



The Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008

Report by the Social Security Advisory Committee under Section 174(1) of the Social Security Administration Act 1992 and the statement by the Secretary of State for Work and Pensions in accordance with Section 174(2) of that Act.

*Presented to Parliament by the Secretary of State for Work and Pensions by Command of Her Majesty.
October 2008*



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Statement by the Secretary of State for Work and Pensions in accordance with Section 174 (2) of the Social Security Administration Act 1992

Introduction

1. The Government referred proposals concerning the draft Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008 to the Social Security Advisory Committee (SSAC) on 7 May 2008 in accordance with Section 172 (1) of the Social Security Administration Act 1992.
2. Currently, a lone parent may be entitled to Income Support (IS) if the person is treated as being responsible for a child aged under 16 who is a member of that person's household.
3. The regulations would implement the Government's proposals that, from 2010, lone parents with a youngest child aged 7 or over will no longer be entitled to IS solely on the grounds of being a lone parent. Instead, those able to take up paid employment may claim Jobseeker's Allowance (JSA) and those with a disability or health condition may claim Employment and Support Allowance (ESA).
4. The changes support the Government's commitment to halving child poverty by 2010 and eradicating it by 2020, as set out in the Command Paper "*Ready for Work: full employment in our generation*" published in December 2007. The measures are consistent with the Government's approach that people make full use of the support that is available to them from which they can benefit. On this basis, the Government is committed to the principle that once children are older, lone parents who are able to do so and are claiming benefits should be expected to look for paid work. These regulations are intended to help lone parents move into paid employment. The Government believes that these measures are a balance between providing financial and other assistance to support families, and its wider responsibilities to lift individuals and children out of poverty.
5. The Government has carefully considered the views of SSAC and those who made representation to the Committee, but has decided to proceed with the proposed legislation subject to the amendments set out below.

The Committee's Report

6. In its report, SSAC commended the efforts of Government officials to consult and involve them and several key stakeholder organisations in the proposals for lone parents. The Committee and the majority of respondents also welcomed the additional JSA flexibilities which were introduced into the draft regulations as a result of these consultations.
7. Overall, the Committee recommended that the Government does not proceed with the regulations, primarily due to the concerns members had about the appropriateness of the JSA regime and increased conditionality for lone parents. The Committee did, however, recommend that should the Government decide to proceed, further consideration should be given to the implementation of the regulations.

8. The Committee raised concerns in a number of areas and had further specific recommendations in response to the proposed measures. The Government has considered the Committee's views and its response to the specific recommendations is set out at the end of this statement. In summary, the Committee's report raised the following concerns, some of which are more generic in nature and do not specifically relate to the proposed legislative changes:
- the Government's assertion that the proposed measures will lead to an improvement in the employment rate for lone parents and contribute to an actual reduction in child poverty;
 - the Committee's concern that the proposals exposed a number of inconsistencies and tensions between the stated policy objectives and the objectives of other Government plans and programmes;
 - the treatment of lone parents who are also full-time students or who have a child in receipt of the lowest rate care component of Disability Living Allowance (DLA);
 - the potentially negative impacts on the family, with possible wider social impacts;
 - the availability and affordability of wrap-around childcare;
 - the ability of lone parents to meet the needs of their employers and those of their children;
 - the role of the Jobcentre Plus Personal Adviser in relation to the draft regulations;
 - the application and rate of labour market sanctions;
 - the treatment of lone parents who also home educate; and
 - a number of key operational issues.
9. The Committee emphasised that on the whole, they have supported the use of mandatory Work Focused Interviews (WFIs) and voluntary employment programmes such as New Deal for Lone Parents (NDLP), but had previously expressed concern about the appropriateness and effectiveness of any extension of WFIs to the parents of younger children and associated sanctions. The Committee raised concerns in respect of the general policy direction of mandating lone parent with younger children to actively seek work. The Committee noted underlying tensions between government policies to promote greater parental responsibility for their children, and greater engagement in securing their health and well being, and these proposed measures to mandate job search activity for lone parents. Furthermore, the Committee raised concerns around the additional challenges lone parents may face compared with couple parents, who they argued may have more choice and flexibility when balancing home life and employment.
10. The Committee reported that respondents raised concerns in relation to the treatment of some lone parents in the draft regulations. The Committee argued that all lone parents should continue to have access to full-time education and training whilst on JSA. Members were also concerned about the treatment of those lone parents with children in receipt of the lowest rate care component of DLA and recommended that they should be exempt from the JSA regime.
11. Although the Committee did not recommend that lone parents who home educate their child(ren) should be automatically excluded from JSA, they did argue that

their individual circumstances should be considered on a case-by-case basis and treated sensitively by Jobcentre Plus Personal Advisers.

12. The Committee also commented that it was sceptical about whether the draft regulations will make a significant contribution to reducing child poverty. Members were particularly concerned that the draft regulations will "trap" lone parents into low wage employment and the likelihood of in-work poverty. On the issue of Better-Off-In-Work calculations, SSAC questioned the accuracy and credibility of the calculations and argued that these need further improvement.
13. The Committee raised concerns around the availability of suitable and affordable childcare provision. Members indicated that in their view, there are significant gaps in the national network of childcare provision and in particular for older children, disabled children and children with mild behavioural problems. The Committee raised particular concerns around services in Wales and Scotland and noted its concerns should Northern Ireland introduce similar provisions. The Committee considered that the Government should wait to introduce the regulations in Great Britain until wrap-around childcare provision is fully in place.
14. The Committee also raised concerns in their report about the role of Jobcentre Plus Personal Advisers in relation to the discretion that the draft regulations would introduce, in particular concerning questions about appropriate and affordable childcare and the suitability of employment. The Committee strongly recommended that the burden of proof regarding the availability and suitability of childcare should be placed upon the Department for Work and Pensions (DWP). The Committee also raised the importance of quality training and guidance as essential in preparation for these changes.
15. The Committee raised concerns about the application of the JSA labour market sanction regime and the level of financial penalty which would apply to lone parents if they do not comply with the requirements of the JSA regime without Good or Just cause. In particular, the Committee were very concerned about the possible adverse effects this would have on lone parents and their children.
16. The Committee Report stated that there were a number of key operational issues which need to be resolved urgently if the proposals are to be implemented from November 2008. The Committee questioned Jobcentre Plus' capacity to handle these changes alongside a number of other major reforms. In addition, they raised concerns about how lone parents would be informed of the changes in advance of any change in law. SSAC also raised concerns around achieving a smooth transfer of lone parents between benefits; in particular, they were concerned about the use of Lone Parent Transition Loans for the process of benefit alignment. The Committee also recommended that a clear process will need to be in place between DWP and Her Majesty's Revenue and Customs (HMRC) to allow for a seamless transition between benefits and tax credits in order to limit any financial impact on parents.

Summary of the Government's response

17. Helping more lone parents into work is vital if the Government is to eradicate child poverty by 2020. Paid work, for those who can, is the most sustainable route out of poverty. So, requiring lone parents who are capable of paid work to look for and take such work is an important way of helping the Government meet its objectives and to maximise life chances for all. In return, the Government has increased the level of assistance and support it provides to help lone parents move into paid work. It has also introduced measures to assist them remain and progress in their job, such as In Work Credit, In Work Emergency Discretion Fund and In Work Advisory Support.
18. While noting the Committee's concerns that lone parents need to balance responsibilities for their children with work requirements, paid work has benefits that go beyond making families better off. It improves the health and well-being and future prospects of both parents and children. However, the draft regulations recognise that some lone parents face circumstances that need special consideration and provide additional flexibilities and easements to accommodate such needs.
19. There are currently around one million lone parents in work and the lone parent employment rate in the second quarter of 2008 was 56.3 per cent. Considerable progress has been made in the provision of support for lone parents, through for example, the Working Tax Credit and Child Tax Credit, the right to request flexible working and improvements in the accessibility and affordability of childcare.
20. Jobcentre Plus Personal Advisers will take into account a lone parent's individual circumstances when tailoring the Jobseeker's Agreement to assist him or her to look for employment, including part-time employment if that best suits his or her needs. While noting concerns about in-work poverty, children in lone parent families where the parent works, including in part-time work, have a lower than average risk of poverty. Over half – 58 per cent – of children in non-working lone parent families live in poverty, compared to 19 per cent of children of lone parents working part-time and seven per cent of those working full-time (2006/07 HBAI data).
21. The Government notes the concern expressed in the SSAC report about the availability of suitable and affordable wrap-around childcare. This is outlined in more detail in response to the recommendations. For those lone parents who do need childcare, services are increasingly available and the draft regulations include clear safeguards if a parent cannot access appropriate and affordable childcare. Jobcentre Plus Personal Advisers will also work with and support lone parents so that they fully understand the availability of local childcare services.
22. The Government notes the important role that the Jobcentre Plus Personal Adviser and the Decision Maker has and recognises the need to take due account of lone parents' individual circumstances when applying the JSA regime. It is clear that quality training and guidance, particularly in connection with decisions about appropriate and affordable childcare and the suitability of employment, is required. Jobcentre Plus Personal Advisers and Decision Makers will undertake additional tailored and comprehensive training to build their understanding of the

barriers lone parents may face, equip them with the necessary skills to work with this customer group within the JSA regime and move them closer to, or into, paid employment. The guidance and training will also include scenarios and strategies for Jobcentre Plus to assist lone parents who also home educate their child(ren).

23. The Government recognises the importance of a smooth transition from IS to either JSA or ESA for existing lone parent customers affected by these changes. Jobcentre Plus Personal Advisers will use WFIs, which will take place every three or six months in the year before a lone parent's IS ceases, to provide plenty of advance notice and explain the differences in benefits and responsibilities. As outlined in the Memorandum to SSAC, Jobcentre Plus will also put in place extra steps to contact lone parents to ensure they are aware of the changes. Jobcentre Plus staff will also work with local authorities and other organisations to ensure payments such as Housing Benefit are processed correctly with the aim of ensuring there is no gap in payment.
24. The Government also recognises the importance of ensuring financial provision for children when IS ends. It is particularly important that the transition for those lone parents claiming Child Tax Credit (CTC) is managed effectively. Arrangements have been put in place between DWP and HMRC to encourage lone parents to claim CTC at least 6 months prior to the date on which they will lose their entitlement to IS. Where a claim for CTC is not made, existing Tax Credit legislation will be used to facilitate deemed claims to CTC with a view to ensuring that CTC payments are in payment well in advance of IS ending. As an additional safeguard, and to take account of CTC claims that may prove more difficult to decide, the draft regulations include an additional provision so that IS entitlement may continue for a further 4 weeks in some cases.
25. The Government notes the Committee's concern about the use of the Social Fund mechanism for the transition between weekly and fortnightly payments and the possible impact on lone parents and the Social Fund system. As outlined in the Government's response to a recommendation on this issue, the proposed approach balances the need to ensure lone parents do not experience hardship while providing value for money for the taxpayer.
26. The Government also notes the Committee's concern about the use of sanctions and the level of the financial penalty resulting from a decision to apply a benefit sanction. The JSA sanction regime is intended reinforce compliance with the JSA conditions which aim to assist a customer into employment or improve his or her employment prospects. Research¹ suggests that around half of JSA recipients are more likely to look for work because of the existence of a sanctions regime. While the vast majority of customers do comply with the conditions, of those who are sanctioned, most (75 per cent) are only sanctioned once and say that they would not repeat the behaviour which led to the sanction.
27. Where there is non-compliance without a good reason, the penalty applied has to be sufficient to reinforce the requirement that JSA is only paid to those who are genuinely looking for work. Lone parents facing a loss of benefit will have the opportunity to make representations before any decision is made. Where a

¹ A Review of the JSA Sanctions Regime: Summary Research findings, DWP Report 313 (2006).

sanction is applied, those who would suffer hardship can still receive a benefit payment reduced by 40 per cent. The Government considers that any lesser reduction would not be sufficient to deter non compliance.

28. Jobcentre Plus will also introduce additional safeguards for those parents facing disentitlement after failing to attend their Fortnightly Job Review (FJR). Jobcentre Plus will make at least one attempt at contact by telephone on the day the jobseeker fails to attend and will send a letter to advise them of the need to make urgent contact within five working days. If they do not respond their benefit will end after five working days. This will ensure parents have multiple opportunities to show good cause as to why they failed to attend their FJR before action is taken.
29. As well as this change, the draft regulations would introduce the further flexibilities for parents as set out in the Memorandum to SSAC. The Government's view is that those changes make it less likely that parents, in general, will be unable to comply with the requirements of JSA.
30. On this basis, the Government believes that the additional JSA flexibilities contained in the draft regulations, along with additional operational safeguards, and Jobcentre Plus guidance and training, offer protection for the most vulnerable parents.

The Committee's Recommendations

31. The Committee made the following recommendations in respect of the draft regulations.

(1) Accordingly, we recommend that you do not proceed with these proposed regulations.

RESPONSE

The Government has carefully considered the concerns raised by the Committee in respect of lone parents but does not accept the Committee's recommendation that these regulations should not proceed. The Government considers that the introduction of the changes should proceed as planned, but with some modification.

The Government has been investing in initiatives to assist lone parents into employment and to lift their children out of poverty. Budget 2008 included a number of additional measures, including increasing the first child rate of Child Benefit to £20 a week from April 2009, increasing the child element of the Child Tax Credit by £50 a year above indexation from April 2009 and disregarding Child Benefit in calculating income for Housing Benefit and Council Tax Benefit from October 2009.

Where they can, individuals and families also need to make a commitment to improve their situations and a paid job is often one of the best ways to do so. Based on departmental assumptions, it is estimated that from 2013 onwards, the changes are expected see an increase in the number of lone parents in work of

between 75,000 to 100,000, and reduce the number of children in poverty by approximately 70,000.

It is in this context that the measures outlined in the draft regulations are intended to help lone parents move closer to, and into, paid employment. The Government believes that the draft regulations create the right balance between providing financial and other assistance to support families, and its wider responsibilities to lift individuals, families and children out of poverty. To delay implementation would mean lone parents who can undertake paid work will not take up the assistance that is available to lift themselves and their families out of poverty.

(2) If the Government proceeds with these proposed regulations, proceed with the implementation for lone parents with children aged at least 12, but postpone implementation for the other groups until at least the impact on the first group has been monitored and evaluated, and it can be verified that comprehensive childcare provision is actually in place throughout Great Britain.

RESPONSE

The Government does not accept the Committee's recommendation to postpone the application of the regulations to lone parents with a youngest child aged under 12. To do so would mean many lone parents with school aged children who can undertake paid work will not take up the assistance that is available to lift themselves and their families out of poverty.

However, the Government has reconsidered the timetable for ending IS for existing lone parent customers. The Government proposes to retain November 2008 as the planned implementation date for new and repeat claims from lone parents whose youngest child is age 12 or over. However, the Government does not now propose to start implementing these change for existing lone parent customers with a youngest child aged 14 or over until March 2009. **Annex A** provides a summary of the revised timeline for existing lone parent customers affected by the changes.

The new timetable will provide an early opportunity to monitor and test, on low volumes of claims, the operation of the JSA regime, as it applies to lone parents. Lone parent stakeholder groups will be invited to fully participate in a series of post implementation reviews. The revised timetable will also:

- enable Jobcentre Plus to better manage this change alongside other welfare reform changes taking place at a similar time;
- spread the movement of lone parents from IS over a longer period and reduce the number of customers being dealt with each month; and
- enable a gradual introduction of learning and development, particularly on the new JSA regulations for Jobcentre Plus Personal Advisers and Decision Makers.

The draft regulations have been amended to accommodate these changes.

To add to the comprehensive evidence base that is available on the provision of assistance to lone parents and the analysis included in the Diversity and Equality Impact Assessment, a full evaluation will be undertaken of these lone parent policy changes. It will examine both the transitional and fully implemented phases of the new policy regime. Early qualitative research with lone parents whose youngest child is aged 14 or over will be used to inform the implementation arrangements in subsequent phases.

The childcare strategy for England has already delivered improvements in the availability of childcare with the number of places doubling over the last 10 years. The proposed implementation timetable will also spread the demand for childcare places. The Childcare Act 2006 imposes a duty on local authorities in England and Wales to secure sufficient childcare for working parents and those undertaking education and training (in force since April 2008). In doing so, local authorities must have particular regard to the needs of lower income working families. In determining an appropriate level of supply in their areas, local authorities are encouraged to liaise with local Jobcentre Plus management in order to assess projected levels of demand from parents moving from welfare into work and to ascertain any specific requirements of Jobcentre Plus customers. The impact of the proposals introduced by these regulations will form part of this ongoing conversation.

The provisions of the Childcare Act do not extend to Scotland. However, the Scottish Executive has indicated that the projected levels of increased demand for childcare resulting from these draft regulations would not create any major difficulties, particularly as any additional demand for childcare will feed through slowly. There have been some concerns, as elsewhere, about the provision for older children during school holidays and for those working atypical hours. However, the Scottish Government's Economic Strategy states that the Scottish Government will promote the provision of high quality, accessible, affordable, flexible childcare, in order to enable parents to access training and employment opportunities.

It is also the Government's aim that, by 2010, every school in England will be an extended school. Over one-third of all English secondary schools are already offering extended services.

Importantly, the draft regulations include a further safety net so that Jobcentre Plus staff must consider whether appropriate and affordable childcare is available when determining whether a person with caring responsibilities in relation to a child has just cause for leaving employment or good cause for failing to take up paid employment or for not complying with a jobseeker's direction. Jobcentre Plus Advisers will work with parents and their Childcare Partnership Manager to help them identify and access appropriate childcare provision. Financial support is also available through a range of Jobcentre Plus measures as well as tax credits.

(3) Exempt those lone parents who access full-time education and training once they enter the Jobseeker's Allowance regime, and those lone parents with a child who receives the lower rate of DLA.

RESPONSE

Full-time Education

The Government does not accept the Committee's recommendation to amend the draft regulations to allow continued access to full-time education and training for lone parents once they enter the JSA regime.

The Government has reviewed current arrangements to remove potential barriers to work-focused training and believes there are suitable flexibilities in JSA to allow lone parents to undertake periods of full and part-time training. From autumn 2008, the Government will begin testing increasing access to full-time training. Those customers who have been receiving JSA for six months or more, or those whose Personal Adviser believes need urgent help to update skills may be able to take part in approved full-time employment-related training for up to eight weeks while receiving a Training Allowance. The results of the pathfinder will be used to inform national roll-out of this flexibility.

As announced in the Green Paper *'No one written off: reforming welfare to reward responsibility'* published in July 2008, the Government is also proposing to introduce mandatory skills health checks for lone parents when their youngest child reaches age 5 to identify the work skills they need to move into employment. The Government is also proposing to pilot an incentive to encourage lone parents with a youngest child under 5 years to voluntarily access relevant work skills training. By developing these work skills early, lone parents will be in a better position to compete for jobs as well as enter jobs with higher pay.

Those lone parents on JSA who wish to undertake training that is not work-related can access the support available via the education system. However, recent Government amendments to the JSA regulations mean that lone parents who are classed as full-time students may be able to claim JSA during the summer vacation so long as they meet the conditions for entitlement during that period (see S.I.2008/15826).

Disability Living Allowance (DLA)

Lone parents who are entitled to IS on the grounds that they have children for whom the middle or highest rate care component of DLA is payable, who are entitled to and in receipt of Carer's Allowance or are fostering will continue to be eligible to claim IS. Lone parents in receipt of lowest rate care component of DLA do not receive IS on these grounds, but on the basis of their lone parent status and they will therefore be subject to the regulations.

The Government does not accept that the draft regulations should be further amended to exempt lone parents with a child who receives the lowest rate care component of DLA. This is because a person receiving this rate of DLA does not, by definition, require an amount of care that precludes the carer from working. The Government considers that the existing JSA regime, along with the additional flexibilities in the draft regulations, will support lone parents with such caring responsibilities to look for suitable work.

When they complete a Jobseeker's Agreement with Jobcentre Plus, subject to certain conditions, a jobseeker who has caring responsibilities can restrict their hours of availability to a minimum of 16 hours a week. This will enable lone parents to look for part-time employment if that is appropriate to their circumstances.

Jobcentre Plus will ensure that the benefits and availability of DLA is promoted to lone parents at Options and Choices events, WFIs and at the voluntary interview six weeks before IS ends.

(4) Place the burden of proof of suitability of child care upon the Department.

RESPONSE

The Government does not accept the Committee's recommendation that the burden of proof of the suitability of appropriate and affordable child care should be placed on the Jobcentre Plus Personal Adviser.

Jobcentre Plus Personal Advisers will work with parents and the Childcare Partnership Manager to identify and access appropriate childcare provision, but will not dictate to parents the type of childcare or which particular provider(s) they must use. This remains a decision for parents.

However, it is important that parents who claim or wish to claim JSA understand their responsibility to make reasonable efforts to find appropriate and affordable childcare in preparation for taking up paid work, when they have a job offer and so that they are available for work. A lone parent who considers that he or she cannot take up a job to which they are referred by a Jobcentre Plus Personal Adviser because appropriate and affordable childcare is not available will need to demonstrate to Jobcentre Plus that they have taken reasonable steps to secure such care. If the explanation is not considered reasonable, the Personal Adviser will refer the case to a Jobcentre Plus Decision Maker.

The Government believes that the decisions about whether a person satisfies the JSA conditions of entitlement and the imposition of benefits sanctions should remain with Decision Makers, subject, of course, to a customer's rights to challenge any decision using the established appeal procedures.

To support Jobcentre Plus staff in their role, Personal Advisers and Decision Makers will be provided with additional training and guidance to further equip them with the skills and understanding to work closely with, and support, lone parents within the JSA regime. This will include specific learning on how the additional JSA flexibilities and decision-making relating to lone parents who do not consider they have access to appropriate and affordable childcare should be applied. Furthermore, guidance will clearly set out the circumstances in which the flexibilities should apply and will provide case studies and examples.

(5) Do not use Crisis Loans as a mechanism for benefit alignment.

RESPONSE

The Government notes the concerns of the Committee with regard to the use of Social Fund as a mechanism for benefit alignment but does not accept the Committee's recommendation.

In developing the transitional arrangements, the Government considered a number of options on how to support lone parents moving to a fortnightly benefit when their weekly IS ceases. The Government understands that SSAC and stakeholders are concerned that the Lone Parent Transition Loan may place lone parents into debt and burden Jobcentre Plus staff. However, the Government does not consider that paying lone parents an additional weekly payment would be value for money or an appropriate use of taxpayer funds. Instead the use of the Lone Parent Transition Loan balances the need to ensure hardship does not occur without the duplicate payment of public funds.

Jobcentre Plus is developing arrangements to streamline the administration of the Lone Parent Transition Loan under the Social Fund provisions so lone parents have quick access to the financial support for which they are eligible.

The change to the dates for removing IS for existing lone parent customers does, however, provide an opportunity to move some lone parents to fortnightly payments in arrears as part of the Government's proposed changes to be introduced for all IS customers from April 2009 (subject to future regulation changes). Wherever possible, lone parents will be moved to fortnightly payments in arrears prior to their IS ceasing, thus avoiding the need for a Lone Parent Transition Loan if they choose to apply for another benefit.

(6) Provide "Better-Off-In-Work calculations" that are based on an examination of all aspects of the customer's in-work circumstances.

