary time and space to focus on recovery’. It is not yet clear how this will work in practice. In addition, it explained that people with drug and alcohol problems would ‘neither be specifically targeted with, nor excused from, sanctions by virtue of their dependence’.

### So, no benefit sanctions to encourage or compel engagement with drug and alcohol services?

There’ll be no specifically tailored sanctions. However, the Drug Strategy 2010 is clear that claimants who are dependent on drugs or alcohol will be given a choice ‘between rigorous enforcement of the normal conditions and sanctions where they are not engaged in structured recovery activity, or appropriately tailored conditionality for those that are’. Where they are on Jobseekers Allowance (JSA) they will be expected actively to seek work, to attend job interviews and to accept any reasonable offer of employment, just like any other claimant, unless and until they engage with ‘structured recovery activity’.

The Welfare Reform Bill 2011 introduces tougher sanctions for claimants who fail for no good reason to take up a work placement, apply for a job, take up a job offer or cease or lose paid work for reason of misconduct, voluntarily or for no good reason. The new

sanction for a first benefit offence will be increased from four to 13 weeks of loss or reduction of benefit. A 26 week sanction is introduced for a second benefit offence, and a benefit ban of three years for people who repeatedly offend.

The Bill does include provisions to enable regulations to make provision for hardship payments – in the form of 'universal credit payments' – to claimants subject to sanctions, where they 'can demonstrate that they are or will be in hardship'.

### What is happening to Progress2Work?

Progress2Work was a DWP scheme launched in 2002, with the specific aim of supporting drug users into employment through skills training, mentoring and support, as well as helping with other issues, like housing and debt. It received £12.7 million of Government funding in 2008-09. There has been no detailed evaluation of Progress2Work, but the National Audit Office has estimated that in 2008-09 it cost around £11,600 for each drug user who kept a job for 13 weeks or more. The Government took a decision not to recommission Progress2Work in 2011-12 – so the programme has now gone. The intention is that benefit claimants with drug and alcohol problems will receive appropriate support through the 'Work Programme'.

### And Drug Coordinators have gone too?

Yes, the Drug Coordinator roles introduced in 2009 with £9 million of Department of Health funding have gone. Drug Coordinators were responsible for building relationships between Jobcentre Plus and external agencies in the drugs field, including treatment, prison and probation services. The National Treatment Agency has said that there should continue to be an identified 'lead contact' in JobCentre Plus who will be known to treatment providers, commissioners and NTA local teams, and that these nominated leads should engage in strategic commissioning, picking up as far as possible from where the Drug Coordinators left off. Anecdotal evidence suggests that the effectiveness of these local arrangements varies.

In 2010 the NTA and Jobcentre Plus published a 'Joint protocol between JobCentre Plus and Treatment Providers' which is intended 'to support closer collaboration between agencies, to promote more effective action to address the employment-related needs of substance misusers and to contribute towards more positive treatment outcomes'.

### What will happen to people with drug and alcohol problems who are not well enough to work?

With the scrapping of Incapacity Benefit for new claimants in January this year, all new claimants who are unable to work due to illness or disability (including mental health problems) are placed on Employment and Support Allowance (ESA), which also provides individualised support through a personal advisor. The intention is to support people to access appropriate work, with a greater emphasis on what claimants are able to do. Most people on ESA will be put into the 'work-related activity group' who are expected and supported to take steps to prepare for work. Those with the severest illness or disability are assigned to the 'Support Group' and not expected to participate in work-related activities.

There are still a significant number of people on Incapacity Benefit who have not been assessed for Employment and Support Allowance. The process of assessing these claims began in October 2010, and the expectation is that it will be completed in 2014.

### Is it true that the Government thinks that many people who are on incapacity benefit are fit for work?

In February, a DWP pilot study in Burnley and Aberdeen concluded 29 per cent of claimants who were reviewed using a new Work Capability Assessment were fit to work immediately, and 39 per cent could potentially be working with the right support. However, controversy has surrounded the robustness and fairness of the Work Capability Assessment and the value of the assessment process as conducted by independent Atos Healthcare assessors.

