

PRESS RELEASE

Bounties on Benefit-seekers

Government to pay cash bounties for getting unemployed back to work

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In one of its most radical policies, the government is to use public money to pay cash bounties to private providers for helping the unemployed get back to work. **Employment Minister Chris Grayling** sets out the policy in Politeia's next publication.

Today five million people in this country are out of work. Some have lost jobs as patterns change in the global economy; others are workless because of poor education, meagre skills, drug abuse or criminal convictions. Long-term dependency on unemployment benefits is common. Unemployment among young people is rising. Over the last decade working-age welfare spending has increased by 50%. With so many lives blighted by unemployment and the waste it brings, how can the trend be reversed?

In ***Working Lives: Making Welfare Work***, Chris Grayling, the Employment Minister, explains that not only has the benefits system failed to make it pay to work, but there has not been sufficient back-to-work support to break the cycle of dependency. The government wants to overhaul the benefits system so that work pays. But it also intends to transform the support given, to help each unemployed person who can work to do so.

Private, voluntary and third sector companies will be appointed to give help tailored to the individual. They will be paid a cash bounty by for each person they get back to work, on a sliding scale, from around £3.5K for those needing little help, to £14K for those hardest to help, like drug addicts and reformed criminals. Payment will be made on success and, because time is needed, contracts will last for a number of years. Already a number of bodies have come forward, including more than 500 sub-contractors, public, private and voluntary, willing to invest £580m in the first year alone.

Payment by results will also be used for tackling other circumstances such as inter-generational worklessness, drug dependency and re-offending, with extra help focused on specific problems.

'Though the approach is radical, the principles on which it rests have been proven,' says **Politeia's Director, Sheila Lawlor**. 'Independent organisations helped the UK counter dependency and lead the world on social provision in the earlier 20th century. Although they were recognised in the Beveridge scheme which founded the welfare state, the politics of the day led to their exclusion by a "big government" takeover. Now after sixty years which have cost Britain dear in lives blighted through worklessness, this mistake has been put right.'

'Returning the private sector to front line provision of public services must serve as the principle for reform, not just in the benefits system but across all the other systems from which they have effectively been excluded since the 1940s.'

Chris Grayling MP is Minister of State for Employment at the Department of Work and Pensions.

WORKING LIVES: MAKING WELFARE WORK, by Chris Grayling is published by Politeia. PDF can be viewed [here](#) and hard copies are available to journalists on request from press@politeia.co.uk

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