RESPONSE

The Government is willing to undertake further discussions with SSAC about any specific elements the Committee thinks should be included in the Better-Off-In-Work calculation. The calculator currently provides the customer with information on other benefits to which they may be entitled, including free school meals and prescription charges. When considering if the customer would be better off in work, there is facility within the calculation to take account of other in-work circumstances, such as the weekly cost of travel to and from work and any loss of linked benefits.

Conclusion

32. The Government is grateful to the Committee and to those interested parties who responded to the consultation exercise for their consideration of the Government's proposals and their comments on them.
33. These regulations, revised as described, are now laid in draft before Parliament.

Annex A

Implementation of the Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008 – Summary, refer to regulations for full details.

24 November 2008 (Phase 1)	Commence legislation for New & Repeat customers with a youngest child of 12 or over.
From 5 January 2009	Write to existing lone parents with a youngest child aged 13 (who is approaching their 14 th birthday), 14 or 15 to invite to a voluntary interview 6 weeks before IS is due to end.
From 2 March 2009	End IS entitlement for existing lone parents who have a youngest child aged 14 or 15.
From 11 May 2009	Write to existing lone parents with a youngest child aged 11 (who is approaching their 12 th birthday), 12 or 13 to invite to a voluntary interview 6 weeks before IS is due to end.
From 6 July 2009	End IS entitlement for existing lone parents who have a youngest child aged 12 or 13.
26 October 2009 (Phase 2)	Commence legislation for New & Repeat customers with a youngest child of 10 or over.
From 30 November 2009	Write to existing lone parents with a youngest child aged 10 (who is approaching their 11 th birthday) or 11 to invite to a voluntary interview 6 weeks before IS is due to end.
From 1 February 2010	End IS entitlement for existing lone parents who have a youngest child aged 11.
From 12 April 2010	Write to existing lone parents with a youngest child aged 9 (who is approaching their 10 th birthday) or 10 to invite to a voluntary interview 6 weeks before IS is due to end.
From 7 June 2010	End IS entitlement for existing lone parents who have a youngest child aged 10.
25 October 2010 (Phase 3)	Commence legislation for New & Repeat customers with a youngest child of 7 or over.
From 30 August 2010	Write to existing lone parents with a youngest child aged 8 (who is approaching their 9 th birthday) or 9 to invite to a voluntary interview 6 weeks before IS is due to end.
From 25 October 2010	End IS entitlement for existing lone parents who have a youngest child aged 9.
From 25 October 2010	Write to existing lone parents with a youngest child aged 6 (who is approaching their 7 th birthday), 7 or 8 to invite to a voluntary interview 6 weeks before IS is due to end.
From 3 January 2011	End IS entitlement for existing lone parents who have a youngest child aged 7 or 8.

**The Rt Hon James Purnell MP
Secretary of State for Work and Pensions
Caxton House
London SW1H 9DA**

August 2008

Dear Secretary of State

**REPORT OF THE SOCIAL SECURITY ADVISORY COMMITTEE MADE
UNDER SECTION 174 OF THE SOCIAL SECURITY ADMINISTRATION
ACT 1992**

**THE SOCIAL SECURITY (LONE PARENTS AND MISCELLANEOUS
AMENDMENTS) REGULATIONS 2008**

1. Background

1.1 At the Committee's meeting on 7 May 2008, officials from the Department for Work and Pensions presented proposals for the Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008 for our consideration. These proposed draft regulations were accompanied by a detailed explanatory memorandum of the Department's position (Appendix 1).

1.2 On 15 May we published a press release inviting comments on the proposals to reach us by 13 June.

1.3 We received a total of 42 responses from the organisations and individuals listed at Appendix 2. We are grateful to those who responded and also to officials of the Department of Work and Pensions for their assistance.

2. The proposals

2.1 The Secretary of State for Work and Pensions proposes the following amendments to regulations:

- starting in November 2008, lone parents with a youngest child aged at least 12 will no longer be entitled to Income Support (IS) solely on the grounds of being a lone parent; and from October 2009, when their youngest child reaches age 10, and from October 2010, when their youngest child reaches age 7;
- to amend Jobseeker's Allowance (JSA) Regulations so that Jobcentre Plus staff must consider whether appropriate and affordable childcare is available when determining whether a person with caring responsibilities in relation to a child had just cause for leaving employment or for failing to take up paid employment or to comply with a jobseeker's direction;
- to amend the Employment Support Allowance (ESA) Regulations so that lone parents previously on IS with the disability premium do not have to serve the ESA assessment phase and will receive the work-related activity component from the start of their ESA claim;
- to amend JSA Regulations so that Jobcentre Plus staff will have additional flexibilities to enable parents to be treated as available for, or actively seeking, work in certain circumstances;
- to introduce arrangements for certain existing lone parents who are also full time students, completing a full time course on New Deal for Lone Parents (NDLP) or participating in an approved scheme to continue to claim IS for a limited period;
- to amend the existing JSA hardship regime to include lone parents as a vulnerable group; and
- to introduce mandatory quarterly work-focused interviews (QWFIs) for lone parents in the last year of their eligibility for IS. This will apply to lone parents on IS with a youngest child aged 9 to 11 from November 2008, to lone parents with a youngest child aged 6 to 9 from October 2009 and to lone parents with a youngest child aged 6 from October 2010.

3. Summary of the Department's Position

3.1 The Government is committed to halving child poverty by 2010 and eradicating it by 2020. There are currently 2.8 million children living in poverty and to reach the 2010 target, this must be reduced to 1.7 million children.

3.2 The starting point for the Government's policies for lone parents is that paid work, for those who can work, is the most sustainable route out of poverty. Children in lone parent families, where the lone parent works part-time, have a lower than average risk of poverty, at 17 per cent; whereas children in workless lone parent households have a much higher risk of poverty, at 56 per cent.

3.3 The Government's current strategy for lone parents who are in receipt of Income Support is based around a core of work-focused interviews (WFIs) and support through NDLP, tax credits and increased access to childcare. This has helped to increase the lone parent employment rate by 12.5 percentage points to 57.2 per cent. However, to meet the 70% employment target for lone parents and fully contribute to child poverty goals, the

Government needs to go much further, getting a further 300,000 lone parents into employment by 2010.

3.4 The Government has determined that the current lone parent measures will not be sufficient to achieve the 70% employment target or alleviate child poverty. In addition to the current proposals, a number of additional measures to support further progress were announced in the 2008 Budget. These included increasing both Child Benefit (£20 per week) and Child Tax Credit (£50 a year) and disregarding Child Benefit in calculating income for Housing Benefit (HB) and Council Tax Benefit (CTB) from October 2009.

3.5 However, the Government believes that more needs to be done to move more lone parents into paid work, and it presents the proposed regulations as being consistent with, and demonstrating its commitment to, the principle that once children are older, lone parents who are able to work and are claiming benefits should be expected to look for paid work.

3.6 Currently a lone parent may be entitled to IS if they are responsible for a child aged under 16 who is a member of their household. Under the Government's proposals, parents of younger children will no longer be entitled to IS solely on the grounds of being a lone parent, and by October 2010, lone parents with the youngest child aged 7 who are able to take up paid employment may claim JSA. Those with a youngest child aged 12 to 15 will be included from November 2008, and those with a youngest child aged 10 or over from October 2009. The Government believes these measures will contribute to reducing child poverty by moving more lone parents into paid work.

(See Appendix 1 for a full account of the Department's position as presented to SSAC in an Explanatory Memorandum).

4. Summary of Responses to the Consultation

4.1 We have noted that a number of key stakeholder organisations have commended officials for consulting with them throughout the development of these proposals and welcomed some of the flexibilities which have been introduced as a result of these consultations. However, overall, these proposed regulations elicited considerable concern and criticism. Although there was some support for the formal engagement of lone parents, this was only in respect of assisting and enabling those who wished to take paid work, and helping others to understand the options and support available to them. This support did not extend to the proposed introduction of compulsory job-seeking activity for lone parents. A number of respondents doubted whether the infrastructure and mechanisms to support this policy would be in place, and whether, at a time of many other operational pressures, Jobcentre Plus would have the capacity to deliver the new regime. Respondents also argued that the proposed measures would potentially increase the risk of in-work poverty, and undermine the role of the parent by placing key parental responsibilities in the hands of the State. They saw the proposed measures as having potentially negative impacts on children, parents and the parent-child

relationship. One set of responses dealt specifically with the potential impacts of these changes on lone parents who 'home educate' their children. These are summarised separately at paragraph 4.28 et seq.

Main themes of the responses

Negative impacts on the family

4.2 A number of respondents argued that these proposals failed to take account of the impacts on parents who become lone parents through adverse life events, such as divorce, bereavement or escaping domestic violence. These events may affect the family for years thereafter, and in such circumstances, the lone parent should be enabled to focus on the children and ensure family stability. Respondents also pointed to the particular pressures likely to be experienced by lone parents who are trying to offer their children domestic security, supervision and stability, while meeting the demands of actively seeking work or holding down a job. Respondents observed that for lone parents whose children have been excluded from school or have a court parenting order, complying with the demands of the proposed JSA regime could conflict with vital parenting activities.

Wider social impacts

4.3 A number of respondents felt that these proposed regulations, if enacted, could potentially have a wider negative social and community impacts. Respondents used the term 'latch-key children', arguing that many lone parents will feel pressured to find employment and, without suitable and affordable childcare being in place, will have to leave their children alone. It was argued that the lack of parental supervision could lead to an increase in anti-social behaviour.

Childcare

4.4 The supply of suitable and affordable childcare was a significant issue, raised by nearly all respondents. The Government has placed a high degree of reliance on so-called wrap-around childcare² provision in order to meet the demand for formal care and to support these proposed measures. Respondents pointed out that this wrap-around childcare will not be fully in place until 2010, and that this statutory provision did not extend to Scotland and Northern Ireland. It was felt that without a UK-wide comprehensive, reliable, affordable and trusted network of quality childcare many lone parents will feel unable to work outside normal school hours.

² The former Minister of State for Employment and Welfare Reform, Caroline Flint, defined wrap-around childcare as "care that is available to parents at either end of the school day, enabling [parents] to consider employment and to balance work and family life". (17 September 2007) Column 2292, Hansard
www.publications.parliament.uk/pa/cm200607/cmhansrd/cm070917/text/70917w0028.htm, accessed 12 June 2008.

4.5 Respondents also reported the experiences of parents with older children (aged eight or older), who wished to work, but had found that the existing childcare options were not meeting their needs. For parents with disabled children and children with special education needs, the lack of suitable care is an even more significant barrier to taking employment.

4.6 With regard to the position in Northern Ireland, respondents pointed out that no government department there has lead responsibility for childcare policy or provision, and that element in the package of support supposedly available to lone parents could be missing altogether. Equally, in Scotland there is no statutory duty to provide childcare and respondents have pointed to significant gaps in the childcare network.

Childcare Costs

4.7 The Childcare Element of Tax Credit was acknowledged as being effective in enabling lone parents to consider returning to work. However, the Childcare Element does not cover the full costs of childcare and this has a significant and limiting impact for many lone parents, particularly in areas where child care costs are high. The cost of childcare is considered to be a particularly acute issue for parents with disabled children or children with special education needs. It was argued that the cost of formal care would lead to lone parents being more reliant on informal childcare.

Meeting the needs of children and employers

4.8 Many respondents described a conflict between the needs of the child and the needs of employers. The willingness and ability of employers to accommodate an employee's absences - often at short notice – could not be assumed. For the lone parent dealing with life events, such as bereavement, a child being bullied, family breakdowns, the breakdown of informal support, sickness – even the regular school holidays – there could be a conflict with an employer's requirement for regular, reliable attendance at the work place. Respondents reported that in some cases this conflict had led to parents being "*pushed out*" of their jobs. Respondents also pointed to the pressures and risks associated with having to make judgements about the consequences of letting employers down in a domestic emergency, and the possibility of not being able to return to benefits if the employment is terminated.

4.9 Respondents considered that lone parents would be more likely to be compelled to give up work as a result of this conflict. As lone parents would be more likely to return to benefits, and fail to sustain regular employment and secure advancement, they are more likely to remain in low-paid, insecure jobs.

Disability Living Allowance (DLA) and Special Educational Needs

4.10 Examining the 'exemptions' to the proposed changes to IS entitlement, a number of respondents pointed to the complexity of the DLA claims process.

It was suggested that lone parents need additional support in order to access this benefit. It was also noted that those parents whose children only received the lowest rate of the care component of DLA would not be exempt from the transfer to Jobseeker's Allowance. Respondents felt that this limited exemption failed to recognise the difficulties faced by such parents, in particular the significant problems with the supply of suitable and affordable childcare for children with any level of disability. This argument was also echoed by parents with children with Special Educational Needs.

Training and Skills

4.11 Many lone parents have low skill levels and low, or no, qualifications. Many have been out of the labour market for protracted periods of time, often rendering any qualifications they do have obsolete in the current labour market, and/or irrelevant to the sorts of employment they wish to take.

4.12 Some respondents welcomed the proposals to give lone parents Skills Health Checks when their youngest child reaches the age of five, thus allowing lone parents time to plan and access skills training. However, respondents also regard it as essential that lone parents should be able to access education and training on a full-time basis. Help them to towards taking better jobs with scope for progression would have a positive impact on the reduction of child poverty. One respondent considered that skills and qualifications would become a significant issue for individuals moving onto the Jobseeker's Allowance regime and called for Skills Accounts to be made available to lone parents as quickly as possible.

The Role of Personal Advisers

4.13 Many respondents expressed concerns about the role of the Personal Adviser within the proposed JSA regime for lone parents. There was a widespread perception that crucial elements of parental choice and responsibility - such as the decisions about whether paid work was appropriate, and compatible with the individual parent's circumstances, or whether available child care is appropriate to the child's needs - were being removed from lone parents and placed in the hands of the Jobcentre Plus Personal Adviser.

4.14 Respondents also pointed to the potential for disagreements and misunderstandings between parents and Personal Advisers on moral and cultural issues. One respondent provided examples to illustrate how differences of belief and opinion can occur, pointing to reports from its lone parent helpline of lone parents being told by Personal Advisers that: "... *it is acceptable to leave their older children home alone*"; and "...*teenage children are capable of providing childcare for their younger siblings*".

4.15 However, despite these reservations about the new judgements that Personal Advisers would be required to perform, respondents saw the Personal Advisers as playing a crucial role in helping and supporting lone parents, and it was suggested that these should be designed as specialist

adviser posts. Advisers play a key part in ensuring that lone parents understand how taking up employment will affect them financially. In this connection, a number of respondents noted that 'Better Off In Work' calculations did not always provide a completely accurate and reliable picture of a lone parent's financial circumstances, because they do not take into account out of work benefits such as free school meals and free prescriptions, or travel to work costs.

4.16 Doubts were also expressed by respondents about the adequacy of the explanations of Working Tax Credit that are being offered to lone parents by Personal Advisers. It was argued that a more holistic approach to the 'better off' discussion was needed (considering income and all aspects of household expenditure), and taking in longer term analysis of family finances so that lone parents can be fully informed about the financial impacts of taking up employment.

Mandating and Sanctions

4.17 A number of respondents felt that there was sufficient scope to improve the effectiveness of current interventions to help more lone parents into employment, arguing that providing support that enables lone parents to overcome barriers to employment is more effective in getting people into sustainable work than the threat of sanctions.

4.18 Respondents were generally very concerned about the application of labour market sanctions to lone parents, and a number pointed to potential difficulties for decision makers in applying the 'good cause' and 'just cause' tests to the circumstances of lone parents who have failed to take up employment, or who have left employment or had their employment terminated. In addition, whilst recognising that the Department will ensure lone parents are eligible for hardship payments, a sanction will result in a reduction in benefit entitlement of up to 40 percent. This was felt to be incongruous within an over-arching Departmental policy which is intended to tackle child poverty, and it was suggested by respondents that benefit reductions should be capped at 20 per cent.

4.19 The rationale for sanctions as an effective tool to move people into employment was questioned. Commenting on the current WFI regime for lone parents, one respondent stated that: "...*there has been a significant rise in the number of benefit sanctions faced by lone parents. This has not, however, been accompanied by a comparable rise in the number of lone parents in employment*". Another respondent pointed out that research had shown that whilst sanctions did motivate some customers into work, for others there was a de-motivating effect and that barriers were created to finding work, such as the reduced availability of money for job search activity³.

³ Peters M. and Joyce L. (2006) *A review of the JSA sanctions regime: Summary research findings*, DWP Research Report No. 313

4.20 The potential for the negative impacts of sanctions on both parents and their children was also cited. Respondents pointed out that DWP commissioned research found that sanctions on lone parents had financial, emotional and physical impacts on the parents and, in consequence, the children. It was also found that the increase in stress and anxiety caused by being sanctioned had knock-on negative effects on parents' health⁴. Similar unhelpful effects of sanctions including the emotional and financial impacts were also noted to be experienced by Jobseekers⁵.

4.21 It was also noted that the Department has estimated that 15 per cent of lone parent claimants would go into 'unknown destinations' as a result of the proposed changes. One respondent expressed particular concern about this projected outcome, pointing to potential parallels with the experience in the United States when welfare rules were tightened up. In the United States almost 20 per cent of low income mothers were found to be neither in employment nor entitled to financial support⁶. The respondent called for careful monitoring to ensure that this experience is not repeated in the United Kingdom and that families do not suffer substantial disadvantage.

Operational issues

4.22 A number of respondents were sceptical about the ability of Jobcentre Plus to cope with the additional work involved in transferring lone parents from Income Support to Jobseeker's Allowance. It was noted that the changes were scheduled to take place at a time when there would be other calls upon the capacity of Jobcentre Plus - the introduction of Employment and Support Allowance (ESA), and changes to Child Support Agency and Housing Benefit.

4.23 A number of respondents pointed to the need for robust systems to be in place to ensure a seamless transition from Income Support to JSA/ESA, without interruption to other benefits such as Housing and Council Tax Benefits and free school meals. In addition, it would be important for Jobcentre Plus to have an efficient process in place with HM Revenue & Customs to ensure that parents receive their tax credits as soon as possible when they move into employment.

4.24 The planned process for benefit alignment also raised concerns. Respondents questioned whether Jobcentre Plus will guarantee that all lone parents will receive financial help to fill the 'gap' in their benefit incomes, particularly those lone parents who have exhausted their eligibility for a Social Fund loan. Respondents also pointed to the undesirability of loans, which would place lone parents in debt at the start of a process which is intended to reduce child poverty.

⁴ Joyce L. and Whiting K. (2006) *Sanctions: Qualitative summary report on lone parent customers*, DWP Working Paper No. 27

⁵ Peters M. and Joyce L. (2006) *A review of the JSA sanctions regime: Summary research findings*, DWP Research Report No. 313

⁶ Haskins R (2007). 'The US Experience' Conference Proceedings Welfare Reform; Choices, Challenges and International Insights (March 2007) www.dwp-welfare-conference.org

Policy Cohesion

4.25 Many respondents questioned whether this policy fitted with the Government's focus on parental responsibility, and other policy priorities such as "Every Child Matters". Others reiterated their concerns about the impact the proposed measures would have on the reduction of child poverty if they did no more than push lone parents into low paid, insecure work.

4.26 One respondent quoted correspondence from former Secretary of State for DWP, John Hutton,⁷ who stated "*we have been very clear that we are not proposing to force lone parents into work, nor cut lone parent benefits – this would be wrong in principle and damaging to the health and well-being of children. It is a matter of individual choice for each lone parent as to whether they look to move into work or continue to claim benefits*". This respondent took issue with the statement, suggesting that mandating lone parents to actively seek work within the JSA regime will have the effect of *forcing* lone parents into work or risking sanctions.

4.27 Some respondents also noted what they suggested are anomalies in the proposed changes, pointing to lesser obligations imposed on two-parent families (who have greater flexibility to accommodate childcare within the family unit), and the exemption of Foster Parents. One respondent noted that if a fostered child is adopted by a lone parent, the exemption ceases and the lone parents must either claim JSA or ESA. However, the family's circumstances would not have changed materially with the change of status from fostering to adoption.

A summary of responses specific to the issue of home-education

4.28 Respondents felt that these regulations would deny lone parents in receipt of benefits the legal right to choose the most appropriate form of education to meet their individual child's needs. In effect, these decisions would be placed in the hands of the Jobcentre Plus Personal Advisers.

4.29 It was strongly argued that, in many cases, home-schooling is not a 'lifestyle choice' but a necessity, calling for the parent's a full-time commitment to both preparation and delivery. Many respondents put forward examples of the unsuitability of the school environment for the child (bullying was a significant reason) or the failure of mainstream education to address the child's specific needs.

4.30 Childcare for home-educating single parents was also seen as a significant issue. Much of the wrap-around childcare that would support the proposed changes will be provided by schools, and will therefore not be available to lone parents who have removed their children from the mainstream school system.

⁷ Hutton J., (2007) Ministerial correspondence to Rt. Hon Tom Clarke CBE JP MP (20 February 2007)

4.31 Respondents predicted that these proposals would force home-educating lone parents who are in receipt of IS to return their children to the mainstream school system. This, it was argued, would potentially have significant negative impacts on the emotional, educational and developmental prospects of the child, particularly when a child would be returned to a system which had already proved to be unsuitable or unsafe in the past.

5. The Committee's Views

5.1 The incremental introduction of mandatory WFIs for lone parents in receipt of IS over the last ten or so years has, for the first time, imposed benefit 'conditionality' on this group across the United Kingdom. Lone parents are currently required to participate in regular WFIs, at least every 6 months, and since October 2005, have been required to complete and review an action plan as part of the WFI process. Seeking paid work, or undertaking any work related activity, remains voluntary.

5.2 We decided to request formal referral of these proposals because we were not convinced by the Department's rationale for change. We were concerned that the potential impacts of the proposed changes had not been fully investigated and considered, and that the Department's plans exposed a number of inconsistencies and tensions between the stated policy objectives and the objectives of other Government plans and programmes.

5.3 The Committee has a long-standing interest in the application of 'work first' conditionality to those groups that have not previously been subject to regimes that are intended to move benefit claimants into paid work. On the whole, we have supported the use of mandatory WFIs, and the programmes – such as the New Deal for Lone Parents (NDLP) – that provide customers with the opportunity to explore their options and develop their employment potential. We have also supported the positive incentives (such as the In-work Credit) that the Department has introduced to encourage lone parents into work, and recognised the success of Jobcentre Plus in developing and delivering effective Personal Adviser services based upon voluntary customer engagement.

5.4 However, we have previously expressed doubts about the appropriateness, and likely effectiveness, of the extension of WFIs to the parents of ever-younger children, and about the role played by sanctions in the WFI regime. Recently published research⁸ concludes that the current sanctions regime had: '*...only a negligible effect...*' upon the labour market behaviour of the group of lone parents it studied. Our own work in 2005/6⁹ on sanctions in the benefit system more generally noted evidence that the sanctions system is complex and difficult to understand, both for benefit claimants and for Personal Advisers. These findings do not suggest that a sanctions-based regime is likely to have a positive influence on lone parents'

⁸ Goodwin V (2008). 'The effects of benefit sanctions on lone parents' employment decisions and moves into employment'. Department for Work and Pensions Research Report No. 511 (2008).