The Government is committed to an ongoing process of review and revision of the Work Capability Assessment (or WCA), which was first introduced in October 2008 to assess entitlement to Employment and Support Allowance, and to assign claimants who are considered to need support for illness or disability to either the 'work-related activity group' or the 'support group'. The Government appointed Professor Malcolm Harrington to oversee the review process, and present an annual review to parliament for each of the first five years of the WCA's operation (a first report appeared in November 2010). The UK Drug Policy Commission recently met with Professor Harrington to discuss specific issues about the assessment

of claimants with drug or alcohol problems, and he acknowledged that this is an area that merits further consideration.

### How does the WCA work for people with drug or alcohol problems?

The first thing to say is that it is a myth that you can qualify for employment and support allowance simply by showing you have a substance dependency. Claimants start by completing a questionnaire (ESA50 – Limited capability for work questionnaire), which does ask whether they think their health problems are linked to drug or alcohol misuse. Claimants are invited to give details about these problems and how they affect their health.

But whether they qualify for ESA depends on an assessment of their capability to perform a set of specific physical and mental functions. The questions cover activities such as moving around and using steps, standing and sitting, picking up and moving things, manual dexterity, communication, fits and blackouts, ability to start, plan and finish daily tasks, coping with change, coping with social situations and impact of behaviour on other people. These are assessed using a number of 'descriptors' and a 'score' is arrived at. To be entitled to ESA claimants need to score 15 or more. They may then be subject to further evaluation to decide if their physical or mental health problems are sufficiently severe to place them in the support group.

As well as completing the questionnaire claimants may be asked to provide a medical report from their own doctor. That may be all that is needed, but where the DWP considers it necessary (on the basis of advice from the 'approved healthcare professional') claimants will be asked to attend for a face-to-face medical assessment.

### Does everyone have to go through this process?

From March this year, people in residential rehabilitation for drug and alcohol addiction have qualified automatically for ESA as do hospital inpatients. There is a question on the Limited Capability for Work Questionnaire which asks whether the claimant is in a residential rehabilitation scheme, and if so where they attend and the dates of any course of treatment.

### What individualised support will be available to help people affected by drug and alcohol problems to access training and employment?

Individualised support will be provided through the Work Programme, the Government's flagship welfare initiative, launched in June. The Work Programme is delivered on behalf of Jobcentre Plus by independent 'providers' on a 'payment by results' basis. The big 'prime providers' with the regional contracts will be paid depending on their effectiveness in moving people off benefits and into work. In practical terms, the support provided would include activities such as work experience, training and further support based on the individual's needs and circumstances. The 'prime providers' will subcontract other organisations to work with clients to address their support needs. (Incidentally, they are not required to sub-contract on a payment by results basis.)

Benefit claimants aged 25 and over will be required to participate after 12 months on Jobseekers Allowance, and 18 to 24 year olds after 9 months. They may be able to join the Work Programme earlier if both they and their JobCentre Advisor agree. Those on Employment and Support Allowance may be required to participate in the Work Programme if they are in the 'work related activity group', and, specifically, may be expected to join the programme three months before the date their doctor expects them to be fit for work. These requirements will not apply, however, to full time carers or lone parents with a child under 5.

### With all the talk about the role of independent providers it sounds like there could be opportunities for my service to contribute to delivering the Work Programme – how do we get involved?

The prime contracts have been confirmed, but the indications from DrugScope members is that it is far from clear what is happening with sub-contracting arrangements.

Private sector companies dominate the list of 'prime providers' for Scotland, Wales and 16 English Regions, with only three out of 40 coming from the voluntary sector (Rehab JobFit in Wales and South West England and Careers Development Group in East London) and a further two from the public sector (Newcastle College Group in North East Yorkshire and Humber and the West Midlands). Other contracts are held by private companies, including A4E Ltd, Ingeus UK Ltd, Serco Ltd, Seetec, G4S and Working Links.



