The Work-Work balance

Since its introduction in mid-2011, the Department for Work and Pensions flagship Work Programme (WP) has come in for widespread criticism. **Paul Anders** looks at the WP in detail, and considers its relevance for the drug and alcohol sector.

A road most travelled

Active labour market policies can be roughly divided into three categories – job creation, job subsidy, and job preparation. In the UK, large scale active labour policies became more widespread from the 1970s onwards, delivered by bodies such as the Manpower Services Commission and later by a plethora of Training and Enterprise Councils which had a broad and somewhat confusing remit that included promoting local growth, encouraging investment and providing training and support to the unemployed.

However, other than in the relatively small and atypical Nordic economies, large scale and systematic use of active policy had to wait until 1996, with the United States' landmark Personal Responsibility and Work Opportunity Act, which provided for sanctions as well as incentives, focussed on duties as well as rights and provided a template followed by other countries. A number of factors contributed to this change in policy, including a sense that the sustained unemployment that had been a feature of Western economies since the transformational economic policies of the 1980s needed addressing and, arguably, a gradual hardening of public attitudes towards social security.

Shortly after taking office in 1997, the Labour government initiated the New Deal, which Tony Blair described as "a message of hope" for the "forgotten people": a high-profile, active policy funded largely by the £5bn raised from a windfall tax on privatised utilities. The New Deal in fact encompassed a range of initiatives targeted at different groups, including the long-term unemployed, single parents, young people, the disabled, and those aged 50+. Over time, the New Deal was joined by local Employment Zones, Pathways to Work, and progress2work, the last aiming to support people with histories of drug and alcohol use, homeless people and ex-offenders: the groups considered to be at the greatest disadvantage in the job market.

In 2009, the New Deal was rebranded (with reduced funding) as the Flexible New Deal, and joined by the Future Jobs Fund – a response to the substantial rise in youth unemployment emerging in the wake of the financial sector crisis, and a break from recent trends, in providing a direct subsidy to employers, largely from local authorities or the voluntary sector, to create new posts reserved for young people.

A new dawn

In 2010, the incoming coalition government announced that it was ending this increasingly complex network of provision and introducing the Work Programme; a simple and universal programme that would roll up most of the previous provision into one wrapper and would feature a strong payment by results (PbR) component. It would be contracted out, and delivered by networks of prime and sub-contractors willing and able to deliver sustained employment outcomes. In contrast to what was described as the ineffective box-ticking of previous provision, the WP would be a "black box": providers would be set free to innovate and the amounts of money on offer looked large. The figure of almost £14,000 per person into sustained work attracted the attention of the media and public, although few people noted at the time that the overall payment varied largely by benefit type alone, not need.

Big Society?

Talk of "Big Society", was everywhere in 2010. Although there was uncertainty as to what it meant, there was a vague sense that in part it meant that voluntary and community sector organisations would be given the opportunity to deliver public services. However, the specification for the WP effectively ruled out most charities at top-level or prime contract, moreover,

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the staged payment model – with payments in most cases not even starting until someone had been in a job for six months, meant that most voluntary sector organisations of any size would have had difficulty in accessing sufficient working capital, even if they were prepared to take the risk.

The result was a programme of 40 prime contracts delivered by 18 providers, primarily from the private sector, each having a supply chain comprised largely of smaller or specialist organisations, many from the voluntary sector – over 400, in total. Most prime contractors sought out specialist services from the drug and alcohol sector, giving treatment providers collectively a WP presence across almost all of England, Scotland and Wales.

So what's the problem?

It's worth considering the issues faced by the WP in two ways – problems faced by the WP as an initiative, and those affecting specialist subcontractors from the drug and alcohol sector.

At Programme level, the model was hampered by a number of constraints, both external and designed-in. Like the various New Deals, the WP is a supply side initiative: this type of intervention is likely to work best when there is strong demand for labour and large numbers of vacancies. While the post-2008 job market has been in some ways surprisingly robust, the over-riding problem in the market is a shortage of demand and a shortage of job vacancies. This is a simplification, but currently there are many more job seekers than jobs, and the main function of the WP is to allocate (or reallocate) jobs more efficiently – it can do little or nothing to create jobs.

Additionally, it was clear upon even quick analysis that behind the headline-grabbing £14,000 figure – which in any case only applied to a small proportion of WP customers – was an overall initiative designed to be cheap. Map maximum payments for client groups onto performance expectations, and the average per head payment drops dramatically, to not much more than £1000 per person, for up to two years of support. Deliver above minimum targets and that sum could rise, and rise substantially, but it could also fall, and those targets were set when there was optimism about the future state of the