⁹ Social Security Advisory Committee Occasional Paper No. 1 (2006). 'Sanctions in the benefit system: Evidence review of JSA, IS, and IB sanctions'.

labour market participation. At the same time, lone parents who are sanctioned face financial penalties that will increase child poverty – an outcome at odds with the primary rationale that the Department has put forward for these proposals

5.5 We are not persuaded that the general policy direction of mandating lone parents, with younger children, to actively seek work is likely to be either effective or without potential negative impacts. It is currently considered that a lone parent should seek work when their child is old enough to have achieved some degree of independence; this is currently set at 16 years old. We have seen no evidence to support the introduction of a mandatory regime for the parents of younger children, or the assertion that it will lead to an improvement in the employment rate for lone parents and contribute to a reduction in child poverty. The Department's argument – further advanced in the recently published Green Paper 'No one written off: reforming welfare to reward responsibility'¹⁰ - that it is appropriate to make lone parents take more responsibility for moving into employment and financial self-sufficiency does not always sit comfortably with other Government initiatives designed to reinforce parents' responsibility for the care and control of their children.

5.6 The circumstances of lone parents are diverse. However, the majority of lone parents are female, and one common characteristic of their circumstances may be the greater pressures they face when seeking to balance the demands posed by their responsibilities for their children with the demands around seeking or engaging in paid work. These pressures are likely to be more challenging than those facing couple parents who may have more choice and flexibility when balancing home life and employment (indeed, the benefit system does not currently extend conditionality to the partners of parents of younger children – an inconsistency that the recently published Green Paper proposes to address). The flexibilities within the proposed JSA regime for lone parents are intended to recognise and mitigate some of the pressures on lone parents, but we doubt whether these will be sufficient to avoid some lone parents falling foul of the proposed new rules through no real fault of their own.

5.7 For example, lone parents with disabled children who do not qualify for the middle or higher rate of the care component of DLA are likely to face particular difficulties with regard to demonstrating that they have reasonable prospects of finding paid work that they can combine with caring for their children, even supposing that suitable and appropriate formal childcare is available for them. The Department's decision limit the scope of the exemptions available to lone parents with disabled children is not wholly consistent with the proposed approach to lone parents who are in receipt of Carers Allowance and lone parents who are foster carers. It is not clear to us why there should be a blanket exemption for the latter group - not all of whom will be caring for children with disabilities or exceptional needs - when the natural parent of a child who is sick or disabled, or has behavioural problems, and who does not meet the qualifying conditions for exemption, will be

¹⁰ Department for Work and Pensions (2008). Command Paper 736.

required to comply with the conditions of the proposed JSA regime. We believe that the Department should give further consideration to the benefit status of this group.

5.8 We are also concerned about the position of lone parents who 'home educate' their children. These lone parents cannot work during the school day as their children are 'at school' at home. Nor will they be able to take 'term time only' work as first step into employment without abandoning home education. Those who responded to our public consultation exercise suggested that lone parents who currently receive Income Support would be unable to exercise their right to educate their children at home if they are required to comply with the proposed JSA regime. We cannot assess the nature and extent of the likely impact of the proposed changes on lone parents in this group because it appears that government departments have little or no information about home educators generally. For example, the numbers involved are unknown, and it is impossible to guess how many would fall into the proposed 'exempt' categories for JSA. However, as we have noted in paragraph 5.5 above, lone parents have less choice and flexibility than couple parents when it comes to making decisions about how they will balance their responsibilities for their children with paid employment. Although we do not find that there is a case for an exemption for all lone parents who home educate, clearly the individual cases will require close examination and sensitive handling by Personal Advisers.

5.9 We remain sceptical about whether these regulations will make much of a contribution towards achieving the desired, and important, target of halving child poverty by 2010. The data presented in the supporting material estimate that between 75,000 and 100,000 lone parents will move into employment by 2011. However, the estimate of the number of children who will be lifted out of poverty is only 70,000. This will effectively mean that significant numbers of families will move into employment and suffer 'in-work-poverty'. We also believe that the estimates for the numbers moving into employment are overly optimistic and fail to take account of the numbers of lone parents who face multiple barriers to employment and who are unlikely to make the transition to work, even after an extended period of support.

5.10 At the same time, the rhetoric of 'better off in work' is not always matched by the reality. We do not think that 'better off in work' calculations take sufficient account of the loss of out-of-work benefits, such as free school meals and free NHS prescriptions, and the expenses connected with employment, such as travel to work costs. Nor do these calculations take a longer term perspective by examining the likely changes to Working Tax Credit over the first two or three years of the claim.

5.11 We are not convinced that suitable and affordable childcare provision will be available, whether in England (under the terms of the wrap-around child care guarantee for 2010) or in Wales and Scotland and Northern Ireland. Currently, only 5% of children aged 12 and over are in formal child care and the projected provision in England in 'extended schools' will provide only on-site activities, rather than formal, supervised oversight and care. We are

aware of significant gaps in the national network of childcare provision, and Childcare Sufficiency Assessments are already picking up the lack of provision for older children, disabled children and children with mild behavioural problems, and for all children during the school holidays.

5.12 Although the Explanatory Memorandum reports no wish to ‘dictate’ to parents, this is somewhat at odds with the notion of ‘challenging’ parents and the requirement for lone parents to prove the lack of *availability* of suitable childcare. We question the appropriateness of the extent of discretion and control being given to Personal Advisers regarding childcare.

5.13 We share the unease of respondents to the consultation about how adviser discretion will be applied in practice when a parent is judging whether the available childcare is appropriate to their cultural or moral values. Personal Advisers would need to recognise, and perhaps set aside their own moral and ethical positions in the decision making process in order to ensure a consistent and fair application of the discretion allowed within these proposed regulations.

5.14 We are pleased to see that the Department is planning awareness training for staff, but we are concerned about the mechanisms for communicating the changes to customers. A robust system also needs to be in place between DWP and HM Revenue & Customs to ensure the efficient transfer between benefits and Tax Credits. On this latter point, the Committee feels that it has not yet seen sufficient evidence to show that these systems will be in place or even what these systems will be.

5.15 We understand that the use of Crisis Loans appears to offer the Department a relatively simple solution to the problem of transition between benefit payment systems, in that it offers a ‘cash’ bridge over the gap between Income Support ending and Jobseeker’s Allowance commencing. However, we are mindful of the problems of capacity which already exist in the Crisis Loan system, and we do not think it fair to expect lone parents to take on a debt in order to ease the Department’s administrative processes.

5.16 The Department has a considerable corpus of evidence on the negative affects of sanctions on this vulnerable group of people. Sanctions can lead to stress as well as physical and emotional harm and are not just limited to the parent but can affect the rest of the household members. The high number of sanctions anticipated to be imposed on lone parents under the Jobseeker’s Allowance regime is therefore deeply concerning to the Committee. We are also alarmed about the level of the financial penalty to be imposed on Lone Parents in receipt of such sanctions.

6. The Committee’s Conclusions

6.1 Our consideration of these proposals has been informed by an Explanatory Memorandum and draft regulations that would apply in Great Britain only. We have observed that for Wales, and to a greater extent, Scotland, these proposals may interact with child care arrangements that

differ from the prevailing model for England, and we have some concerns that the proposed new arrangements may not operate consistently and equably across GB as a consequence.

6.2 However, we have more serious concern about the position in Northern Ireland, where the Department for Social Development (DSD) is responsible for this area of policy. We would normally expect the principle of parity to be followed and for DSD to propose separate, but similar, Northern Ireland provisions to follow those for GB. As we have noted, the child care position in Northern Ireland is still evolving, and we do not believe that it can be possible at this point for DSD to attempt to replicate the GB provisions. Accordingly, we shall be separately advising DSD against proceeding with these proposed measures in Northern Ireland.

6.3 In considering the proposals for GB, the Committee welcomed the efforts of officials to involve SSAC and several other stakeholder organisations in pre-consultation on these proposals. We understand that the Department's stakeholder group, of which SSAC is a member, will continue to function if and when the proposed changes are implemented and, again, we welcome the Department's commitment to continuing engagement.

6.4 We also welcome, as do the key stakeholder groups, the limited flexibilities which were introduced to the proposed regulations as a result of these consultations. Nonetheless, we are concerned that a number of quite major policy and operational issues were not addressed until late in the consultation process. Given that the proposed changes have not been piloted, and that relatively little is known about their likely impacts, the Department will, in effect, be gathering the evidence of impacts as the new arrangements are rolled out.

6.5 Whilst we understand, and commend, the Department continuing to focus on meeting the Government's targets for the reduction of child poverty, we have concluded that moving progressively towards taking parents with children aged as young as seven into a variant of JSA conditionality is something of a leap in the dark. Mandatory WFIs and voluntary NDLP participation are very different from active labour market conditionality. For parents of younger children, this regime is untried and its chances of success rest heavily on support services that have yet to be delivered in the quantity and variety that will be needed if lone parents are to have genuine choices about how to manage and balance their responsibilities to their children with paid work. We have noted the underlying tensions between government policies to promote greater parental responsibility for their children, and greater engagement in securing their health and well-being, and policies that may have the effect of forcing lone parents to give priority to paid employment and the demands of employers. At the same time, the operation of a sanctions based benefit regime risks placing lone parents in poverty if they are subject to financial penalties, thus jeopardising the aimed for reduction in child poverty.

6.6 In our view, any number of variables – not least, more challenging labour market conditions, and an associated increase in the JSA caseload that Jobcentre Plus must manage – may influence how the proposed changes play out. We would hope that the Department will pay very close attention to the monitoring and evaluation of the new arrangements and be prepared to make modifications if problems are identified. This will be particularly important with regard to sanctions, which, we have been assured, should only be used as a last resort. Again, careful monitoring will need to be put in place to assess the volumes and reasons for sanctions for lone parents on the Jobseeker’s Allowance regime.

6.7 The Committee, respondents to this consultation and the House of Commons Work and Pensions Select Committee have all challenged the view that there will be sufficient and affordable childcare to support this policy. Everything that we have been told suggests that wrap-around childcare will not be sufficiently in place in time for the introduction of these regulations and that there are significant shortfalls and gaps in the current landscape of childcare provision, particularly for older and disabled children. In the case of Northern Ireland we have been given no assurances that the government there will have a child care strategy to support these changes. In the case of Scotland, we have been told that there will be adequate provision, but not on the same basis as in England.

6.8 There is considerable concern among respondents and the Committee that without sufficient childcare provision parents will be faced with a conflict between the needs of the child and the needs of employers. We have seen little evidence to suggest that employers – particularly those operating small and medium sized enterprises – are geared up to offering the sort of flexibilities that make jobs viable for lone parents who need to find care for their children. The plans for child care provision envisage wrap-around child care as covering Monday – Friday, 8 a.m. – 6 p.m. Shift work, and many part-time work patterns, will often fall outside these hours. Finding affordable care to cover the gaps will be difficult and expensive.

6.9 We argue that simply creating a demand for childcare will not be a strong enough incentive for the private sector to fill many of the gaps which currently exist in the childcare network. We believe that the high start-up and running costs, along with the short-term, and perhaps unpredictable nature of this need for provision, as and when the roll-out of extended school hours in England takes place, will not make this a sufficiently financially attractive option for the private sector to invest and extend its involvement.

6.10 There are also a number of key operational issues which need to be addressed, principally with regard to informing customers of changes which have yet to become law, and achieving a smooth transfer between benefits. We recognise that the use of Crisis Loans for the process of benefit alignment may offer administratively a relatively simple method of benefit alignment for the Department. However, we do not think it is acceptable, or sensible to use a system which would place lone parents in debt. It is also important that a clear process is in place between DWP and HMRC to allow for a seamless

transition between benefits and Working Tax Credit in order to limit the financial impacts for parents and thus reduce the risk of placing children in absolute poverty, albeit for short periods of time. Implementing these changes presents a considerable challenge to Jobcentre Plus, and we question whether there will exist the capacity to handle these changes alongside a number of other major reforms.

6.11 The Equality Impact Assessment that accompanies these proposals shows that whilst it is anticipated that large numbers of lone parents will be moved into employment, this will not be matched by a corresponding decrease in child poverty. This is particularly disappointing, raising, as it does, the prospect of lone parents moving from claiming benefit to in-work poverty. There is a mismatch here between the 'better off in work' message and what is suggested may be the reality for lone parents who take up paid work. We believe that it is important that lone parents fully understand the financial implications of taking up employment, both in the short and the longer term. In recent correspondence with the Minister of State for Employment and Welfare Reform, Stephen Timms (specifically on the subject of calculations for the Better Off In Work Credit), we have pointed out that the accuracy and credibility of these calculations generally needs to be improved. Despite much marketing of the 'work pays' and 'work is the right for you' messages, the Department clearly still has some way to go before it can claim to have offered many lone parents a convincing argument.

6.12 In these proposed regulations the Personal Advisers and Decision Makers will have significant discretion on key aspects of parental responsibilities, such as the suitability of childcare, the suitability of employment, the appropriateness of travel times etc. We would like to see the burden of proof regarding the availability and suitability of childcare being placed upon the Department. We believe that the Personal Adviser should support and assist the parent by providing information and helping the parent to explore the childcare options available in the local community and assess all aspects of their suitability, and we would like to see the burden of proof of suitability placed on the Personal Adviser. The role of the adviser will inevitably be changed under the JSA regime, which places many more conditions and obligations upon the claimant than the current IS regime. We believe that it is important for both the lone parent and the personal adviser that there is some balancing of duties and responsibilities between the two.

6.13 We would also wish to see the proposed regime make better provision for lone parents who choose to take full-time training or education in order to improve their employment prospects. Lone parents have been identified as a group of people with low skills and qualifications. The introduction of these regulations will mean that many lone parents will have very limited notice of the change and will not be able to access training before they are moved onto the Jobseeker's Allowance regime when the option of full time education and training is closed off to them. We strongly feel that lone parents should be able to access and complete full-time education and training whilst on the JSA regime. It will also be important to ensure that lone parents are encouraged to take advantage of Skills Accounts.

6.14 Overall, we have considerable reservations about the proposals, both in terms of their potentially negative impacts and their potential to improve the situation of lone parents and their families and to reduce child poverty. We are disappointed that more has not been done to boost voluntary engagement (such as developing NDLP and extending 'Options and Choices') before moving parents of younger children straight to the JSA regime, without first piloting or testing the proposed new arrangements.

7. Recommendations

7.1 Accordingly, we recommend that you do not proceed with these proposed regulations.

7.2 However, if you do, we recommend that you make the following modifications:

(i) proceed with the implementation for lone parents with children aged at least 12, but postpone implementation for the other groups until at least the impact on the first group has been monitored and evaluated, and it can be verified that comprehensive childcare provision is actually in place throughout Great Britain; and

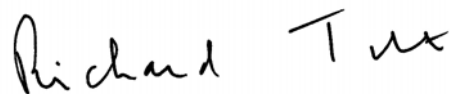
(ii) exempt those lone parents who access full-time education and training once they enter the Jobseeker's Allowance regime, and those lone parents with a child who receives the lower rate care component of DLA; and

(iii) place the burden of proof of suitability of child care upon the Personal Adviser; and

(iv) do not use Crisis Loans as a mechanism for benefit alignment; and

(v) cap the financial penalty for sanctions at a maximum of 20 per cent of benefit entitlement; and

(vi) provide 'Better-Off-In-Work' calculations that are based on an examination of all aspects of the customer's in-work circumstances;



RICHARD TILT
CHAIRMAN

LIST OF RESPONDENTS TO THE CONSULTATION EXERCISE

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3. Jean Bond
4. Jo Buchler
5. Shena Deuchars
6. Lexie Devine
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10. Christine Jones
11. Angela Jenner
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13. Joan Liceaga
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15. Eddie McKean
16. Pippa McKean
17. Beverley Murray
18. Claire Norrish
19. Priscilla Park Weir
20. Pam Perryman
21. Mrs Jayne Richardson
22. Dr C Shevelan
23. Robbie Spence
24. Patricia Stevenson
25. Carol Stone
26. Louise Sutton
27. Raquel Toney
28. Diane Varty
29. Gary Vaux
30. Emma Whitford

31. Neil Bateman Ltd
32. Child Poverty Action Group
33. Children 1ST
34. Citizens Advice
35. Durham County Council Welfare Rights Team
36. Education Otherwise Association Ltd
37. Ingeus Group
38. Law Centre (NI)
39. Low Incomes Tax Reform Group
40. One Parent Families/Gingerbread
41. One Parent Families/ Scotland
42. Rotherham Council Welfare Rights Team

Social Security Advisory Committee Members

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25 April 2008

Dear Gill,

The draft Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008

1. I am writing to you to inform the Committee about a proposed set of draft Regulations making amendments to:
 - The Income Support (General) Regulations 1987 (SI Reference 1987/1967);
 - The Jobseeker's Allowance Regulations 1996 (SI Reference 1996/207);
 - The Employment and Support Allowance Regulations 2008 (SI Reference 2008/794);
 - The Social Security (Jobcentre Plus Interviews) Regulations 2002 (SI Reference 2002/1703); and
 - The Social Security (Work-focused Interviews for Lone Parents) and Miscellaneous Amendments Regulations 2000 (SI Reference 2000/1926).

2. The key changes which the Secretary of State for Work and Pensions proposes to introduce from 24 November 2008 are as follows:
 - starting in November 2008 lone parents with a youngest child aged at least 12 will no longer be entitled to Income Support (IS) solely on the grounds of being a lone parent from, and from October 2009 when their youngest child reaches age 10 and from October 2010 when their youngest child reaches age 7;
 - to amend Jobseeker's Allowance (JSA) Regulations so that Jobcentre Plus staff must consider whether appropriate and affordable childcare is available when determining whether a person with caring responsibilities in relation to a child had just cause for leaving employment or had good cause for failing to take up paid employment or to comply with a jobseeker's direction;
 - to amend the Employment Support Allowance (ESA) Regulations so that lone parents previously on IS with the disability premium do not have to serve the ESA assessment phase and will receive the work-related activity component from the start of their ESA claim;
 - to amend JSA Regulations so that Jobcentre Plus staff will have additional flexibilities to enable parents to be treated as available for, or actively seeking, work in certain circumstances;

- to introduce arrangements for certain existing lone parents who are also full time students, completing a full time course on New Deal for Lone Parents (NDLP) or participating in an approved scheme to continue to claim IS for a limited period;
 - to amend the existing JSA hardship regime to include lone parents as a vulnerable group; and
 - to introduce mandatory quarterly work-focused interviews (QWFIs) for lone parents in the last year of their eligibility for IS. This will apply to lone parents on IS with a youngest child aged 9 to 11 from November 2008, to lone parents with a youngest child aged 6 to 9 from October 2009 and to lone parents with a youngest child aged 6 from October 2010.
3. An explanation of the proposal is attached, together with a set of draft Regulations that outlines the proposed changes to legislation.
 4. The Committee is asked to consider whether reference of the Regulations is required.
 5. Please let me know if the Committee requires any further information.

D Keir

(signed by e mail)

Lone Parent Obligations Project Manager,
Welfare Reform Programme

**EXPLANATORY MEMORANDUM FOR THE SOCIAL SECURITY
ADVISORY COMMITTEE FROM THE DEPARTMENT FOR WORK AND
PENSIONS**

**THE SOCIAL SECURITY (LONE PARENTS AND MISCELLANEOUS
AMENDMENTS) REGULATIONS 2008**

**REGULATIONS TO SUPPORT THE PROPOSALS TO INTRODUCE
INCREASED LONE PARENT OBLIGATIONS FROM 24 NOVEMBER 2008**

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Annex 10 Employment and Support Allowance (ESA) Regime

1. INTRODUCTION

- 1.1 It is proposed that the draft Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008, at **Annex 1** to the Memorandum, will make changes to the following Regulations from 24 November 2008¹¹:
- The Income Support (General) Regulations 1987 (SI Reference 1987/1967);
 - The Jobseeker's Allowance Regulations 1996 (SI Reference 1996/207);
 - The Employment and Support Allowance Regulations 2008 (SI Reference 2008/794);
 - The Social Security (Jobcentre Plus Interviews) Regulations 2002 (SI Reference 2002/1703); and
 - The Social Security (Work-focused Interviews for Lone Parents) and Miscellaneous Amendments Regulations 2000 (SI Reference 2000/1926).
- 1.2 The key changes Ministers propose to make to Regulations are:
- starting in November 2008, lone parents with a youngest child aged at least 12 will no longer be entitled to Income Support (IS) solely on the grounds of being a lone parent and from October 2009 when their youngest child reaches age 10 and from October 2010 when their youngest child reaches age 7;
 - to amend Jobseeker's Allowance (JSA) Regulations so that Jobcentre Plus staff must consider whether appropriate and affordable childcare is available when determining whether a person with caring responsibilities in relation to a child had just cause for leaving employment or had good cause for failing to take up paid employment or to comply with a jobseeker's direction;
 - to amend the Employment and Support Allowance (ESA) Regulations so that lone parents previously on IS with the disability premium do not have to serve the ESA assessment phase and will receive the work-related activity component from the start of their ESA claim;
 - to amend JSA Regulations so that Jobcentre Plus staff will have additional flexibilities to enable parents to be treated as available for, or actively seeking, work in certain circumstances;
 - to introduce transitional arrangements for certain existing lone parents on IS who are also full-time students, completing a full-time course on New Deal for Lone Parents (NDLP) or participating in an approved scheme to continue to claim IS for a limited period;

¹¹ Subject to draft regulations being approved by each House of Parliament, the Government intends to make the Regulations so that they first come into force on 24 November 2008.

- to amend the existing JSA hardship regime to include lone parents as a vulnerable group; and
- to introduce mandatory quarterly work-focused interviews (QWFIs) for lone parents in the last year of their eligibility for IS. This will apply to lone parents on IS with a youngest child aged 9 to 11 from November 2008, to lone parents with a youngest child aged 6 to 9 from October 2009 and to lone parents with a youngest child aged 6 from October 2010.

2. THE RATIONALE FOR THE PROPOSED CHANGES

- 2.1 The Government has committed to halving child poverty by 2010 and eradicating it by 2020. There are currently 2.8 million children living in poverty and to reach the halving target, this must be reduced to 1.7 million children.
- 2.2 The Government's policies for lone parents, therefore, are a balance between providing financial and other assistance to support his or her family, and wider responsibilities to lift families and children out of poverty. Paid work, for those who can, is the most sustainable route out of poverty. Children in lone parent families where the lone parent works part-time have a lower than average risk of poverty, at 17 per cent, whereas children in workless lone parent households have a much higher risk of poverty, at 56 per cent.
- 2.3 In addition to making families better off, paid work has other important benefits - improving the health and well being and future prospects of both parents and children.
- 2.4 The current lone parent strategy, based around a core of work-focused interviews (WFIs) and NDLP, supported by tax credits and increased access to childcare, has helped to increase the lone parent employment rate by 12.5 percentage points to 57.2 per cent (Labour Force Survey 2007 Q2 (April-June) household data). But to meet the Government's 70% employment target for lone parents and fully contribute to child poverty goals, the Government needs to go much further, getting a further 300,000 lone parents into employment by 2010.
- 2.5 The incremental introduction of the current arrangements for lone parents over the last ten or so years is the first time any form of conditionality has been imposed on this client group across the United Kingdom. This was a progressive process, with the introduction of NDLP, WFIs and a series of pilots which helped engage with lone parents and bring them closer to employment and into paid work. Lone parents are currently required to participate in regular WFIs, at least every 6 months, and since October 2005, they have been required to complete and review an action plan as part of the WFI process. Although lone parents have to agree an action plan with their adviser,

looking for paid work or undertaking any work related activity remains voluntary.