# Bitesized briefing

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The voluntary and community sector would appear to be better represented in the 'supply chain composition'. Based on information submitted by the prime providers in their bids, up to 508 voluntary and third sector organisations may be involved in the 'supply chain' for Work Programme delivery, compared to 175 public sector providers and 416 from the private sector. Voluntary organisations identified in the original bids from prime providers include Addaction, Addiction Dependency Support, Nacro, Phoenix Futures, Princes Trust, St Giles Trust, RAPt and Turning Point. It is far less clear, however, what discussions have actually occurred and what arrangements (if any) have been formalised between prime providers and the other organisations identified in the prime providers' tenders to the DWP.

### The other big concern is the changes to housing benefit. What is happening and when?

Tighter caps on the levels of housing benefits were announced in the Emergency Budget in June 2010, shortly after the general election – previously rates were set on the principle that 5 out of 10 local properties should be affordable, but following these changes it is 3 out of 10. Under the Welfare Reform Bill 2011, there will also be cuts to housing benefits where housing is under-occupied (i.e. where there are more bedrooms than are in use). Of particular concern for those in recovery from drug or alcohol problems, another change introduced by the Bill means that existing rules that apply to single claimants under 25 that mean they can only get housing benefit for bedsit style accommodation or one room in a multi-occupancy property will be extended to all single claimants under 35. People in recovery will be more likely to be housed in multi-occupancy and hostel style accommodation, potentially along with people who are still using drugs or alcohol. Originally the Government had proposed to cut housing benefit by 10% for anyone on JSA beyond 12 months. This proposal has been dropped.

The DWP published a public consultation paper in July called *Housing Benefit Reform – Supported Housing*, which questions whether it is reasonable for housing benefit to be higher for people living in supported housing within the social and voluntary sector than those in the private rented sector. The consultation runs until 9 October, and the document is available on the DWP website (link below).

### Anything else we should be thinking about?

Well, there is the big issue of Clause 93 of the Welfare Reform Bill 2011, which means that the total amount of welfare benefits a claimant or couple receives will be capped by reference to the average earnings of working households in Great Britain. This will come into force from 2013, when it is estimated that this amount will be about £500 a week (including Housing Benefit).

The Welfare Reform Bill 2011 also does away with Community Care Grants and Crisis Loans. People moving out of residential rehabilitation, moving to a new and more suitable home and families facing exceptional pressures are among those who can currently apply for Community Care Grants. Instead, new locally administered assistance will be provided by Local Authorities in England (with the devolved administrations making their own arrangements). It will be important to keep a track on how this local assistance is developed.

### USEFUL RESOURCES

Some clear and concise guidance on welfare benefits and related issues is available on the Direct Government site:

[www.direct.gov.uk](http://www.direct.gov.uk)

A copy of the current Work Capability Assessment questionnaire is at:

[http://www.direct.gov.uk/prod\\_consum\\_dg/groups/dg\\_digitalassets/@dg/@en/@money/documents/digitalasset/dg\\_195544.pdf](http://www.direct.gov.uk/prod_consum_dg/groups/dg_digitalassets/@dg/@en/@money/documents/digitalasset/dg_195544.pdf)

The NTA and JobCentre Plus 'Joint Protocol' is at:

[www.nta.nhs.uk/uploads/joint-workingprotocol-withjcp.pdf](http://www.nta.nhs.uk/uploads/joint-workingprotocol-withjcp.pdf)

Further information on the Work Programme is available on the DWP site at:

[www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/work-programme/](http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/work-programme/)

The Citizens Advice Bureau has a range of independent policy and information material at:

[http://www.citizensadvice.org.uk/er\\_benefitsand-taxcredits](http://www.citizensadvice.org.uk/er_benefitsand-taxcredits)

DWP public consultation paper, Housing Benefit Reform – Supported Housing is available here:

<http://www.dwp.gov.uk/consultations/2011/supported-housing.shtml>