- 2.6 It is apparent that the current lone parent measures will not be enough for the Government to achieve the 70% employment target or alleviate child poverty. Budget 2008 included a number of additional measures to further progress in these areas:
- increasing the first child rate of Child Benefit to £20 a week from April 2009, reinforcing the Government's commitment to Child Benefit as the foundation of financial support for all families;
 - increasing the child element of the Child Tax Credit (CTC) by £50 a year above indexation from April 2009 to further help low to middle income families; and
 - disregarding Child Benefit in calculating income for Housing Benefit (HB) and Council Tax Benefit (CTB) from October 2009, improving work incentives for many of the lowest paid families and boosting their incomes.
- 2.7 But as the Budget papers also indicated, Government alone cannot achieve its objectives. Individuals and families need to make a commitment to improve their situations where they can and a paid job is often one of the best ways to do so. It is in this context that the measures outlined in the Government's proposals for Regulations are not intended to punish lone parents, but to help them move closer to paid employment.

Background

- 2.8 In the Green Paper "*In Work, Better Off: Next Steps to Full Employment*", published in July 2007 the Government sought feedback on its proposals to move lone parents from a passive benefit regime to more active engagement with the labour market. It sought feedback on options to alter the circumstances in which lone parents are entitled to income support, depending on the age of their youngest child.
- 2.9 During the consultations on the Green Paper, reactions to the proposals were mixed with many representations arguing that lone parents should be able to choose to stay at home to care for their children full time. Concern was also expressed over the appropriateness of JSA for lone parents.
- 2.10 Following the consultation period the Government announced its intention, in the Command Paper "*Ready for Work: Full Employment in Our Generation*", published on 13 December 2007, to take its proposals forward. While acknowledging the concerns raised in the consultation process, the proposals were based on research (**see Annex 2**) which shows that long term economic inactivity has harmful

effects on the long term prospects of the parent, the children, the family and the community.

- 2.11 Consistent with the model of rights with responsibilities, the Government's proposals for Regulations demonstrate its commitment to the principle that once children are older, lone parents who are able to work and are claiming benefits should be expected to look for paid work.
- 2.12 To ensure each individual is fully supported during the proposed change, the Government proposes that the policy is implemented over three years. With some exceptions for existing customers, the Government plans to introduce these changes for lone parents with:
- a youngest child aged 12 to 15 from 24 November 2008;
 - a youngest child aged 10 or over from 26 October 2009; and
 - a youngest child aged 7 or over from 25 October 2010.
- 2.13 The proposed introduction of the change for lone parents with a youngest child aged 10 in October 2009 was not part of the proposals in the Green Paper. This stepped approach will allow Jobcentre Plus to provide more support in helping lone parents make the transition between benefits and a move into employment.
- 2.14 Committee members attended a number of stakeholder meetings to discuss the Green Paper proposals and the Committee subsequently responded to the Consultation Paper on 22 October 2007. The Minister for Work and Pensions responded to SSAC in December 2007.
- 2.15 In advance of the SSAC meeting on 7 May 2008, the Lone Parent Obligations High Level Design Briefing Pack was sent to SSAC members on 17 January 2008 and the Department is grateful for the Committee's comments. Officials also provided SSAC with an outline of the changes at their meeting on 5 March 2008.
- 2.16 Officials have met with Lone Parent Voluntary Groups (LPVG) on a number of occasions to consult them on the design and implementation issues and both the Secretary for State and the Minister for Employment and Welfare Reform met with LPVGs on 19 March 2008. Ministers and officials have considered SSAC and LPVG views and have addressed these in the Explanatory Memorandum (EM).

3. SCOPE OF INCREASING LONE PARENT OBLIGATIONS

- 3.1 Currently a lone parent may be entitled to IS if the person is responsible for a child aged under 16 who is a member of that person's household. Under the Government's proposals, from October 2010 lone parents with a youngest child aged 7 or over will no longer be entitled to IS **solely** on the grounds of being a lone parent. Instead

those able to take up paid employment may claim JSA. Those entitled to JSA will be expected to look for, and be available for, employment in return for personalised help and support. The Government believes these measures will contribute to the key policy objective of reducing child poverty by encouraging lone parents with older children to actively seek paid work. The policy is expected to increase the rate at which lone parents leave benefits for employment and will contribute to achieving an increase in the number of lone parents taking up full or part-time paid employment. (See **Annex 3**)

Exceptions

- 3.2 The proposed changes to IS entitlement will only apply to those lone parents who are entitled to IS by reason only that they are a lone parent with a youngest child aged 7 or over and hence, because their child(ren) is in school, they are better able to take up paid work. Lone parents who are entitled to IS on other grounds, for example, if they have children for whom the middle or highest rate care component of Disability Living Allowance (DLA) is payable, or they are entitled to and in receipt of Carer's Allowance (CA), or are fostering will continue to be eligible to claim IS.
- 3.3 These lone parents would have much greater difficulty in being available for paid work with the extra responsibilities of looking after a child for whom the middle or highest rate care component of DLA is payable, caring for another person full-time or looking after at risk children who cannot live with their parents.
- 3.4 The entitlement of a fostering lone parent with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989 or, in Scotland, the Social Work (Scotland) Act 1968, is not affected by the proposed changes as he or she is not claiming IS solely on the grounds of being a lone parent.
- 3.5 The proposed changes affect lone parents who are not entitled to IS on any other grounds. The Government did consider an exemption for lone parents with a child for whom the lower rate care component of DLA was payable. The number of IS lone parents with a disabled child aged 7 – 15 claiming the lowest rate care component of DLA is around 6,000. However, it is Government's view that such a child, by definition, would not require an amount of care that precluded the parent from paid work, particularly given the existing flexibilities under JSA and those put forward in the proposals for regulations. The level of care required by the child would generally be very low, given that the child has not been assessed as eligible for a higher care component. In drawing this conclusion, it was also noted that around half of all lone parents with a disabled child (49 per cent) are in employment (Families and Children Study 2005 data).

- 3.6 The Government also considered whether home educators should be excluded from the proposals for Regulations. While recognising that lone parents can choose to home educate their child(ren), funding is not provided by Government to do so. Lone parents in this situation do not receive IS to home educate their child(ren). It would therefore be inconsistent with Government principles if home educators were not required to look for paid work when their youngest child reaches the relevant threshold age. In addition, unlike lone parents who send their child to school, lone parents who choose to educate their child at home do not have to observe school hours, days or terms and may have greater flexibility to fit paid work around their child's education.
- 3.7 Lone parents receiving IS due to incapacity, for which medical certificates are being submitted, can continue to claim IS. Under the proposals for Regulations, lone parents who would otherwise be subject to the new provisions but then produce evidence of a health condition or disability will be able to claim Employment and Support Allowance (ESA) but will have no entitlement to IS. They will be required to undergo a Work Capability Assessment (WCA) and if entitled to ESA will be subject to ESA conditionality.
- 3.8 Lone parents who were claiming Incapacity Benefit (IB) and left benefit for paid employment or training and reclaim within the linking period (of 104 weeks) can return to IB and can claim IS if they provide evidence of incapacity and will be subject to Pathways conditionality and be required to undergo a Personal Capability Assessment (PCA).

Quarterly Work-focused Interviews (QWFIs) for relevant Lone Parent customers

- 3.9 In addition, and to support lone parents in advance of the proposed change, the Government proposes to introduce, from November 2008, a requirement to take part in a WFI every 13 weeks for lone parents on IS with a youngest child aged 9 to 11. From October 2009 the requirement would apply to lone parents with a youngest child aged 6 to 9 and from October 2010 it would apply to lone parents with a youngest child aged 6. These additional QWFIs include the same sanctions regime for non compliance as the current WFI regime.
- 3.10 These additional QWFIs will only apply to those lone parents who are entitled to IS by reason only that they are a lone parent with a youngest child of the relevant age. Introducing interviews for these customers in the final year before they may lose entitlement to IS provides a further opportunity to prepare and support lone parents leading up to the changes. In phase 1, we propose that the new requirement to attend QWFIs would not apply to existing customers with a youngest child aged 11 who reaches age 12 before 9th February 2009. They would remain subject to their existing WFI regime.

Proposed Implementation

3.11 The Government proposes that these changes are implemented in three consecutive years for new/repeat and existing lone parent customers. In summary, subject to certain exceptions for existing customers (full-time students and those taking part in, or undertaking a full-time course on NDLP or as part of an approved scheme), the three phases are:

Phase 1: **2008** - lone parents with a youngest child aged 12 or over making a new or repeat claim to IS which takes effect on or after 24 November 2008 will no longer be entitled to IS as lone parents.

The following paragraphs apply to lone parents entitled to IS immediately before 24 November 2008.

Those whose youngest child is already aged at least 12 and those whose youngest child reaches age 12 on or after 24 November 2008 but before 9 February 2009, will cease to be entitled to IS between February and July 2009.

Entitlement will end on the first day of the benefit week for that customer which falls immediately before the week in which their first mandatory WFI would have been due on or after 9 February 2009.

For those whose youngest child reaches age 16 on or after 24 November 2008, entitlement will cease on the payday in the first benefit week following the date the child becomes aged 16.

For those lone parents whose youngest child reaches age 12 on or after 9 February 2009 entitlement will cease on the payday in the first benefit week following the date the youngest child becomes aged 12.

Phase 2: **2009** - lone parents with a youngest child aged 10 or over making a new or repeat claim to IS which takes effect on or after 26 October 2009 will no longer be entitled.

The following paragraphs apply to lone parents entitled to IS immediately before 26 October 2009.

Those lone parents whose youngest child is aged 10 or over will cease to be entitled to IS on a date between October 2009 and February 2010.

Entitlement will cease on first day of the benefit week for that customer 13 weeks after the benefit week in which he last took part or was treated as having taken part in a WFI before 26 October 2009 (or in the case of a first WFI, after that date).

For those lone parents whose youngest child reaches age 10 on or after 26 October 2009 entitlement will cease on the payday in the first benefit week following the date the youngest child becomes aged 10.

Phase 3: 2010 - lone parents with a youngest child aged 7 or over making a new or repeat claim to IS which takes effect on or after 25 October 2010 will no longer be entitled.

The following paragraphs apply to lone parents entitled to IS immediately before 25 October 2010.

Those lone parents whose youngest child is aged 7 or over will cease to be entitled to IS on a date between October 2010 and February 2011.

Entitlement will cease on the pay day 13 weeks after the benefit week in which he last took part or was treated as having taken part in a WFI before 25 October 2010.

For those lone parents whose youngest child reaches age 7 on or after 25 October 2010 entitlement will cease on the payday in the first benefit week following the date the youngest child becomes aged 7.

The Government is proposing that the proposed changes to JSA Regulations and changes to ESA Regulations will take effect from 24 November 2008.

Volumes and Destinations

3.12 There were about 765,600 lone parents in receipt of IS in May 2007 (**See Annex 4**). These proposals will affect around 300,000 lone parents. About 110,000 lone parents will be affected by the change in Phase 1, 70,000 in Phase 2 and 120,000 in Phase 3. As a result of these changes, and based on what happens now when a youngest child reaches age 16, it is modelled that approximately:

- 45% - will move to JSA;
- 15% - will remain on IS;
- 16% - will claim ESA;
- 8% - will move into employment; and

- 15% - other (these are lone parents for who we have no record of a subsequent claim to benefit following their youngest child reaching age 16 and IS ceasing).

3.13 **Annex 5** provides details of the expected impact on the number of customers on JSA, ESA and IS as a result of this change. The Government proposes that the destinations for Phase 1 will be monitored and officials will review these assumptions in the light of experience.

4. **JSA REGIME AND LONE PARENTS**

Background

- 4.1 As outlined in section 2, the objective of the proposals for Regulations is to increase the employment rate for lone parents with older children and assist people make the transition from unemployment to paid work so they can share in the benefits this brings. To support this objective, there is a balance between providing arrangements that reinforce behaviour to support peoples' efforts to take up and look for work, while recognising that some lone parents face circumstances that need special consideration.
- 4.2 In developing these proposals for Regulations, the Government considered the best way of making sure these circumstances were recognised and accommodated. One approach, generally favoured by lone parent stakeholders, was to enable all lone parents' access to more flexibility to determine their availability for work. However, on balance, the Government was concerned this would significantly weaken work incentives for a much wider group of people who did not necessarily require additional easements.
- 4.3 On this basis, the approach taken in these proposals for Regulations includes specific changes to cover the circumstances where additional flexibility or Jobcentre Plus Adviser discretion may be required. These specific changes are highlighted in the following sections. While it is acknowledged that this does add a limited level of complexity to the proposal's and to Jobcentre Plus operations, it is more consistent with the Government's approach that it is reasonable that those people who can work should be expected to do so. The take up and operation of these arrangements will be included in a post implementation review, the details of which are at **Annex 6**.

Jobseeker's Allowance

- 4.4 The JSA regime is the subject of a detailed legislative framework. The following paragraphs are not, (and are not meant to be), a comprehensive description of the legislation. They intend to set out the

current requirements of the JSA regime and what happens if a customer fails to meet those requirements, and the proposed changes to the JSA regime from November 2008.

- 4.5 Lone parents who claim JSA will be subject to the rules that apply to Jobseekers, including the requirement to actively seek and be available for work. As with all jobseekers, in applying the legislation to lone parents, Advisers will have regard to their individual circumstances. Although there are flexibilities within the current JSA legislation that would enable the vast majority of lone parents to comply with the JSA provisions, the Government proposes introducing additional flexibilities and safeguards in Regulations. These will meet the specific needs of customers who are responsible for caring for a child who is a member of their household or a close relative, which includes parents, particularly lone parents, and further safeguard the welfare of children. We also propose to introduce additional operational flexibility and safeguards that will apply to all parents claiming JSA, and these proposed measures would be reinforced in Jobcentre Plus processes.
- 4.6 Regulations currently list the additional ways a person in a certain group, may restrict their availability for employment:
- a person may restrict their availability in any way providing the restrictions are reasonable in the light of their physical or mental condition, even if that means that s/he ceases to have reasonable prospects of employment; and
 - a person with caring responsibilities (which includes lone parents) may restrict the total number of hours for which they are available for to less than 40 hours in any week providing they are available for employment for as many hours as their caring responsibilities allow, they are available for at least 16 hours in that week and that they continue to have reasonable prospects of employment in spite of any restrictions that they wish to place on their hours.
- 4.7 The Government considered the option to adopt the provision used for people with a physical or mental condition for lone parents, whereby a lone parent could restrict his or her availability to work in any way that was reasonable for them. On balance, it was considered that such a move would open the way for other jobseekers, including all parents, to challenge that they should also be able to limit their availability, without sufficient regard being given to the individual circumstances of each jobseeker.
- 4.8 While the majority of lone parents will be able to meet existing JSA requirements, it is recognised that some lone parents face unique and varied circumstances. To accommodate the small number of customers who require additional flexibility in specific circumstances, the proposed changes to Regulations allow for Jobcentre Plus to agree

to additional flexibility for those customers who are treated under existing the JSA Regulations as being responsible for caring for a child who is part of their household or a close relative and who have genuine limitations around:

- reasonable prospects of getting a job;
- taking up and actively seeking employment;
- dealing with the impact of bereavement or domestic emergency;
- caring for their children who may be excluded from school or who have an outstanding parenting order or contract; and
- availability for employment.

As the majority of those who have caring responsibilities in relation to a child will be parents, this Memorandum refers to “**parents**”.

Entitlement

4.9 JSA is for customers who are not classed as being in paid work and are looking for paid work. To be entitled to JSA customers must meet the following basic conditions of entitlement:

- be available for work;
- be actively seeking work;
- be capable of work;
- enter into a Jobseeker’s Agreement;
- be under state pension age – (currently 65 for men and 60 for women);
- be in Great Britain; and
- not be in full-time remunerative work or full-time education.

What happens at the beginning of a claim for JSA

4.10 At the start of their claim, as with all other customers claiming JSA, lone parents will normally have a Jobseeker’s Agreement (JSAg) (signed jointly by the customer and their Adviser), which sets out the jobseeker’s job goals, the days and hours they are available for work, and those steps that, if taken, will offer the best chances of finding work. Each agreement is tailored to the specific circumstances of each jobseeker. It is in the Agreement that a parent’s availability for work will be recorded and any special circumstances around childcare taken into account.

Declaration that customers are available and actively seeking work

- 4.11 The JSAg is discussed and agreed with an Adviser at the new jobseeker interview. Once in place, the Agreement is subject to regular reviews to make sure it is still helpful and practical. The jobseeker will need to be available for and actively seeking work (or treated as such) and is required to attend the Jobcentre fortnightly to confirm this.
- 4.12 During the initial interview the Adviser will also explain the jobseekers responsibilities to attend Fortnightly Jobsearch Review appointments and will issue a supporting JSA leaflet which provides further information about JSA and the jobseekers responsibilities. (The leaflet DWP1002 Jobseeker's Allowance replaced a number of existing JSA leaflets from mid-February 2008).
- 4.13 The initial interview will be conducted, wherever possible, by a specially trained Adviser, who has expertise in the issues faced by this particular customer group and the local services, such as childcare, that are available. These Advisers will take account of jobseekers personal circumstances and will ensure that flexibilities within the existing JSA regime (*and those proposed as part of these draft Regulations*), are explained and invoked where required. These flexibilities are explained further at paragraphs 4.14 – 4.38.

Reasonable prospects on and the taking up of employment and travel to work

- 4.14 When they complete a JSAg, subject to certain conditions, a jobseeker who has caring responsibilities, can restrict their hours of availability to a minimum of 16 hours a week. This means that lone parents can be available during school hours and undertake a job for at least 16 hours per week. Currently, a person in this group is required to be available for employment for as many hours as their caring responsibilities allow, and for at least 16 hours each week. However, this restriction of hours is only on the condition that the jobseeker can still show that they have reasonable prospects of finding work in spite of the restrictions that they wish to place on their availability. If they cannot show this they would not currently be entitled to JSA but may qualify for reduced payments on the grounds of hardship. In a small number of areas, there may be few or no jobs available which would fit within the restricted patterns of employment sought so there is a risk they may not readily be able to demonstrate that they could comply with this requirement. To accommodate such we propose to amend the JSA Regulations so that where the Adviser agrees that the person would not have reasonable prospects of employment because of the type of jobs available locally, **parents** will be still able to restrict their hours to as many as their caring responsibilities allow in each week subject to a minimum of 16.
- 4.15 Usually, a basic requirement when completing a JSAg is that a jobseeker must also be willing and able to take up employment

immediately. Currently, the JSA Regulations make special provision for those with caring responsibilities or those who undertake voluntary work. They must be willing and able to:

- take up a job within 7 consecutive days of being notified of it; and
- attend a job interview within 48 hours notice of that interview.

4.16 If the jobseeker cannot demonstrate that they can comply with these requirements the JSA claim will be disallowed. In some cases a jobseeker may find this difficult if they need to set up appropriate childcare arrangements, which may take longer to arrange than this. As a result, in a small number of circumstances it will be impractical to expect parents to comply with these conditions. We propose to amend the JSA Regulations so that:

- the period for taking up a job is extended to 28 days in circumstances where the **parent** can show that 7 days is not reasonable because of their caring responsibilities; and
- the period to attend a job interview is extended to 7 days in circumstances where the **parent** can show that 48 hours is not reasonable because of their caring responsibilities.

4.17 We also propose that where a parent is required to be willing and able to attend for interview within 7 days, they will also be treated as having good cause for not attending the Job Centre on being given less than 7 days notice. In establishing the JSAG travel time considerations, Advisers will take the jobseeker's circumstances into account. JSA policy stipulates travel time of up to 1 hour each way within the first 13 weeks of a JSA claim and 1.5 hours each way thereafter. Jobcentre Plus staff would also consider whether travel time to a job is reasonable, taking health or caring responsibilities into account, and would include any reasonable time required to drop off and pick up children from school or childcare.

Availability and actively seeking work restrictions in certain circumstances

4.18 Where a jobseeker claims JSA because of the break-up of a relationship or a bereavement or other domestic emergencies arise during their claim, they will be treated sympathetically when considering their availability for and actively seeking paid work.

4.19 Currently, a jobseeker is treated as satisfying the requirement to be available for and actively seeking work if a close relative or close friend of his dies or there is a domestic emergency which affects the jobseeker, a close relative or a close friend of his for the time it takes to deal with the situation and for a maximum of one week. Their situation is reviewed weekly, with the requirement being waived for a maximum

of 4 such periods in any 12 month period. It is recognised that in situations of bereavement, for example, one week may not be sufficient for some jobseekers, particularly if a child is experiencing difficulty recovering from the bereavement and needs to be cared for at home. We, therefore, propose to amend the JSA Regulations so that Advisers can use their discretion once in any 12 month period to waive the requirement to be available for all **parents** for a maximum of 8 weeks where there is a death or serious illness of a close relative or close friend of the jobseeker, or a domestic emergency which arises in relation to the customer, close relative or a close friend. The intention is that this will count towards the maximum number of occasions on which parents can be treated as available in any period of 12 months under the current rules. In these circumstances, we propose to treat the jobseeker as having good cause for not attending their FJRs. Customers will also be treated as actively seeking employment in any benefit week in which they are treated for at least 3 days as being available for employment under the proposals referred to in this paragraph. If the jobseeker needs more than 8 weeks, their Adviser will consider if it would be more appropriate for them to claim another benefit.

Jobseeker's obligations to actively seek and be available for work

- 4.20 Following the new jobseeker interview, lone parents will, like other jobseekers claiming JSA, be required to regularly attend (usually fortnightly) their nearest Jobcentre Plus office. The purpose of these regular face-to-face contacts is to discuss what the jobseeker has been doing to find work, ensure jobseekers remain entitled to payment of JSA and to see what help, if any, is required.
- 4.21 Fortnightly Job Search Review Officers (FJRO) in Jobcentre Plus play a key role in supporting jobseekers and, checking that they are taking the action agreed in their JSAg. The FJRO may make an appointment for a jobseeker with an Adviser when necessary to assist with job search activities or to review or amend the JSAg. If a jobseeker's circumstances change the FJRO will consider whether or not this has any impact on benefit entitlement and if there is, the case will be referred to a Decision Maker.
- 4.22 In some circumstances, a lone parent on JSA may not be able to attend the Jobcentre Plus office for the FJR during the school holidays because, for example, they are unable to make arrangements for short-term childcare to cover their attendance. In such circumstances, and where the Adviser agrees that no appropriate, affordable childcare is available to cover the attendance at a FJR, **parents** will be allowed to sign by post during the school holiday period. Jobcentre Plus guidance will be updated to reflect this arrangement. (see paragraphs 7.16 – 7.19).

- 4.23 Similarly, where a jobseeker is looking after a child for whom he has caring responsibilities during the child's school holidays (or other similar vacation period) and it is unreasonable for him to make other child care arrangements, for example the person is unable to obtain appropriate, affordable childcare, we propose to amend the JSA Regulations so that Advisers may treat **parents** faced with these difficulties as being available for work and as having good cause for not attending their FJRs during this period. The person would still have to make reasonable efforts to locate suitable child care
- 4.24 For those jobseekers who do not find paid work quickly, more in-depth interviews with an Adviser are undertaken at key stages, for example at 13 weeks and at 26 weeks. The purpose of these interviews is to more fully review the jobseeker's circumstances and to see what additional help may be required, which may include intensive help through the NDLP, which is available to all lone parents from day one of their claim. The JSAG will also be formally reviewed in the light of looking for work so far, and revised if necessary. Where a lone parent is participating in NDLP and is required to attend the Jobcentre for an NDLP interview we intend that they will receive payment for fares even if this is on their normal signing day.
- 4.25 In addition to the provisions proposed in paragraphs 4.18 and 4.19 for domestic emergencies, it is also proposed to amend the JSA Regulations specifically to ensure those **parents** who have additional caring responsibilities for a child because the child has been excluded from school can be treated as being available for employment if there are no other arrangements that it would be reasonable for them to make in the circumstances. The Government is also proposing that parents who have a parenting contract/order agreed or issued, for example, following their child's exclusion, truancy or misbehaviour at school, can restrict their availability for employment in any way providing the restrictions are reasonable in light of the contract or order. Where a **parent** is treated as satisfying the requirement to be available for employment or restricts their availability as set out in this paragraph, the Government proposes that they will also be considered as having good cause for not attending the office during this period.

What happens if a Jobseeker fails to meet the requirements of the JSA Regime

- 4.26 A jobseeker who does not meet the conditions of entitlement, as modified by Regulations, then, subject to qualifying for hardship payments, their entitlement ends. Hardship payments may also be made to customers whose JSA is not payable because of a sanction.
- 4.27 When considering whether a jobseeker is failing to meet the requirements to continue to receive benefit, the FJR officer will take

into account the current and proposed flexibilities within the JSA regime.

Sanctions, Disentitlement and the Hardship Regime

- 4.28 Jobcentre Plus is committed to ensuring that sanctions will only apply where absolutely necessary. Where a jobseeker has good or just cause, they will not be penalised.
- 4.29 In the course of the proposed obligation changes there will be a movement of around 150,000 lone parents from IS to JSA and although the vast majority of these will adapt and cope with the additional requirements there will be a minority who, despite the best efforts of Jobcentre Plus, may still be subject to a sanction or disentitlement. Jobcentre Plus intend to put in additional safeguards to make sure that the number of such cases is minimised.
- 4.30 Jobcentre Plus will make at least one attempt at contact by telephone on the day the jobseeker FTAs and will send a letter to advise them of the need to make urgent contact within five working days or that their benefit will be affected. If they do not respond their benefit will end after five working days. This will ensure lone parents have every opportunity to show good cause as to why they failed to attend their FJR.
- 4.31 Subject to the satisfaction of certain criteria, jobseekers may be entitled to hardship payments during the period of a sanction. A JSA hardship payment is an award of JSA made at a reduced rate (60% of their personal benefit or 80% if they, or a member of their household, are pregnant or seriously ill) to give a minimum level of financial support.
- 4.32 The proposals for Regulations add lone parents to those eligible for the existing JSA hardship regime applying to couples with children in receipt of JSA, to ensure that it is appropriate for parents, and that there should be no break in the payment of their benefit, and that no parent who is entitled to a hardship payment will be subject to a sanction of more than 40% of their personal benefit allowance.
- 4.33 The Government announced in *Ready for work: full employment in our generation*, a review of the hardship regime to ensure it is appropriate for parents and supports the Government's objectives to reduce child poverty. Work on the review commenced in March 2008. The review has taken the range of current and proposed flexibilities under JSA into account, which will significantly reduce the risk that lone parents will face a loss of benefit. In addition, Jobcentre Plus will make at least 2 efforts to contact lone parents before their benefit is affected, providing a further operational safeguard (see paragraphs 4.30 and 4.38).
- 4.34 Stakeholder groups proposed the hardship payment should be 80% of personal benefit. However, the review has concluded that the existing

regime is appropriate for parents, including lone parents, as it provides a safety net for those jobseekers in need while reinforcing the need to genuinely engage in looking for work. Jobcentre Plus will continue to examine its communication products and administration procedures to minimise any gaps in payments.

- 4.35 Currently there are two types of JSA sanctions, a “fixed JSA sanction” for a period of 2, 4 or 26 weeks and a “variable sanction” where JSA stops for between 1 and 26 weeks. Fixed sanctions are applied when a Jobseeker fails to carry out a jobseeker’s direction, or fails to attend a New Deal programme or Gateway to Work programme without **Good Cause**. Variable sanctions are applied when a jobseeker leaves their last job voluntarily or loses it through misconduct without **Just Cause**, fails to or refuses to apply for or accept a job without **Good Cause**.

Just Cause and Good Cause

- 4.36 Jobseekers who meet the conditions for entitlement to JSA but who leave their employment and claim benefit will be entitled to JSA at the full rate if they did not leave employment without Just Cause. A Decision Maker will consider if the jobseeker can demonstrate that he did not leave employment without “**just cause**”. The jobseeker must show that they acted reasonably in leaving their job, given the risk of unemployment. This may include, for example, urgent circumstances such as a threat to health or where they are unable to take steps to avoid leaving employment as a result of a personal or domestic emergency including domestic violence. The Decision Maker will take into account all of the circumstances when deciding if they were justified in leaving their job without first looking for other paid employment or negotiating a change of hours/working pattern with their current employer. Without just cause, the jobseeker will have a variable sanction imposed.
- 4.37 We propose to amend the JSA Regulations in connection with **good and just cause** so that a Decision Maker must consider whether a **parent’s** child care responsibilities made it unreasonable for him to stay in employment, to take up paid employment, or to carry out a jobseeker’s direction. We propose that the Decision Maker must specifically consider the availability and suitability of childcare. In addition, we propose that Decision Makers must consider any necessary child care expenses where they represent an unreasonable amount of that person’s earnings

Paragraph 4.45 details our approach to appropriate and affordable childcare. In summary:

- Jobcentre Plus will not dictate to parents which particular childcare providers they should use, but have an important role to play in both challenging and supporting parents to access childcare;

- parents need to make reasonable efforts to identify appropriate and affordable childcare and provide evidence to Jobcentre Plus on the steps they have taken to source such care;
- if a parent considers that appropriate and affordable childcare is not available, they will need to explain the reasons to Jobcentre Plus;
- where a parent considers that he or she cannot take up a job to which they are referred by a Jobcentre Plus Adviser because appropriate childcare is not available, a Jobcentre Plus Decision Maker will consider, on a case by case basis, whether the steps the parent has taken and the reasons they do not want to use available services are reasonable; and
- the costs of childcare are likely to be well within the tax credit limits, and any claims that childcare is not affordable will be considered on a case by case basis.

4.38 Where a jobseeker fails, without good reason, to attend to confirm their availability and jobsearch activity their entitlement to JSA ends. However, as outlined in **paragraphs 4.30 and 4.33** we propose to introduce an additional operational safeguard for all **parents** to ensure they have every opportunity to show good cause as to why they failed to attend (FTA) their Jobcentre Plus interview. Jobcentre Plus will make at least one attempt at contact by telephone on the day the jobseeker FTAs and will send a letter to advise them of the need to make urgent contact within five working days or that their benefit may be affected. If they do not respond, their benefit will end after five working days.

Existing support for lone parents

4.39 From April 2008 an additional package of support has been available to help lone parents to understand the benefits of paid employment and provide lone parents with the skills and confidence they need to remain and progress in paid work.

4.40 This complements the wide range of support and assistance previously available. If a Jobseeker who is a lone parent seeks additional support to obtain the skills or confidence needed to prepare them for paid employment they can take part in NDLP. If a lone parent wishes to join NDLP the Adviser will work with them, delivering a package of advice and support tailored to meet the needs of individuals (further details of NDLP and other assistance are contained within **Annex 7**).

Jobseekers Regime and Flexible New Deal

4.41 It is proposed that from April 2009, the Jobseekers regime will change to Flexible New Deal (FND). Lone parents affected by the proposals

described in this Memorandum will be subject to this proposed new regime. Although the support available to JSA customers will change, it is proposed that the basic entitlement requirements for JSA will continue as now. The route to work will be divided into four stages, with Jobcentre Plus delivering the first three stages and the fourth being delivered by contracted, expert providers:

- Stage 1: 0 – 3 months: self directed jobsearch and fortnightly reviews with a new group session to reinforce rights and responsibilities and encourage access to the range of back to work help available;
- Stage 2: 3 – 6 months: widened jobsearch, weekly signing and submission to vacancies and targeted Adviser intervention for 20% of our customers;
- Stage 3: 6 – 12 months: all customers assigned an Adviser, fortnightly job search review, more flexibility for Advisers (and some discretionary funding), a back to work action plan including an expectation that customers will be required to complete up to 3 additional activities to improve their job chances; and
- Stage 4: 12 – 24 months: mandatory referral to contracted provider with the flexibility to provide support matched to individual needs based on an initial in depth assessment.

4.42 Government is still at the planning stage but the proposals for lone parents in the revised JSA/FND regime are:

- all lone parents would have voluntary access to NDLP from the start of their JSA claim. NDLP provides access to a specialist Personal Adviser, in work benefit advice and other assistance. It is expected that 35% of lone parent may take up this offer. Appointments with the NDLP Adviser would (wherever possible) be combined with the FJR to minimise visits to the Jobcentre;
- after six months, the full range of NDLP help would be available to all lone parents as part of the FND gateway. The Adviser caseloading the lone parent during the Gateway will tailor the additional support available to help them comply with the increased expectations during this stage; and
- those who reach 12 months on JSA will switch to contracted FND provision. FND will provide personalised help to all participants and so must provide any particular specialised help needed by the individual lone parent. At this point, lone parents would not have access to NDLP as they would access tailored assistance and in work support via their FND provider.

4.43 Legislative changes will be required to support the proposals and these will be presented to SSAC later this year.

4.44 JSA customers normally go on to the mandatory New Deal after they have been on JSA for 18 months. This would include lone parents affected by these changes; however, the FND Gateway period will be

in place for all JSA customers from April 2010. Lone Parents will, therefore, enter this gateway rather than going onto an existing mandatory New Deal.

Childcare

- 4.45 The Government has invested significantly in improving the availability and quality of childcare in England over the last 10 years. The devolved administrations in Scotland and Wales have also made substantial improvement in provision.
- 4.46 The Childcare Act 2006 requires that, from April 2008, all local authorities in England and Wales take reasonable steps to secure sufficient childcare to meet the needs of working parents. If parents consistently cite the non-availability of childcare as an impediment to work, Jobcentre Plus Childcare Partnership Managers will provide feedback to local authorities in order to inform local strategies and ensure that the needs of these parents can be met.

Appropriate childcare

- 4.47 It is clearly recognised that childcare is a fundamental issue for parents – particularly lone parents. Parental choice and flexibility are key principles and the Government supports greater choice for parents in how they balance their work commitments and family life. In this context, there is a balance between recognising parenting responsibilities and the commitment to their child(ren) and ensuring that parents genuinely engage with local child care services when required to look for work.
- 4.48 It is not possible to provide a blanket definition of what childcare a parent may consider appropriate for their child(ren). The facts of each case will need to be considered.
- 4.49 In this context, it is important that parents understand their responsibility to make reasonable efforts to source appropriate and affordable childcare in preparation for taking up work and when they have a job offer.

Roles of parents and Jobcentre Plus

- 4.50 Responsibility to locate appropriate childcare rests with the parent. Jobcentre Plus Advisers will work with parents and their Childcare Partnership Manager to help them identify and access appropriate childcare provision. Financial support is also available through a range of Jobcentre Plus measures as well as tax credits.

- 4.51 Jobcentre Plus will not dictate to parents the type of childcare or which particular provider(s) they should use. Similarly, Jobcentre Plus will not make any presumption that any childcare provider is suitable for the parent and child in question.
- 4.52 However, Jobcentre Plus have an important role to play in both challenging and supporting parents who may have preconceived ideas about child care, have had previous experiences or who have not used services previously. It is acknowledged that the circumstances of all parents are unique and Jobcentre Plus will take this into account in discussing available options with individuals.

Reasonable steps

- 4.53 To ensure parents are making reasonable efforts to identify appropriate and affordable options, a parent who considers that he or she cannot take up a job to which they are referred by a Jobcentre Plus Adviser because appropriate childcare is not available will need to demonstrate to Jobcentre Plus that they have taken reasonable steps to secure such care. This could include contacting the Children's Information Services, visiting local extended schools or OFSTED registered childcare providers and identifying whether they have other informal care options available to them.
- 4.54 If a parent considers available formal care, for example a local extended school, is not appropriate, he or she will need to provide information to Jobcentre Plus indicating they have discussed their concerns with the service provider(s) and providing reasons why they consider that the provision is not appropriate. Parents will need to demonstrate that there are no alternative arrangements that it would be reasonable for them to make.
- 4.55 Where Jobcentre Plus considers that the parent has not taken reasonable steps to source appropriate childcare and they reject a job, they will refer the parent to a decision maker, who will consider the individual circumstance of the parent and children, as well as other relevant facts when considering whether or not a sanction is appropriate.

Childcare provision for disabled children

- 4.56 The Government's proposals for regulations state that parents with children on the middle or higher rate of DLA will remain eligible for IS and will not be required to actively look for work.
- 4.57 Other children with disability should, in general, be able to access mainstream childcare provision. Where this is not possible, their requirements should be picked up by the provisions of the Childcare

Act 2006. This requires that, from April 2008, all local authorities in England and Wales take reasonable steps to secure sufficient childcare to meet the needs of working parents. The Act specifically requires local authorities to have regards to the needs of children with disabilities.

- 4.58 If a parent with a disabled child considers that they cannot take up a job to which they are referred by a Jobcentre Plus Adviser because they consider appropriate care is not available, they will need to provide information to Jobcentre Plus indicating the steps they have taken to identify options and that where appropriate, they have discussed their concerns with the service provider(s) and provide reasons why they consider that the provision is not appropriate. In order to establish good cause, it must be unreasonable for the person to accept the job and Advisers will, therefore, consider whether there were alternative child care arrangements that it would be reasonable for them to make. Each case will be considered on an individual basis.

Change of circumstances

- 4.59 Under the Government's proposals for regulations, Jobcentre Plus Advisers must consider if the nature and extent of a customer's caring responsibilities made it unreasonable to remain in the employment. Where a parent accepts an offer of paid employment but, for example, child care arrangements later change, or hours of work change, so that appropriate child care is not available to the parent, a parent will be expected to do all that is reasonably practicable to make alternative arrangements before actually leaving a job.

Affordability

- 4.60 The Government provides substantial help with childcare costs through the tax credit system. Lower and middle income families across the UK are receiving payments totalling £3 million a day to help with these expenses. Weekly costs of up to £175 for one child and £300 for two or more children are eligible for assistance and parents are entitled to remission of up to 80% of the eligible costs.
- 4.61 The Government's proposals for regulations affect only those lone parents with school age children. For these parents the costs of childcare are likely to be well within the tax credit limits. For example, typical costs of 8am to 6pm 'wrap-around' provision for five days a week, even in the most expensive areas of the country, averages out at around £96 a week. This figure, which takes account of the fact that parents would need to purchase full day provision during school holidays, is well within tax credit limits.

- 4.62 Under the Government's proposals for regulations, Jobcentre Plus Advisers must take account of necessary child care expenses which are an unreasonably high proportion of the pay or expected pay. Each case will be decided on its own facts.

(See **Annex 8** for further information about Childcare).

5. IMPLEMENTING THE PROPOSED CHANGE

Telling all Lone Parent customers about the changes

- 5.1 Jobcentre Plus already communicate with lone parents about the benefits of paid work for them and their families, and the support Jobcentre Plus offers to help them move into paid work, through communications and marketing activity and through our personal contact with them. In addition to the communications activity we will develop a communications strategy to ensure that lone parents and stakeholders are made aware of the changes and how they impact on individuals. This will build on communication and marketing work contained within the Jobcentre Plus child poverty communication and marketing strategy for 2007/2008 'Getting parents back to work'.
- 5.2 Jobcentre Plus are developing specific information material to explain to customers and their representative organisations what the proposed changes would mean and how they can access the support that we intend to make available.

Operational Contact

- 5.3 Jobcentre plus have regular personal contact with existing lone parents through quarterly and six-monthly WFIs and more frequently with those on NDLP. This, together with the Options and Choices events, affords opportunities to communicate these changes. Jobcentre Plus ensure lone parents learn about the change from staff, as this provides an opportunity to ask questions about how and when they will affect them personally, obtain reassurance and ensure they understand what they need to do. Jobcentre Plus intend to provide staff with information to increase their awareness and understanding so that they can help customers in the best way possible. This will be supported by guidance and training. For Phase 1 Jobcentre Plus intend to:
- invite lone parents to an Options and Choices event from April 2008, to hear about the proposed changes and the support packages that is available (**see Annex 7**);
 - tell lone parents about these proposals and the available support package when they attend their mandatory WFI from April 2008 onwards;

- send a mailshot to lone parents with a youngest child aged 9 to 11 in late September 2008 to tell them about the QWFIs;
- send a mailshot, in early November 2008, to tell existing lone parents affected by the change that the legislation is changing and that we will be contacting them soon to tell them how it affects them and that they may need to take action; and
- write to lone parents at least 8 weeks before the date their entitlement to IS ends and offer a voluntary pre-arranged interview to discuss action they may need to take beforehand (See paragraphs 5.4 to 5.5 below for further details).

Proposals for Managing the Change for existing Lone Parent customers

5.4 The Government wants to ensure that lone parents affected are well supported throughout this change and that any issues are dealt with swiftly and efficiently. Jobcentre Plus, therefore, propose to:

- As detailed above, **at least** eight weeks before their IS will end, write to the lone parents to:
 - tell them when their IS will end; and
 - invite them to a voluntary interview six weeks before their IS will end to discuss what action they need to take as a result.

5.5 At the interview:

- tell the lone parents about how the change affects them;
- discuss any transitional arrangements (e.g. for full-time students);
- discuss the support available to prepare the lone parents to move into paid work;
- assist the lone parents to make a claim for Child Tax Credits (CTC), if required;
- explain the entitlement conditions to the lone parent if they decide to claim JSA or ESA;
- assist the lone parents to make a claim for JSA or ESA, including arrangements for completion of the JSAG if claiming JSA and when they next need to attend the jobcentre;
- if appropriate, tell lone parents about how to claim DLA if they have a child with a disability and assist them to do so;
- tell the lone parents when they can expect to receive the first payment of their new benefit and the period that this will cover; and
- explain the financial support available to lone parents when they move from weekly payments to fortnightly payments (see paragraphs 6.3 – 6.9).

- 5.6 If a lone parent decides to make a claim for JSA or ESA this will be a new claim. Jobcentre Plus will ensure that the claim process is quick and efficient and there are no delays to benefit being put into payment.
- 5.7 If a lone parent fails to attend the interview or make contact with Jobcentre Plus we will make **at least one attempt** at contact by telephone on the day they failed to attend the interview and then, if contact is not made, a letter will be sent to the lone parent's home address inviting them to a further interview, at least four weeks before their benefit is due to end.
- 5.8 If the lone parent fails to attend the second interview or make contact with Jobcentre Plus we will again make **at least one further attempt** at contact by telephone. If we are still unable to contact the lone parent a final letter will be issued to their home address, five working days prior to their IS ending.
- 5.9 Jobcentre Plus will put in place a process to ensure that lone parents are contacted before their benefit is stopped. However, this may not be possible in all circumstances, particularly if suspicion arises that a lone parent may not continue to satisfy the qualifying conditions for IS for reasons other than the changes described in the memorandum.
- 5.10 If a lone parents does not make a claim for JSA or ESA until after their IS has ended they will need to make a new claim to benefit. In some circumstances a lone parent may be able to get their benefit backdated to the day after their IS entitlement ended if a Decision Maker considers that it was not reasonable for the lone parent to make the claim sooner.

6. ISSUES THAT ARISE AS A RESULT OF INCOME SUPPORT ENDING FOR LONE PARENTS

Claiming Child Tax Credits (CTC)

- 6.1 As a result of ending existing lone parents entitlement to IS, those lone parents who currently receive Child Dependency Increases within IS will no longer be able to do so when they claim JSA or ESA. Jobcentre Plus have agreed with Her Majesty's Revenue and Customs (HMRC) to encourage lone parents to voluntarily make a claim for CTC before November 2008 and we will support them in doing so as part of the Options & Choices Events and mandatory WFIs from April 2008. We will replicate and improve the process for Phase 2 and 3.
- 6.2 We estimate that the numbers of lone parents who do not currently receive CTC are about 75,500 in Phase 1, 45,000 in Phase 2 and 73,000 in Phase 3. We are in discussion with HMRC about the claims process and how we will ensure that all claims for CTC are made by those who need to make one and that the claim is processed and CTC

awarded and in payment prior to IS ceasing.

- 6.3 A number of issues arise as a result of CTC claims. These include:
- shared-care cases where a separated partner may already be receiving CTC for a child for whom a lone parent also receives a Child Dependency Increase as part of their IS. We estimate that there are about 6,500 cases in total;
 - lone parents who will be better off following a claim for CTC but Housing Benefit/Council Tax Benefit then need to be assessed on a low income basis rather than automatic entitlement; and
 - how we deal with lone parents who fail or refuse to claim CTC before their IS ends.

Payment Alignment

- 6.4 When a lone parent's entitlement to IS ends and they make a claim for JSA or ESA their entitlement will be continuous, assuming their claim takes effect as soon as their entitlement to IS ends. However, IS is paid weekly in arrears whereas JSA and ESA are paid fortnightly in arrears.
- 6.5 Jobcentre Plus will provide early advice to lone parents on the changes and will encourage them to prepare for the change in payment cycles. However, Jobcentre Plus want to help those existing lone parents in Phase 1 who are unable to do so and who require additional financial support as a result of the change.
- 6.6 For other groups, including lone parents in Phases 2 and 3, facing a payment gap due to the payday and periodicity (**see paragraphs 6.10 to 6.11 below**) changes we are issuing an advance that will be off-set over the subsequent 12 week period. These arrangements are reliant on future regulations and system changes.
- 6.7 However, Jobcentre Plus will provide a similar service from February 2009 when IS is due to end for Phase 1 lone parent customers. Jobcentre Plus will set up a separate and simplified claims process for Crisis Loans in these cases, aimed at making the customer experience as smooth as possible. If eligible, customers will receive a loan for living expenses, called a 'lone parent transition loan'.
- 6.8 Jobcentre Plus plan to gather most of the relevant information at the interview 6 weeks before the lone parent's IS is due to end. At this point Jobcentre Plus will calculate their payment requirement and store their application until their IS does end. Before releasing the payment, a Decision Maker will contact the lone parent to make sure they have gone on to claim either JSA or ESA and ask about any relevant changes since they completed their application. In deciding whether a payment is due and at what level, account will be taken of the

individual's circumstances as well as other income and savings that may be available.

- 6.9 If a lone parent has reached the maximum loan amount, a community care grant will be considered.
- 6.10 Jobcentre Plus will use existing Social Fund recovery mechanisms to recover the loan.

Periodicity changes

- 6.11 From April 2009, the Government plans to move people in receipt of most working age benefits/allowances to be paid fortnightly in arrears instead of a mixture of weekly in advance, weekly in arrears and fortnightly in arrears. At the same time, these benefits will be paid on a common pay week-ending day linked to the National Insurance number. Conversion activity is being planned to help support the movement of lone parents to fortnightly payments prior to moving to either JSA or ESA in advance of Phases 2 and 3. Legislative changes will be required to support the change and these will be presented to SSAC later this year.
- 6.12 From April 2009 to help minimise the impact on customers during the transition from weekly to fortnightly payments, it is proposed there will be an option for customers to request, in advance of their first pay day, a one-off, payment of 75% of their weekly benefit. It is proposed that this payment would be repayable over a 12 week period.

Full-time Students and Lone Parents on New Deal for Lone Parents (NDLP)

- 6.13 The Government proposes to amend Regulations to provide for transitional protection for some existing lone parents who are in receipt of IS but are also undertaking a course of full-time study. The proposed Regulations also provide transitional protection for some lone parents who are currently undertaking a full-time course on NDLP or on an approved training scheme which meets the aims of NDLP.
- 6.14 The lone parents to whom the Government proposes to apply these arrangements are those who are entitled to IS and who are either full-time students or undertaking a full-time course on NDLP or as part of an approved scheme immediately before the date the proposed changes in entitlement for lone parents take effect in the case of new/repeat customers. We propose that lone parents in these circumstances will remain entitled to IS whilst undertaking their full-time course, or until their youngest child reaches the relevant age in force at the time they started the course, whichever happens first.

Transition to Employment Support Allowance (ESA)

- 6.15 There are around 25,000 lone parents who are receiving a disability premium (£25.85 weekly) and receive IS solely on the grounds of being a lone parent and have not made a claim on incapacity grounds.
- 6.16 If these lone parents make a claim for ESA following the introduction of these draft Regulations they will receive a lower amount of benefit than they do on IS as ESA does not provide for a disability premium to be paid.
- 6.17 In order to prevent this loss of benefit Jobcentre Plus, plan, prior to ESA being introduced in October 2008, to identify and contact lone parents affected to make them aware of the situation and invite them to claim IS on the grounds of incapacity where this is appropriate. This will ensure that all affected lone parents have the opportunity to qualify for IS on incapacity grounds and therefore remain on IS when changes are introduced.
- 6.18 Where a lone parent does not make a claim on the grounds of incapacity and they make a claim for ESA, they risk receiving a lower amount of benefit during the 13 week Assessment Phase and could be £25.85 a week worse during this period. From week 14 the work-related component, £24.00 a week, will apply.
- 6.19 The proposals for Regulations waive the ESA Assessment Phase for these lone parents in receipt of the disability premium on grounds other than incapacity. This would mean that where they claim after 24 November 2008 they would receive the higher rate of benefit immediately, rather than them having to wait 13 weeks at the Assessment Phase rate. This means they will have £1.85 reduction in their payment. It is recognised that these lone parents will experience a small drop in benefit however it should also be recognised that we will have contacted these individuals and made them fully aware of the financial position and gave them the opportunity to change their IS claim which would have protected their income.

Passporting Benefits

- 6.20 The move from IS to JSA or ESA will be treated as a change of circumstances for HB and CTB purposes and there should, therefore, be no interruption to the entitlement or payment of these benefits.
- 6.21 The existing process for IS customers moving to JSA enables a new JSA claim to be treated as a change of circumstances by a Local Authority (LA) and payments of HB/CTB are not interrupted. The same arrangements will be put in place to ensure IS customers moving to ESA continue to receive HB and CTB without interruption.

Housing Costs

- 6.22 If a new claim to JSA (Income-Based) is made and IS was in payment within the previous 12 weeks, the Jobseeker's Allowance Payment System will automatically:
- link the housing costs of the two claims; and
 - bring forward the previous qualifying date.
- 6.23 Consequently, if a customer has only been on IS a short period, their IS claim period will count towards their qualifying date. Or, if housing costs were already being met, eligible housing costs can be carried forward. This will also apply to ESA.

Deductions

- 6.24 Where a lone parent has deductions in place from there is, we will arrange for these to continue when the new benefit is granted.

7. HOW JOBCENTRE PLUS WILL DELIVER THE CHANGES FROM NOVEMBER 2008

Impact on Jobcentre Plus Resourcing

- 7.1 These proposed new measures do not change the current Jobcentre Plus processes for managing customers on IS, JSA or ESA. Jobcentre Plus staff are already fully trained and equipped to support customers in these situations. However, there will be a need to ensure that staff are aware of the impact of any changes on lone parents, the existing and additional flexibilities within the JSA regime and to ensure they support parents on JSA.
- 7.2 The intended phased implementation and gradual move of lone parents from IS to JSA or ESA from February 2009 means that the initial impact, from November 2008, on JSA and ESA new claims activity will only result from new and repeat claims. These are estimated to be approximately 1,950 JSA and 710 ESA monthly nationally. **Annex 4** provides details of the total number of lone parents in each Jobcentre Plus District, the number with children aged 7 and over and the numbers impacted by each phase. In phase 1 the number of lone parents we would need to contact over a 6 month period varies from 630 in Cumbria to 5,530 in North and North East London.
- 7.3 This phased and gradual approach would enable Jobcentre Plus to take account of other changes being introduced in October 2008 and

help us to ensure that there are no adverse impacts on the availability of training resources or the capacity of Jobcentre Plus to implement and manage a range of changes. We will also ensure that staff are aware of the changes to JSA will apply to all parents.

- 7.4 The proposed change will impact on Jobcentre Plus operations and, therefore, staff will require additional awareness training and guidance to implement the change. There will be an increased need for FJR staff to deal with fortnightly attendance and a move of lone parent Advisers to support lone parents on JSA. There will also be an increased staff requirement to implement the change for existing lone parent customers.
- 7.5 There will also be an increase in IB Advisers to conduct initial WFIs in Provider Led Pathways Districts and initial and subsequent WFIs in Jobcentre Plus Pathways Districts and moves of processing staff from IS to JSA and ESA.
- 7.6 Staff numbers are shown in the table below. We anticipate a slight increase in 2008/09 but substantial increases in the two subsequent years primarily due to the increases in QWFIs. (These are indicative figures due to finalising the process).

	2008/2009	2009/2010	2010/2011
Band B	71	295	351
Band C	-57	-35	-140
Band D	-5	-3	-12
Total	9	257	199

- 7.7 There will also be an impact on our estate and the number of customers referred to Pathways providers and ATOS Healthcare for Work Capability Tests.

Communicating the changes to Jobcentre Plus staff

- 7.8 We have a comprehensive internal communications plan which includes awareness raising through channels like a Managers' Update Special on child poverty, messages in the forthcoming 'Looking Ahead' campaign, and articles in the Jobcentre Plus internal magazine, alongside operational awareness raising and operational guidance.

Role of the Advisers

- 7.9 Advisers will be central to the successful delivery of these changes from November 2008. The majority of Advisers already have experience of working with both JSA and lone parent customers. For those who do not, Jobcentre Plus will ensure they receive appropriate training and guidance to support them through the changes and ensure

they have the relevant skills to provide effective and efficient support to lone parent customers in their journey into paid work.

Role of the Fortnightly Jobsearch Review Officers (FJR)

- 7.10 FJR officers will receive appropriate training and guidance to support them through these changes and ensure they apply the flexibilities in the JSA regime. So, for example, referring a lone parent to an appropriate Adviser if they want to change their JSAG, or where a lone parent FTA to confirm their availability and jobsearch activity, the FJR officer will take the appropriate action to advise lone parents within five days of the requirement to attend as soon as possible (paragraph 4.38 refers).

Learning and development for all staff

- 7.11 The gradual increase in workloads referred to above will enable us to recruit and train any additional staff and move and train existing staff in a measured and controlled way rather than needing to train large numbers of staff all at the same time.
- 7.12 We propose that all staff (including Advisers, Benefit processing staff, Administrative Support Officers, FJR staff, Advisory Service Managers, Decision Makers, and Contact Centre Staff) will receive awareness training in the lead up to November 2008 to ensure any changes are delivered successfully. Those Advisers who will deliver the voluntary interview six weeks before IS ends will have additional awareness training and a desk aide to support them.
- 7.13 We do not envisage all staff receiving specific training before November 2008 other than some up skilling in the additional flexibilities proposed for all parents in receipt of JSA and for those impacted immediately by the changes in line with the gradual move on to JSA or ESA, commencing with new and repeat claims from November and then for existing customers from February 2009 for Phase 1. Some benefit processing staff will need specific Learning and Development to enable them to process JSA or ESA claims from November 2008.
- 7.14 In addition Advisers, FJROs and Decision Making staff will be trained and encouraged to apply the flexibilities in the JSA regime to support lone parents as they make their transition to JSA. For those Advisers who do not currently work with lone parents we will ensure that they receive additional training via the existing "Adviser Learning Routeway". We will also provide specific training on JSAG completion for Advisers who do not currently work with JSA customers. Existing training material will be updated to take account of the changes introduced by the proposals for Regulations.

- 7.15 As we have already stated, available and appropriate childcare is crucial in supporting lone parents to move off benefit and nearer to the labour market. We have therefore taken steps to improve the training and development received by Advisers in relation to childcare and will ensure that in the operational year 2008/2009, all Advisers and FJR Officers, not just NDLP advisers, help parents overcome childcare barriers. **See Annex 9** for information about childcare training and Childcare Discussions.

Guidance to support the changes

- 7.16 We propose to produce **new** guidance for all staff affected by these changes. There will be specific modules on the additional flexibilities around taking up and actively seeking employment, availability for employment, the process for the application of sanctions, JSA hardship and the introduction of QWFIs. Throughout the guidance we will ensure there will be consistent strong messages to ensure all staff are focused on being family friendly and sensitive to the parent's needs.
- 7.17 We also intend to strengthen **existing** guidance. In particular we will be reviewing the existing guidance on JSA Good Cause and JSA Just Cause for both Advisers and Decision Makers. We will ensure that there will be strong messages around the issue of affordable and appropriate childcare with an emphasis on the need for the Adviser to take proper account of lone parent's and parent's views as to whether the childcare is appropriate. Existing guidance will also be strengthened to ensure Jobcentre Plus staff consider postal status for those lone parents who meet the criteria.
- 7.18 We propose to strengthen existing guidance around the circumstances where DLA has been claimed and entitlement established but not yet in payment for some lone parents. The guidance will state the importance of promoting DLA for children at WFIs and at the voluntary interview six weeks before IS ends.
- 7.19 Draft copies of the relevant staff guidance will be available to the Committee from August if they wish to see it.

Costs and Benefits

- 7.20 These measures will cost £59.741m over the period 2008/2009 to 2010/2011. This does not include implementation costs which will be around £9m. Benefits have been estimated as:
- £200 - £400m over the period 2008 to 2011;
 - a net reduction in the number of lone parents on out of work benefits of 100,000 by 2011, rising to around 140,000 from 2013 onwards; and

- contributing towards reduction in approximately 70,000 children living in poverty.

Annexes 4 and 5 provide details of the impact of these measures on the number of customers on IS, JSA and ESA and the assumptions that underpin the benefits.

Evaluation

- 7.21 A full multi-method evaluation of the change will be undertaken. This will include an impact assessment and cost benefit study as well as qualitative depth interviews with customers and staff and a quantitative social survey in order to determine the effects of the new regime on outcomes for lone parents and to assess how the changes have impacted on the lives of those affected.
- 7.22 Increased obligations necessitate a change in the attitudes and beliefs of Advisers and customers, about the appropriateness of lone parents working. For this reason, the evaluation will look at the whole chain of delivery to see how these key messages are being communicated to staff and customers and to evaluate the effects of the change from inactive to active benefits for the different cohorts of customers.
- 7.23 Evaluation will track lone parents before and after changes to their entitlement to IS take place. The research will include examination of the appropriateness of the Support Package as well as the effect of the changes to Lone Parent obligations. Findings from administrative data analysis including analysis of customer characteristics and destinations will be followed up with a longitudinal social research survey of customers and staff in order to explain findings over time.
- 7.24 Evaluation of the Support Package will include, examination of the implementation and delivery of initial Options and Choices Events to inform roll out. Thereafter, the longer term effects of the events on lone parent behaviours will be examined. The introduction of QWFIs will be evaluated, as well as Extended Work Trials, Guaranteed Job Interviews and the roll out of In Work Credit and in other elements of in work support. Key questions will include:
- is the support package effective?;
 - what are the anticipatory effects of the impending withdrawal of entitlement to Income Support?; and
 - is a transition package needed/helpful?
- 7.25 For the changes to lone parent obligations the key evaluation questions include:
- what are the estimated impacts on work and benefit outcomes for lone parents?;

- are appropriate safeguards put in place to protect vulnerable customers?;
 - how has the behaviour of lone parents been affected by changes to benefit entitlement?; and
 - how do lone parents cope with the different requirements of the JSA regime?
- 7.26 The evaluation will assess the lone parent journey through the regime, including behaviour around transition points.

8. DIVERSITY AND EQUALITY IMPACT

- 8.1 In equality terms, the proposed change will apply to lone parent customers who are able to work, regardless of race, disability or gender. The policy, and subsequent proposed changes, to Lone Parent Obligations as per the Command Paper “*Ready for work: full employment in our generation*” were developed for the change that will effect lone parents who are in receipt of IS solely on the grounds being a lone parent. Lone parents with a child in receipt of middle or higher rate DLA, or who are Carers or who themselves have a health condition or disability which prevents them from working will continue to be entitled to IS. As such we will not discriminate against this group of customers on the basis of their disability or if they have a child with a disability that results entitlement to middle or higher care component rate of DLA.
- 8.2 We consider that the Disability Equality Duty has been discharged although a full Diversity Impact Assessment, including the impact on staff within Jobcentre Plus, will be completed prior to the changes being introduced. A copy of the Diversity Impact Assessment for this change is attached at **Annex 3**. This has been updated since its publication in December 2007 and includes the changes to JSA regulations that affect all parents. (*Reference: - Ready for Work: full employment in our generation Impact Assessment DWP Dec 2007*).

9 CHILD POVERTY IMPACT

- 9.1 The Impact Assessment accompanying “Ready for Work: Full Employment in Our Generation” estimated that under necessarily uncertain but cautious assumptions, over the long-run (from around 2013 onwards) these proposals will lead to a reduction in child poverty of approximately 70 thousand. This is based on previous analysis showing how many children are lifted out of poverty (on average) with increases in lone parent employment. **Annex 5** provides details of the impact on Benefit Loads as a result of this change and assumptions that underpin the Child Poverty Impact.

10. COMPLEXITY/SIMPLIFICATION IMPACT

- 10.1 The removal of eligibility to IS for relevant lone parents from 24 November 2008 should have a small impact on the complexity of the benefits system. These changes remove entitlement to one benefit (IS) but allow lone parents to claim JSA or ESA as appropriate.
- 10.2 The introduction of additional flexibilities with the JSA regime will also have a small impact on the complexity of the benefits system.
- 10.3 The proposed measures to introduce QWFIs only increase the frequency of existing interviews. The existing procedures for arranging and conducting further WFIs will be extended to accommodate the more frequent interviews.
- 10.4 We have set out about how we plan to keep the revised arrangements as simple as possible for our customers and staff. As such, there is no adverse impact on the complexity of the benefits system and its operation (*with reference to the Department's April 2006 guidance "Simplification: A Guide to Best Practice"*).

11. RURAL IMPACT

- 11.1 There will be an increased requirement on lone parents living in rural areas to attend fortnightly review interviews in order to meet the conditions of continued entitlement for JSA. However, current provisions reduce the need to travel by using postal arrangements. Customers are offered postal status if:
- they live more than one hour, door to door, by public transport, in either direction, from the nearest jobcentre; or
 - attendance would result in an absence from home in excess of 4 hours; or
 - they have a mental or physical disability, which restricts their mobility.
- 11.2 If no public transport is available, postal status is determined by whether or not the customer can reasonably be expected to walk from home to the jobcentre, within one hour. Customers must not be asked to walk more than 3 miles. This will depend on things like their age, health and the terrain over which they must walk. Guidance will be amended so that postal lodgement will also be offered if, for example, a parent is unable to secure appropriate childcare to cover their attendance.
- 11.3 There will also be an increased requirement to attend additional WFIs. We already provide a much more flexible system for lone parent customers to be able to consult with Advisers around the timing and

place of their mandatory WFIs, so for example there are already provisions available for lone parents to have their WFI at a location that is more convenient to them, if it is unreasonable for them to attend a WFI in their local office.

12. THE DRAFT SOCIAL SECURITY (LONE PARENTS AND MISCELLANEOUS AMENDMENTS) REGULATIONS 2008

12.1 These draft Regulations will:

- amend The Income Support (General) Regulations 1987 (SI Reference 1987/1967), starting in November 2008, lone parents with a youngest child aged at least 12 will no longer be entitled to Income Support (IS) solely on the grounds of being a lone parent and from October 2009 when their youngest child reaches age 10 and from October 2010 when their youngest child reaches age 7;
- introduce changes to The Jobseeker's Allowance Regulations 1996 (SI Reference 1996/207) Regulations so that Jobcentre Plus staff must consider the availability and suitability of child care and certain child care expenses when determining whether a person with caring responsibilities for a child had just cause for leaving employment or had good cause for failing to take up paid employment or to comply with a jobseeker's direction;
- amend The Employment and Support Allowance Regulations 2008 (SI Reference 2008/794) so that lone parents previously on IS with the disability premium do not have to serve the ESA assessment phase and will receive the work-related activity component from the start of their ESA claim;
- amend JSA Regulations so that Jobcentre Plus staff will have additional flexibilities to enable parents to be treated as available for, or actively seeking, work in certain circumstances;
- introduce transitional arrangements for certain existing lone parents on IS who are also full-time students, completing a full-time course on New Deal for Lone Parents (NDLP) or participating in an approved scheme to continue to claim IS for a limited period;
- amend the existing JSA hardship regime to include lone parents as a vulnerable group; and
- introduce mandatory quarterly work-focused interviews (QWFIs) for lone parents in the last year of their eligibility for IS.

A copy of the draft Regulations are attached at **Annex 1**.

The Draft Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008

Draft Regulations laid before Parliament under section 37(2) of the Jobseekers Act 1995, for approval by resolution of each House of Parliament.

STATUTORY INSTRUMENTS

2008 No.

SOCIAL SECURITY

The Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008

Made - - - - - ***

Laid before Parliament ***

Coming into force in accordance with regulation 1(2) to (15)

A draft of these Regulations was laid before Parliament in accordance with section 37(2) of the Jobseekers Act 1995⁽¹²⁾ and approved by a resolution of each House of Parliament.

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 123(1)(a), 124(1)(e), 137(1), and 175(1) to (4) of the Social Security Contributions and Benefits Act 1992⁽¹³⁾, sections 6(2) and (4), 7(4), 8(2)(d)(ii), 19(8)(a), 20(4), 21, 35(1), 36(2) and (4) of, and paragraphs 8, 10(1)(a) and (2)(a) of Schedule 1 to, the Jobseekers Act 1995⁽¹⁴⁾, sections 2A, 2B, 189(1), (4) to (6) and (7A) and 191 of the Social Security

⁽¹²⁾ 1995 c. 18.

⁽¹³⁾ 1992 c. 4. Section 124(1)(e) was inserted by the Jobseekers Act 1995, section 4194), Schedule 2, and was amended by the State Pension Credit Act 2002 (c. 16), section 21, Schedule 3; section 137(1) is an interpretation provision and is cited because of the meaning given to the word "prescribed"; section 175(1) and (4) was amended by section 2 of, and paragraph 29(1) and (2) of Schedule 3 to, the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2).

⁽¹⁴⁾ Section 20(4) was amended by the Welfare Reform and Pensions Act 1999 (c. 30), section 70, Sch 8, Pt V, para 29(1), (5); section 36(4) was amended by the Social Security Contributions (Transfer of Functions) Act 1999 (c. 2), section 2, Schedule 3, paragraph 63; section 35(1) is an interpretation provision and is cited because of the meaning it gives to the word "prescribed".

Administration Act 1992⁽¹⁵⁾, sections 2(4)(a), 4(6)(a) and 24(1) of the Welfare Reform Act 2007⁽¹⁶⁾.

[The Social Security Advisory Committee has agreed that proposals in respect of these Regulations should not be referred to it⁽¹⁷⁾.]

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008.

(2) These Regulations shall come into force as follows.

(3) This regulation, regulations 2(1), 3, 4(1), 4(2)(a), (b) and (3), 5(1), (2), (5) to (8), 6, 7 and, subject to paragraph (5) and to regulation 7(2), regulation 2(2), shall come into force on the day after the day on which these Regulations are made.

(4) Paragraph (5) applies in relation to a lone parent if —

- (a) immediately before the relevant day he was a lone parent and was entitled to income support;
- (b) he has since remained continuously entitled to that benefit;
- (c) paragraphs 2 to 28 of Schedule 1B of the Income Support Regulations (prescribed categories of person) do not apply to him; and
- (d) he is responsible for and living in the same household as—
 - (i) a single child whose 12th birthday occurs before 9th February 2009, or
 - (ii) more than one child where the 12th birthday of the youngest child occurs before that date.

(5) In the case of a lone parent to whom this paragraph applies, unless regulation 7(5) applies to his case, regulation 2(2) shall come into force on the first day of the benefit week for that claimant which ends immediately before the first day of the benefit week in which a requirement to take part in an interview would apart from this paragraph have next arisen in relation to him on or after 9th February 2009.

(6) Regulations 4(2)(c), 5(3), and subject to paragraph (8), regulation 2(3), shall come into force on 26th October 2009.

(7) Paragraph (8) applies in relation to a lone parent if—

- (a) immediately before the 26th October 2009 he was a lone parent and was entitled to income support;
- (b) he has since remained continuously entitled to that benefit;
- (c) paragraphs 2 to 28 of Schedule 1B of the Income Support Regulations do not apply to him; and
- (d) he is responsible for and living in the same household—
 - (i) as a single child whose 10th birthday occurs before 26th October 2009, or
 - (ii) more than one child where the 10th birthday of the youngest child occurs before that date.

⁽¹⁵⁾ 1992 c.5 (“the 1992 Act”). Sections 2A and 2B were inserted by section 57 of the Welfare Reform and Pensions Act 1999 (c.30) (“the 1999 Act”). Section 2A(2) was amended by S.I. 2002/1457; section 189(1) and (4) to (6) was amended by paragraph 109 of Schedule 7 to the Social Security Act 1998 (c.14); section 189(1) was amended by paragraph 57(2) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c.2) and Schedule 6 to the Tax Credits Act 2002 (c.21); section 189(7A) was inserted by paragraph 82 of Schedule 12 to the 1999 Act; section 191 is cited because of the meaning it gives to the word “prescribe”.

⁽¹⁶⁾ 2007 c. 5. Section 24(1) is cited for the meaning of “prescribed” and “regulations”.

⁽¹⁷⁾ See section 173(1)(b) of the 1992 Act.

(8) In the case of a lone parent to whom this paragraph applies, unless regulation 7(5) applies to his case, regulation 2(3) shall come into force at the times set out in paragraphs (9) and (10).

(9) It comes into force on the first day of the benefit week to commence for that claimant 13 weeks after the first day of the benefit week in which he—

- (a) last took part,
- (b) last failed to take part, or
- (c) was last treated as having taken part

in an interview before 26th October 2009.

(10) Where a lone parent does not fall within paragraph (9), it comes into force on the first day of the benefit week to commence for that claimant 13 weeks after the first day of the benefit week in which he—

- (a) last took part,
- (b) last failed to take part, or
- (c) was last treated as having taken part

in a first interview on or after 26th October 2009.

(11) Regulations 4(2)(d), 5(4), and subject to paragraph (13), regulation 2(4) shall come into force on 25th October 2010.

(12) Paragraph (13) applies in relation to a lone parent if —

- (a) immediately before the 25th October 2010 he was a lone parent and was entitled to income support;
- (b) he has since remained continuously entitled to that benefit;
- (c) paragraphs 2 to 28 of Schedule 1B of the Income Support Regulations do not apply to him; and
- (d) he is responsible for and living in the same household as—
 - (i) a single child whose 7th birthday occurs before 25th October 2010, or
 - (ii) more than one child where the 7th birthday of the youngest child occurs before that date.

(13) In the case of a lone parent to whom this paragraph applies, unless regulation 7(5) applies to his case, regulation 2(4) shall come into force at the times set out in paragraphs (14) and (15).

(14) It comes into force on the first day of the benefit week to commence for that claimant 13 weeks after the first day of the benefit week in which he—

- (a) last took part,
- (b) last failed to take part, or
- (c) was last treated as having taken part

in an interview before 25th October 2010.

(15) Where a lone parent does not fall within paragraph (14), it comes into force on the first day of the benefit week to commence for that claimant 13 weeks after the first day of the benefit week in which he first—

- (a) took part,
- (b) failed to take part, or
- (c) was last treated as having taken part

in an interview.

(16) In these Regulations—

for the purposes of this regulation and regulation 7, “benefit week”, “claimant” and “lone parent” each have the same meaning as in regulation 2(1) of the Income Support Regulations; “child” means a person under the age of 16.

“the Income Support Regulations” means the Income Support (General) Regulations 1987⁽¹⁸⁾;
“interview” means a work-focused interview conducted in accordance with regulations made under section 2A(1)(a) of the Social Security Administration Act 1992.
“the Jobseeker’s Allowance Regulations” means the Jobseeker’s Allowance Regulations 1996⁽¹⁹⁾;
“the Jobcentre Plus Regulations” means the Social Security (Jobcentre Plus Interviews) Regulations 2002⁽²⁰⁾;
“the Lone Parents Regulations” means the Social Security (Work-focused Interviews for Lone Parents) and Miscellaneous Amendments Regulations 2000⁽²¹⁾;
“the relevant day” means the day after the day on which these Regulations are made.

Amendment of the Income Support Regulations

2.—(1) Schedule 1B (prescribed categories of person)⁽²²⁾ to the Income Support Regulations is amended as follows.

(2) For paragraph 1, substitute—

“Lone Parents

1. A person who is a lone parent and who is responsible for and living in the same household as—

- (a) a single child aged under 12, or
- (b) more than one child where the youngest is aged under 12.”.

(3) In paragraph 1, as substituted by paragraph (2) of this regulation for “12” in both places substitute “10”.

(4) For paragraph 1, as amended by paragraph (3) of this regulation for “10” in both places substitute “7”.

Amendment of the Jobseeker’s Allowance Regulations

3.—(1) The Jobseeker’s Allowance Regulations 1996 are amended as follows.

(2) In regulation 5 (exception to requirement for certain people to be available immediately)—

(a) in paragraph (1)(b) after “caring responsibilities”, insert “other than in relation to a child”.

(b) after paragraph (1), insert—

“(1A) In order to be regarded as available for employment, a person who has caring responsibilities in relation to a child is not required to take up employment or attend for interview within the periods referred to in paragraph (1) if those responsibilities make it unreasonable for him to do so, providing he is willing and able—

- (a) to take up employment on being given 28 days notice; and
- (b) to attend for interview in connection with the opportunity of any such employment on being given 7 days notice.

(1B) For the purposes of paragraph (1A), it is for the claimant to show that it is unreasonable for him to take up employment or attend for interview within the periods referred to in paragraph (1). ”.

⁽¹⁸⁾ S.I. 1987/1967.

⁽¹⁹⁾ S.I. 1996/207.

⁽²⁰⁾ S.I. 2002/1703.

⁽²¹⁾ S.I. 2000/1926.

⁽²²⁾ Schedule 1B was inserted by S.I. 2006/1996, regulation 22, Schedule 1.

- (c) in paragraph (5)—
 - (i) for “(1) or (2)” substitute “(1), (1A) or (2)”; and
 - (ii) omit “one week, 48 hour and 24 hour”.
- (3) In regulation 6 (employment of at least 40 hours per week) for “(3) or (4)” in both places, substitute “(3), (3A) or (4)”.
- (4) In regulation 8 (other restrictions on availability) for “13(2), (3), or (4)”, substitute “13(2), (3), (3A) or (4)”.
- (5) In regulation 11(1) (part-time students)—
 - (a) in sub-paragraph (b) for “13(3) or (4)” substitute “13(3), (3A) or (4)”; and
 - (b) for (1), (2) or (3) substitute (1), (1A), (2) or (3)”.
- (6) In regulation 12(1)(a) (volunteers) for “13(3) or (4)”, substitute “13(3), (3A) or (4)”.
- (7) In regulation 13 (additional restrictions on availability for certain groups)—
 - (a) in paragraph (2), for “(3) or (4)” substitute “(3), (3A) or (4)”; and
 - (b) after paragraph (3) insert—
 - “(3A) A person who has caring responsibilities in relation to a child and who—
 - (a) is the subject of a parenting order concerning that child made under section 8 of the Crime and Disorder Act 1998⁽²³⁾, or
 - (b) has entered into a parenting contract concerning that child made under section 19 of the Anti-social Behaviour Act 2003⁽²⁴⁾
- may restrict his availability in any way providing the restrictions are reasonable in the light of the terms of the order or contract.”;
- (c) after paragraph (5), insert—
 - “(6) A person with caring responsibilities in relation to a child falls within this paragraph if an employment officer determines that due to the type and number of employment vacancies within daily travelling distance of the person’s home he would not satisfy the condition in paragraph (4)(b).
 - (7) Paragraph (4) shall have effect in relation to a person to whom paragraph (6) applies as if sub-paragraph (b) were omitted. ”.
- (8) In regulation 14 (circumstances in which a person is to be treated as available)—
 - (a) after sub-paragraph (1)(s), add—
 - “(t) he is looking after a child for whom he has caring responsibilities during the child’s school holidays or another similar vacation period and it would be unreasonable for him to make other arrangements for the care of that child;
 - (u) he is looking after a child for whom he has caring responsibilities at a time when the child—
 - (i) is excluded from school or another educational establishment, and
 - (ii) is not receiving education pursuant to arrangements made by a local education authority or (in Scotland) an education authority, and
 - there are no other arrangements for the care of that child it would be reasonable for him to make”;
 - (b) in paragraph (2) at the beginning, insert “subject to paragraph (2ZA)”;
 - (c) after paragraph (2), insert—
 - “(2ZA) A person who has caring responsibilities in relation to a child may be treated as available for employment for more than one week, but for no more than 8 weeks, on the occurrence of any of the circumstances set out in paragraph (2)(a) or (b), or any

⁽²³⁾ 1998 c. 37.

⁽²⁴⁾ 2003 c.38.

combination of those circumstances, but on no more than one occasion in any 12 month period.

(2ZB) Where a claimant is treated as available for employment under paragraph (2ZA), that period shall count towards the maximum number of periods allowable under paragraph (2). ”; and

(d) in paragraph (2A) in both places it appears for “13(3) or (4)”, substitute “13(3), (3A) or (4).

(9) In regulation 17(1) (laid-off and short-time workers) for “(1) and (2)” substitute (1), (1A) or (2)”.

(10) In regulation 19(1)(o) (circumstances in which a person is to be treated as actively seeking employment) for “14(2)”, substitute “14(2) or (2ZA)”.

(11) In regulation 30 (circumstances in which a claimant is to be regarded as having good cause under regulation 23 or 23A)—

(a) after paragraph (a) insert—

“(aa) where, if regulation 5(1A) applies in his case, he was required to attend at a time less than 7 days from receipt by him of the notification.”;

(b) in sub-paragraph (c) for after “(r) or (s) or 14(2)” substitute “(r) to (u) or 14(2) or (2ZA)”.

(12) In regulation 72 (good cause for the purposes of section 19(5)(a) and 6(c) and (d))—

(a) at the end of paragraph (2)(f) insert—

“(g) any child care expenses which were, or would be, necessarily incurred by the person as a result of his being in the employment or of carrying out the jobseeker's direction if those expenses did, or would, represent an unreasonably high proportion of—

(i) in the case of employment, the remuneration which it is reasonable to expect that he would derive from that employment; or

(ii) in any other case, the income which he received, or would receive, while carrying out the jobseeker's direction.”.

(b) in paragraph (3), after “(2)(f)” insert “and (g)”;

(c) in paragraph (6)(a), after “(2)(f)” insert “or (g)”;

(d) after paragraph (2) insert—

“(2A) For the purposes of paragraph (2)(d), where the person has caring responsibilities in relation to a child, in considering whether those responsibilities would, or did, make it unreasonable for him to undertake a particular employment or carry out the jobseeker's direction, regard shall be had, in particular, to the following matters—

(i) child care would not be, or was not, reasonably available to him or,

(ii) if it would be, or it was, available, it would be, or was, unsuitable due to his particular needs or those of the child.” .

(13) After regulation 73 (good cause for the purposes of section 19(5)(b)) insert—

“Just cause for the purpose of section 19(6)(b) and 20A(2)(e)

73A.—(1) This regulation applies for the purposes of section 19 (circumstances in which a jobseeker's allowance is not payable) and section 20A (denial or reduction of joint-claim jobseeker's allowance).

(2) In determining whether a person has just cause for any act or omission for the purposes of section 19(6)(b) and section 20A(2)(e) the matters which are to be taken into account shall include the following—

(a) any caring responsibilities for a child which made it unreasonable for the person to remain in his employment;

(b) any child care expenses which were necessarily incurred by the person as a result of his being in the employment if those expenses represented an unreasonably high proportion of the remuneration which he derived from the employment.

(3) For the purposes of paragraph (2)(a), in considering whether the caring responsibilities would, or did, make it unreasonable for the person to undertake a particular employment or carry out the jobseeker's direction, regard shall be had, in particular, to the following matters—

- (a) child care would not be, or was not, reasonably available to him or,
- (b) if it would be, or it was, available, it would be, or was, unsuitable due to his particular needs or those of the child.

(4) For the purposes of paragraph (2)(b), in considering whether child care costs did represent an unreasonably high proportion of remuneration, the principle shall apply that the greater the level of remuneration or income the higher the proportion thereof which it is reasonable should be represented by such costs.”.

(14) In regulation 140(1)(b) (meaning of “person in hardship”) for “young person” in both places it appears, substitute “child or young person”.

Amendment of the Lone Parents Regulations

4.—(1) Subject to regulation 7(4) and (7), the Lone Parents Regulations are amended as follows.

(2) In regulation 2A (requirement for specified lone parents to take part in an interview)⁽²⁵⁾—

(a) for paragraph (1), substitute—

“(1) In this regulation, “specified lone parent” means a lone parent who falls within paragraph (1A) or (1B).”.

(b) after paragraph (1) insert—

“(1A) A lone parent falls within this paragraph if—

- (a) he is entitled to income support and is a person to whom paragraph 1 (lone parents) of Schedule 1B to the Income Support (General) Regulations 1987 applies;
- (b) no other paragraph of that Schedule applies to him; and
- (c) he is responsible for and living in the same household as—
 - (i) a single child aged 9, 10 or 11, or
 - (ii) more than one child where the youngest is aged 9, 10 or 11.

(1B) A lone parent falls within this paragraph if—

- (a) he is responsible for and living in the same household as—
 - (i) a single child aged 14 or 15, or
 - (ii) more than one child where the youngest child is aged 14 or 15, and
- (b) has been continuously entitled for at least 12 months to income support other than—
 - (i) income support where paragraph 7 (persons incapable of work) of Schedule 1B to the Income Support (General) Regulations 1987 applies, or
 - (ii) income support where paragraph 24 or 25 (persons appealing against a decision which embodies a determination that they are not incapable of work) of Schedule 1B to the Income Support (General) Regulations 1987 applies.”.

(c) in paragraph (1A)(b), as inserted by paragraph (2)(b) of this regulation, for “9, 10 or 11” in both places it appears, substitute “6, 7, 8, or 9”; and

(d) in paragraph (1A)(b), as amended by paragraph (2)(c) of this regulation, for “6, 7 8 or 9” in both places it appears, substitute “6”.

⁽²⁵⁾ Regulation 2A was inserted by S.I. 2005/2727.

(3) In regulation 2B(3) (requirement for certain lone parents in certain areas to take part in an interview)⁽²⁶⁾, after “regulation 2” insert “or 2A”.

Amendment of the Jobcentre Plus Regulations

5.—(1) Subject to regulation 7(4) and (7), the Jobcentre Plus Regulations are amended as follows.

(2) After regulation 4 (continuing entitlement to specified benefit dependent on an interview), insert—

“Requirement for certain lone parents to take part in an interview

4A.—(1) This regulation applies to a lone parent who—

- (a) is entitled to income support and is a person to whom paragraph 1 (lone parents) of Schedule 1B to the Income Support (General) Regulations 1987 applies;
- (b) does not fall within any other paragraph of that Schedule; and
- (c) is responsible for and living in the same household as—
 - (i) a single child aged 9, 10 or 11, or
 - (ii) more than one child where the youngest is aged 9, 10 or 11.

(2) Subject to regulations 6 to 9, a lone parent to whom this regulation applies is required to take part in an interview every 13 weeks after he—

- (a) last took part,
- (b) last failed to take part, or
- (c) was last treated as having taken part

in an interview.

(3) A lone parent who—

- (a) is required to take part in an interview under this regulation, or
- (b) has had a requirement to take part in an interview under this regulation waived or deferred,

is not required to take part in an interview under regulation 4 unless he ceases to fall within this regulation.”.

(3) In regulation 4A, as inserted by paragraph (2) of this regulation for “9, 10 or 11” in both places it appears, substitute “6, 7, 8 or 9”.

(4) In regulation 4A, as amended by paragraph (3) of this regulation for “6, 7, 8 or 9” in both places it appears substitute “6”.

(5) In regulation 5(b)(time when interview is to take place), after “4(1)” insert “or 4A(2)”.

(6) In regulation 6(2)(a)(waiver of a requirement to take part in an interview) for “3 or 4” substitute “3, 4 or 4A”.

(7) In regulation 8 (exemptions), in both places it appears for “4 or 7(2)” substitute “4, 4A or 7(2)”.

(8) In regulation 12(2)(c)(failure to take part in an interview) for “4”, substitute “4, 4A”.

Amendment of the Employment and Support Allowance Regulations 2008

6. In regulation 7(1) of the Employment and Support Allowance Regulations 2008⁽²⁷⁾—

- (a) in paragraph (a), omit “or”; and
- (b) after paragraph (b), insert—

⁽²⁶⁾ Regulation 2B was inserted by S.I. 2007/1034.

⁽²⁷⁾ S.I. 2008/794.

“or

- (c) (i) the claimant’s entitlement to an employment and support allowance commences within 12 weeks of the claimant’s entitlement to income support coming to an end;
- (ii) in relation to that entitlement to income support, immediately before it ended the claimant’s applicable amount included the disability premium by virtue of satisfying the conditions in paragraphs 11 and 12 of Schedule 2 to the Income Support (General) Regulations 1987; and
- (iii) that entitlement to income support ended solely by virtue of the coming into force, in relation to him, of the Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008.”.

Savings and transitional provisions

7.—(1) This paragraph applies to a lone parent who no longer falls within regulation 1(4) solely because his child or youngest child reaches age 16 on or after the relevant day.

(2) Paragraph 1 of Schedule 1B to the Income Support Regulations as it had effect immediately before the relevant day shall continue to have effect in relation to a lone parent to whom paragraph 1 applies.

(3) A lone parent falls within this paragraph if —

- (a) regulation 1(4) applies to him; and
- (b) he is responsible for and living in the same household as—
 - (i) a single child whose 12th birthday occurs on or after the relevant day but before 9th February 2009, or
 - (ii) more than one child where the 12th birthday of the youngest child occurs within that period.

(4) The Lone Parents Regulations and the Jobcentre Plus Regulations shall continue to have effect in relation to a lone parent who falls within paragraph (3) as they had effect in relation to him immediately before the amendments made by regulations 4(2)(a), (b), (3), 5(2) and (5) to (8) came into force.

(5) A lone parent falls within this paragraph if —

- (a) regulation 1 (4), (7) or (12) apply to him; and
- (b) immediately before the day on which the provisions of paragraph (2), (3) or (4) of regulation 2 come into force in relation to a person who first claims income support —
 - (i) he is a person to whom regulation 4ZA(3)(b) (prescribed categories of person) of, and paragraph 1 of Schedule 1B to, the Income Support Regulations applies⁽²⁸⁾, or
 - (ii) he is following a full-time course of training or instruction provided pursuant to arrangements made by the Secretary of State known as the New Deal for Lone Parents or pursuant to a scheme which has been approved by the Secretary of State as supporting the objectives of the New Deal for Lone Parents.

(6) Paragraph 1 of Schedule 1B to the Income Support Regulations as in force in relation to him at the beginning of —

- (a) that particular period of study shall continue to have effect in relation to a lone parent who falls within paragraph (5) during that period so long as he remains a full-time student⁽²⁹⁾; and

⁽²⁸⁾ Regulation 4ZA was inserted by S.I. 1996/207.

⁽²⁹⁾ See Regulation 2(1) of the Income Support Regulations (interpretation) for the meaning of “full-time student” and “period of study”.

- (b) that particular course of training or instruction shall continue to have effect in relation to a lone parent who falls within paragraph (5) during the period that he is following that full-time course.

(7) Any requirement to take part in an interview every 13 weeks in accordance with the amendments to the provisions of the Lone Parents Regulations and the Jobcentre Plus Regulations made by these Regulations shall continue to apply to a lone parent who falls within paragraph (5) where, apart from this paragraph, the requirement would cease to apply to him due to an increase in the age of his child or youngest child.

Signed by authority of the Secretary of State for Work and Pensions.

	<i>Name</i>
Address	Parliamentary Under-Secretary of State,
Date	Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the the Income Support (General) Regulations 1987 (“the Income Support Regulations”), the Jobseeker’s Allowance Regulations 1996 (“the Jobseeker’s Allowance Regulations”), the Social Security (Work-focused Interviews for Lone Parents) and Miscellaneous Amendments Regulations 2000 (“the Lone Parents Regulations”), the Social Security (Jobcentre Plus Interviews) Regulations 2002 (“the Jobcentre Plus Regulations”) and the Employment and Support Allowance Regulations 2008.

Regulation 1 provides for citation, commencement, and interpretation of these Regulations.

Regulation 2 substitutes and amends paragraph 1 of Schedule 1B to the Income Support Regulations with the result that a lone parent is a prescribed person for the purposes of entitlement to income support, depending on the age of their youngest child.

The changes made by these Regulations take effect in stages, beginning on “the relevant day” (the day after these Regulations are made). Regulation 2(2) substitutes a new paragraph 1 in Schedule 1B with the result a lone parent falls within that paragraph if he is responsible for and living in the same household as a youngest child aged under 12. From 26th October 2009, paragraph 1 of that Schedule applies to a lone parent with a youngest child aged under 10 (regulation 2(3)), and on 25th October 2010 it applies to those with a youngest child aged under 7 (regulation 2(4)).

In each case, these Regulations provide for the changes made to paragraph 1 of Schedule 1B to take effect at a later date for certain existing claimants, depending on the age of the youngest child and the date that the lone parent last attended or attends a work-focused interview.

Regulation 3 makes various amendments to the Jobseeker’s Allowance Regulations so as to make additional provision concerning the circumstances in which claimants who have caring responsibilities in relation to a child are required to be available for and actively seeking employment.

It also amends regulation 72(2) of the Jobseeker’s Allowance Regulations concerning good cause for refusing or failing to carry out a jobseeker’s direction or to apply for or accept employment to which a jobseeker has been referred by an employment officer by setting out the circumstances in which child care expenses must be taken into account. Those circumstances

relate to where the person necessarily incurs, or would incur, unreasonable costs in connection with the employment or direction.

In addition, regulation 3 inserts a new regulation 73A into those Regulations. It provides that any caring responsibilities for a child or necessary child care expenses which represent an unreasonable amount of that person's earnings must be taken into account in determining whether or not a person has just cause for leaving employment.

It also amends the Jobseeker's Allowance Regulations so as to provide that a single person who is responsible for a child may be treated as a person in hardship for the purposes of Part IX of those Regulations if the child will suffer hardship unless a jobseeker's allowance is paid to the person.

Regulations 4 and 5 amend the Lone Parents Regulations and the Jobcentre Plus Regulations concerning the frequency of work-focused interviews. They require certain lone parents who are entitled to income support to take part in an interview every 13 weeks depending on the age of their youngest child in a particular year.

Except in the case of certain existing claimants, the requirement first applies on the relevant day for lone parents with a youngest child aged 9, 10, or 11 who only fall within paragraph 1 of Schedule 1B to the Income Support Regulations for the purposes of entitlement to income support.

On 26th October 2009 the requirement to take part in a work-focused interview every 13 weeks applies to lone parents with a youngest child aged 6, 7, 8 or 9 and on 25th October 2010 it applies to those with a youngest child aged 6.

Regulation 6 amends the Employment and Support Allowance Regulations 2008 to remove the requirement that a claimant's assessment phase must have ended before entitlement to either the support component or work-related activity component under those Regulations can arise for certain income support claimants who were in receipt of a disability premium and who lose their entitlement to that benefit by virtue of these Regulations.

Regulation 7 makes provision for savings and transitional arrangements for certain existing claimants. They include lone parents whose youngest child reaches age 16 on or after the relevant day. It also provides that lone parents who are entitled to income support immediately before the relevant day with a child or youngest child whose 12th birthday occurs after that date but before 9th February 2009 are not required to take part in a work-focused interview every 13 weeks.

Regulation 7 also makes provision for transitional protection to be given for a limited period to lone parents who are existing claimants and who are also full-time students or following a full-time course pursuant to the New Deal for Lone Parents or relevant scheme approved by the Secretary of State. It also provides that any requirement to take part in a work-focused interview every 13 weeks imposed by these Regulations continues to apply to a person in this group notwithstanding an increase in the age of his youngest child.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

Parental Employment

Parental employment is strongly linked to positive child outcomes

Research into child poverty and workless households highlighted that “Parental employment is the key route out of poverty and disadvantage. Growing up in a workless household and/or in poverty can have a significant negative effect on a child’s development. Differences between advantaged and disadvantaged children’s social and cognitive development are evident as early as 22 months. Parental employment can bring benefits to the adults involved through increased self-esteem, extended social networks and a greater sense of control and reduced mental health problems all resulting in knock-on benefits for children. Maternal employment in particular can be an important protection against future hardship.”³⁰

Over half - 56% - of children in non-working lone parent families live in poverty, compared to 17% of children of lone parents working part-time and 7% of those working full time³¹. Lone parent families are also more likely than other family types to experience persistent poverty and deprivation.

Just under two thirds (64%) of children in non-working couple families live in poverty compared with 17% of children in couple parent families where one parent works. In those families where both parents work (one full time and one part time) the figure drops to 4%.³²

Low levels of inactivity often reflect low levels of human capital

While the number of people of working age with no qualifications has more than halved since 1992 (from just under 10 million in 1992), those with no qualifications have become an increasingly large proportion of the inactive group. Of the 4.23m with no qualifications, over 45 percent are economically inactive (1.92m).³³

Evidence points to a two-way relationship between skills/training and retention/progression. Firms are more likely to invest in training workers who are in sustainable employment, and likewise training can enhance work progression and advancement. Parents’ employability skills and prospects for progression are likely to be further advanced by gaining employment.

Parents who remain economically inactive, on the other hand, may become increasingly disconnected from the labour force. Research suggests that one of the scarring effects of inactivity is that skills atrophy over time - for instance, an individual's skill set can become outdated as the needs of employers move on. For those who are not sufficiently 'work ready', interventions are required

³⁰ HM Treasury (2004) Choices for Parents, the Best Start for Children. 2004. HMT. London. p.68

³¹ 2005/06 HBAI

³² HM Treasury, DWP, DCSF (2008) Ending Child Poverty: Everybody’s business, HMT, London pp16-17

³³ Based on latest LFS data, Q4 2007, working age Britain

to address a range of barriers to employment, and these might include skills needs.

Inactivity also impacts on the health of customers and their dependents

In addition parental inactivity is also associated with poorer health outcomes amongst children. “Persistent low parental income is not only associated with children living in poverty, but also with poorer health outcomes. For example, the prevalence of psychiatric disorders among children aged 5-15 in families whose parents have never worked is almost double that of children with parents in low-skilled jobs, and around five times greater than children with parents in professional occupations”.³⁴

Long term inactivity for those with health problems or disabilities is associated with low levels of labour market attachment; 43% of new starters to Incapacity Benefit will still be on IB after 1 year, 33% after 2 years, 23% after 4 years and 14% after 8 years.³⁵

Long term receipt of active benefits is also associated with poorer labour market outcomes

Movement into work for those in active benefits also declines in line with time in receipt of JSA. After receiving JSA for 12 weeks, almost half (45%) of JSA leavers are recorded as having moved into work. By 26 weeks, this figure has fallen to 33%. Less than a third (30%) of JSA leavers had found a job at 52 weeks and after two years of claiming, only 18% of JSA leavers reported finding a job.³⁶

Persistent worklessness in some areas contributes to poorer outcomes for individuals and communities

Despite high employment rates pockets of worklessness persist in some areas research suggests that urban clustering of poverty has increased in some towns and cities where wealthy households have become concentrated on the outskirts. Even though extreme poverty levels are falling, some areas have persistent deprivation³⁷. Lessons learned from area based policies such as Action Teams for Jobs, Employment Zones and the Working Neighbourhoods Pilots have informed new partnership initiatives such as the Working Neighbourhoods Fund (in association with DCLG), the Cities Strategy (in association with Local Authorities) and the Flexible New Deal.

³⁴ The health of children and young people (2001) ONS, quoted in “Working for a healthier tomorrow”, presented to SoS for Health and SoS for Work and Pensions, March 2008.

³⁵ DWP Incapacity Benefits statistical pack, 2007 table 3.7

³⁶ 2004-5 cohort of JSA claimants from the 100% National Benefits Database merged in with the WPLS data.

³⁷ Dorling, D, et al, Poverty, wealth and place in Britain 1968 to 2005; Joseph Rowntree Foundation, Policy Press, 2007

Diversity and Equality Impact Assessment

Introduction

1. The Government has set challenging targets to increase lone parent employment and reduce child poverty. The current policy approach, based on voluntary participation by lone parents, has helped to increase the lone parent employment rate by 12.5 percentage points to 57.2 per cent.³⁸ However, to reach a 70 per cent lone parent employment rate, which would lift around 200,000 children out of poverty, would require an extra 300,000 lone parents to be in work (incorporating demographic change).
2. Work is a highly effective way out of poverty and social exclusion for lone parents and their children. Over half – 56 per cent – of children in non-working lone parent families live in poverty, compared to 17 per cent of children of lone parents working part-time and seven per cent of those working full-time (2005/06 HBAI). Lone parent families are also more likely than other family types to experience persistent poverty and deprivation.
3. There are some 1.8 million lone parents of working age in Great Britain. Of these, 765,630 lone parents are claiming Income Support (IS) (May 2007 data). Lone parents are much less likely to participate in the labour market than partnered mothers. 71.6 per cent of partnered mothers are in employment compared with 57.2 per cent of lone parents (Q2 2007, LFS data). Recognising the importance for child poverty of increasing the lone parent employment rate, independent reviews by parties such as the OECD maintain that, with the right support available, it is right for the Government to consider increasing the obligations to look for work on lone parents with older children.³⁹
4. Considerable progress has been made in the provision of support for lone parents, for example, the Working Tax Credit and Child Tax Credit, the right to request flexible working, the New Deal for Lone Parents and other employment support. It is also the Government's aim that, by 2010, every school in England will be an extended school. Extended schools will provide childcare and supervised activities from 8am to 6pm, Monday to Friday, throughout the year, including during school holidays.

³⁸ Labour Force Survey 2007 Q2 (April-June) household data. More recent data, relating to 2007 Q4 (October-December) shows an employment rate of 55.3%, though it is important to note that this is not directly comparable to Q2 data due to seasonal influences. Unfortunately Q4 data is not available as a long-time series, so cannot be used to look at changes over time. For consistency, we use Q2 data throughout, even though Q4 represents the most up-to-date information. In general, the findings presented here do not alter significantly when using the different datasets. Q2 data is used to monitor performance against the Department's targets for lone parents.

³⁹ D. Freud., 2007, *Reducing dependency, increasing opportunity: options for the future of welfare to work: an independent report to the Department for Work and Pensions* and OECD, May 2005. *Thematic report on family friendly policies.*

Policy Rationale

5. In September 2007, the Prime Minister announced new measures to support lone parents in moving into work. These were: increasing the Work Trials period from three to six weeks; group seminars for lone parents; job interview guarantee and the national extension of In Work Credit. Also, *Ready for work: full employment in our generation* announced measures to support people in a job: In work support from Jobcentre Plus advisers; the national rollout of the In Work Emergency Fund; piloting different ways of paying In Work Credit to test the impact on job retention; and piloting the provision of Up-Front childcare costs in London.
6. Given this increase in support, the Government believes that changing from a voluntary to a mandatory intervention regime for lone parents of older children will help more lone parents to move into work. International evidence suggests that the introduction of a mandatory regime has a positive impact on work outcomes for lone parents. For example, early findings from Australia's welfare to work changes in 2006, which increased conditionality for all parents (including lone parents) with a youngest child aged of 6, reveal that improved labour market outcomes are emerging. A summary of international models and findings is at Attachment 1 to this Annex.
7. Under the Government's proposals, lone parents with older children will no longer be entitled to IS solely on the grounds of being a lone parent. It is proposed they will move to Jobseeker's Allowance (JSA) or an appropriate benefit for their circumstance. It is proposed that the change would be rolled out in three stages: to lone parents with a youngest child aged 12 or over (from 16), to lone parents with a youngest child aged 10 or over and then to lone parents with a youngest child aged seven or over. Table 1 shows the lone parent employment rate, numbers on IS, and numbers of poor children in lone parent families by age of youngest child.

Table 1: Lone parent employment rate, numbers on IS, and numbers of poor children in lone parent families by age of youngest child

Age of youngest child	Lone parent employment rate (Q2 LFS 2007)	Lone parents claiming IS (May 2007)	Number of poor children in lone parent households (HBAI 2005/6 ⁴⁰)
Under 7	40.5%	469,990	600,000
7 to under 10	62.8%	121,140	200,000

⁴⁰ Households Below Average Income – An analysis of the income distribution 1994/95 – 2005/06. Based on the Family Resources Survey, 2005/06. Note: All figures are rounded to the nearest 100,000 children (rounds down to 0 for the 16-19 group)

10 to under 12	63.9%	67,900	100,000
12 to 15	71.4%	106,610	200,000
16 to 19	76.8%	NA	-
All	57.2% ⁴¹	765,630	1,100,000

**Figures do not add up due to rounding.*

8. Lone parents with older children are more likely to be working than those with younger children and are less likely to be in receipt of IS. However, the employment rate of lone parents with youngest child aged 12 to 15 is still some nine percentage points below that of partnered mothers with children of the same age, suggesting that further progress can be made with this group (table 2). However, in order to make a real impact on child poverty, policy reform needs to reach lone parents with school aged children. Eighty per cent of poor children with lone parents live in a family where the youngest child is under the age of 12.

Table 2: Age of youngest child, lone parent employment rate and partnered mothers' employment rate

Age of youngest child (Q4 2007, Labour Force Survey)	Lone parent employment rate	Partnered mothers' employment rate
Under 7	40.5%	63.8%
7 to under 10	62.8%	77.5%
10 to under 12	63.9%	79.4%
12 to 15	71.4%	80.3%
16 to 19	76.8%	80.1%
All	57.2%	71.6%

9. A 70 per cent overall lone parent employment rate does not mean 70 per cent for all groups. It would require those with older children to achieve much higher rates of employment – closer to the partnered mothers' equivalent of around 80 per cent.
10. Rolling out conditionality to those with older children will mean that the lone parents themselves are also more likely to be older. However, there are good reasons for targeting lone parents with older children, as childcare constraints are generally lower, the older the child. Furthermore, the age distribution of lone parents is not particularly wide, with over 90 per cent of lone parents on IS being between the ages of 18 and 45. Table 3 shows the age profile of IS lone parents.

Table 3: Lone parent IS claimants: age of claimant by age of youngest child age bands (May 2007)

⁴¹ 'All' figure includes lone parents with youngest child 0-19. Lone parents are only entitled to IS until their youngest child reaches 16 years of age.

Age	Under 7	7 to under 10	10 to under 12	12 and over
Under 18	100%	0%	0%	0%
18-24	99%	1%	0%	0%
25-34	72%	18%	6%	4%
35-44	38%	23%	15%	24%
45-49	15%	22%	19%	44%
50-54	7%	14%	19%	60%
55-60	10%	11%	14%	64%

Estimating costs and benefits

11. The costs and benefits presented are based on rolling out the policy in three stages: initially to affected lone parents with a youngest child aged at least 12 in 2008/09; then to lone parents with a youngest child aged at least 10 in 2009/10; and finally in 2010/11, to lone parents with a youngest child aged at least seven. They are based on IS entitlement for lone parents.
12. DWP estimates, based on a range of assumptions, that the removal of IS entitlements and introduction of quarterly WFIs would cost in the region of £59.7 million over three years from April 2008-2011, with implementation costs of an additional £9 million.
13. For every additional lone parent moved into work, there are fiscal benefits generated by reduced spending on out of work benefits, extra Income Tax and National Insurance receipts, offset by spending on Tax Credits. These savings are particularly hard to estimate as we will not know the additional impact of the policy change until a full evaluation has been conducted. However, our analysis suggests that savings might be in the region of £200-400 million over the three years (note that these do not include the cost of extra Government spending on childcare, but does include the childcare element of Working Tax Credit). We are, therefore, assuming a net fiscal saving.
14. The final costs and benefits depend on various elements including:
 - whether lone parents who are no longer entitled to IS under the new regime claim JSA, claim other benefits, or leave benefits altogether;
 - the speed at which they find work from JSA (or other benefits); and
 - the extra Income Tax and National Insurance receipts resulting from extra lone parents entering work; offset by Government spending on tax credits.
15. Assumptions have been made regarding these elements. Previous evaluation of Government programmes aimed at helping lone parents move into work (in particular, NDLP and Work Focused Interviews) has

shown that such programmes are effective and efficient, with favourable cost-benefit ratios⁴².

16. DWP current estimates, based on conservative but necessarily uncertain assumptions, are that the implementation of the policy as set out above will lead to a net reduction of 100,000 in the number of lone parents on out of work benefits by 2011, rising eventually to around 140,000 from 2013 onwards. This reflects reductions in the number of lone parents on IS, combined with smaller increases in the number of lone parents on JSA and ESA. This in turn would imply an increase in the number of lone parents in work of 75,000 to 100,000. As stated previously, these estimates are sensitive to the particular assumptions used, which may or may not prove accurate in practice.

What information and evidence has been obtained to impact assess this proposal?

17. This assessment has drawn on evidence from Department of Work and Pensions administrative data sources, National Statistics, evaluation of current and past lone parent welfare to work policies and other research.
18. The Department for Work and Pensions and Jobcentre Plus have already consulted key stakeholders such as the lone parent voluntary groups on these proposals. Whilst not welcoming this change and remaining concerned about the introduction of obligations for lone parents and the appropriateness of JSA in particular, the Government has included specific changes in the proposals for regulations to elements of JSA which will address the particular difficulties some lone parents may face. DWP will continue to work with lone parent groups on implementation issues.

What is the impact of specific elements of the proposal?

Additional flexibilities to Jobseeker's Allowance

19. Most lone parents will readily be able to meet the requirements of the Jobseeker's Allowance regime. There are currently around 9,000 lone parents on JSA with a child aged under 16.
20. Initial DWP analysis reveals that although lone parents currently claiming JSA tend to flow off JSA more slowly than a comparison group of JSA claiming females, off-flow rates are similar to both partnered claims with children and partnered claims with no children under the age of 16. Lone parents tend to have fewer repeat JSA claims, with 7% repeating within a year as opposed to 35% for JSA as a whole, but longer mean JSA claim durations (17 weeks as opposed to 12).

⁴² Knight, G. and others (2006), *Lone Parents Work Focused Interviews/New Deal for Lone Parents: combined evaluation and further net impacts*. DWP Research Report 368.

21. But a very small number of customers with children, and in particular, some lone parents will face circumstances that need special consideration on a case by case basis. The Government has agreed that additional flexibilities to JSA should be included in the proposals for regulations to meet the specific needs of some lone parents who may face particular difficulties. The specific circumstances identified in the proposals for regulations have been identified through discussions with lone parent voluntary groups, Jobcentre Plus staff and advisers and other Government departments.
22. It is not possible to provide an indicative number of the lone parents to whom the flexibilities may apply due to the number of variables around lone parent characteristics, the availability of childcare and other services and local labour market circumstances. We will examine the application and take up of the flexibilities in an early post implementation review (see Annex 8).
23. In developing the proposals for regulations, it was recognised that there may be circumstances when the availability of childcare, or unforeseen emergencies and circumstances may be an issue for other customers. Therefore, to meet the specific needs of all parents and safeguard the welfare of children, the proposed flexibilities and safeguards will apply to all claimants who are treated under current JSA legislation as being responsible for caring for a child who is part of their household or a close relative. This is consistent with the recommendations by Lisa Harker to provide greater recognition of families' circumstances. However it is recognised that for lone parents, the absence of a second parent can make these issues more acute.
24. The latest published data (May 2007) suggest that there are around 66,000 couple parents with children under 16 in receipt of JSA.⁴³ Recent research indicates that nearly nine in ten JSA partners with children expected at least one of the couple to be in work over the next couple of years, with a third expecting both partners to be working at least 16 hours per week. Of the JSA partners who were not planning on returning to Jobcentre Plus for further help in the future (excluding those terminally ill), two-fifths stated that they could not work due to childcare commitments.⁴⁴ A recent survey of partners also noted that the most commonly cited barrier to work was a need to be flexible with the hours they work (mentioned by 31 per cent of partners).⁴⁵ The proposed measures will help address parents' concerns on childcare and flexibility.

⁴³ DWP tabulation tool, WPLS data showing JSA clients with a partner flag and a child under 16. Table available on-line at: http://83.244.183.180/100pc/jsa/ccptnr/dnyage/a_carate_r_ccptnr_c_dnyage_may07.html, accessed on 14th April 2008.

⁴⁴ Thomas, A. and Griffiths, R. (2006) *Work Focused Interviews for Partners and enhanced New Deal for Partners Qualitative Evaluation: Phase Two*. DWP Research Report No 386. pp. 2-4.

⁴⁵ Coleman, N., Seeds, K. & Edwards, G. (2006) *Work Focused Interviews for Partners and enhanced New Deal for Partners: Quantitative Survey Research*. DWP Research Report No 335. p. 89.

Sanctions

25. Lone parents on IS may currently be sanctioned if they fail to attend a mandatory Work Focused Interview (WFI) without good cause. If a sanction is imposed the lone parent will lose 20% of the personal allowance for a single customer aged not less than 25 until they comply, but they can have cumulative sanctions which may result in losing 100% of their personal allowance.
26. In 2006/07 4.6% of lone parents on IS received a sanction and very few of these received multiple sanctions. Of those sanctioned, more than half go on to attend a WFI within 6 months. The number of lone parent sanctions has risen over time. However, this rise coincides with a tightening of the sanctioning regime for lone parents and an increase in the frequency of WFIs.
27. The effectiveness of JSA (60% of customers leave JSA within three months and 80% within six months) to assist people return to work is supported by a stronger sanctions regime.
28. Lone parents could, potentially, face a loss in payment where he or she fails to satisfy the requirements of JSA. In each of the cases illustrated below, he or she will have the opportunity to show why they did not comply and will only face a penalty if they do not have reasonable excuse.
29. Scenario 1: If a customer fails to attend their Fortnightly Job Review (FJR), he or she has five days to show that there was a good reason which explains why. As outlined in paragraph 41, Jobcentre Plus will contact lone parents by phone and letter following their failure to attend to stress the importance of contacting the Jobcentre. Having heard the customer's explanation, the FJR Officer decides whether the case needs to be referred to a Decision Maker. Currently, DWP estimates that around half of those who are late and then attend the Jobcentre within five days are not referred to a Decision Maker as they have an immediate excusable reason such as a period of sickness, domestic emergency, bad weather etc.⁴⁶ In these cases, the customer signs for payment at that point and loses no income. Where the reason the customer did not attend is less clear cut, the case is referred to an independent Decision Maker. The customer is given the opportunity to put their side forward and the Decision Maker makes a decision on whether there is good cause.
30. If a customer fails to make contact within five days their claim is closed. If they subsequently make contact, they can put in a rapid claim and would not have to stand any waiting days if their claim was within 12 weeks. They can also put in a backdated claim if they are able to show that they were actively seeking employment and available, and that there was a

⁴⁶ DWP Unpublished data from a sample of Jobcentre Plus offices

qualifying reason why they could not attend the Jobcentre Plus office any sooner.

31. Scenario 2: If a customer has left a job and he or she claims JSA, they are asked why their last job ended. If the reason is unclear, Jobcentre Plus writes to the employer to check if the customer left voluntarily or due to misconduct. If the employer supports the doubt, the case is referred to a Decision Maker. Again, the customer puts their case forward and signs the associated paperwork. Jobcentre Plus ensures the customer is aware of the potential outcome, which is a sanction. The Decision Maker looks at just cause, taking account all relevant information, including issues around childcare, family break up, atypical working hours etc. About a third of these cases actually result in a sanction.⁴⁷
32. Scenario 3: If a customer fails to carry out a written jobseeker's direction, they may face a fixed sanction. These activities focus on improving employability and the customer is advised about the possible consequences of non compliance. Generally, the adviser will try and arrange for the activity to take place soon after the customer's attendance at the Jobcentre Plus office. The customer explains why they did not undertake the activity and signs the associated paper work, so they know a referral for a sanction has been made. The Decision Maker then considers the facts and looks at good cause.
33. Scenario 4: If a customer fails to apply for a suitable job referral from their Jobcentre Plus Adviser, or fails to start an offered job, they may face a variable sanction for refusing employment. If this is suspected, the case is referred to a Decision Maker. The customer has the opportunity to put their case forward and supporting evidence from the employer will be sought (where applicable).
34. About 16% of all customers on JSA were referred for an entitlement or sanction decision during 2006/2007 and of these about half were actually sanctioned or disentitled. Of those who are sanctioned most (75%) are only sanctioned once and say that they would not repeat the behaviour which led to the sanction. Table 4 shows the referral and sanctions rates for parents on JSA compared with all those on JSA.

Table 4 Referrals and Sanctions for JSA (2006/07)

Lone Parents				
	Referred	Sanctioned	Referral Rate	Sanction Rate
Variable	1200	300	8%	24%
Fixed	140	80	1%	53%
Entitlement	1480	1140	10%	77%
Total	2340	1420	15%	61%
Couple Parents				
	Referred	Sanctioned	Referral Rate	Sanction Rate

⁴⁷ DWP Sanctions evaluation database

Variable	15430	4060	8%	26%
Fixed	2140	1020	1%	48%
Entitlement	15340	12220	8%	80%
Total	27360	16580	15%	61%
All Ref/Sancs				
	Referred	Sanctioned	Referral Rate	Sanction Rate
Variable	185800	46400	8%	25%
Fixed	48840	25760	2%	53%
Entitlement	218500	178840	9%	82%
Total	334020	217780	16%	65%

*All figures rounded to the nearest 20

35. Looking specifically at lone parents, taken as a cohort measure and compared to the entire JSA regime, lone parents have a similar referral rate (15% compared to 16%) but a lower sanction rate (61% compared to 65%). The rate of sanctions for lone parents currently on JSA is generally in line with other customer groups. Additionally referral and sanctions rates for lone parents tend to be lower the older their children, indicating that the vast majority of lone parents should be able to comply with the JSA provisions. (For lone parents with a youngest child aged 12-16 years have a referral rate of 12% and a sanction rate of 57%).
36. Qualitative research has shown that some lone parent customers in the IS regime do not tend to have knowledge specifically of the sanction regime, but almost all have an awareness that if they fail to attend a WFI that benefit can be reduced as a result. The research showed that the word 'sanction' was not understood or applied by the majority of lone parents who tended towards 'benefit reduction' as an explanation. Within the JSA regime from their very first meeting, and the completion of the JSAg, lone parents will be made fully aware of disentanglement and the sanctions regime and the impact this can have on their financial position as a result of non compliance to their obligations. Jobcentre Plus Advisers will ensure that this message is communicated and understood.
37. Qualitative research evidence shows that the financial pressures imposed by sanctions appeared to increase the stress levels of some lone parents who are sanctioned. This was specifically thought to be a result of coping with a sanction alongside caring for a child/ren. The stress and anxiety reported seemed to have a knock-on effect on health issues; primarily it was thought to compound existing ones, such as panic attacks or depression⁴⁸. A number of coping mechanisms were identified for dealing with a sanction including: borrowing money or receiving support from friends or family members; and applying for and receiving a crisis loan from the Jobcentre as well as bank loans. The impacts were said to have been reduced by the help received.

⁴⁸ Sanctions: Qualitative summary report on lone parent customers, Lucy Joyce and Karen Whiting, DWP Working Paper 27, (2006)

38. Lone parents who are placed in the 'vulnerable group' are eligible to receive somewhat different treatment by Jobcentre Plus if they are facing a sanction; most notably in terms of earlier involvement of compliance officers during the failure to attend the WFI and the subsequent sanctioning process.
39. Currently, identification of 'vulnerable group' status relies on the customer self-reporting either mental health issues or learning disabilities at the time they make their claim (i.e. to the Contact Centre by phone) or for the issue to be later identified by the PA during an interview.
40. Forthcoming qualitative evidence on lone parent sanctions (due to be published Summer 2008) highlights the importance of Jobcentre Plus compliance officers in supporting lone parents, particularly those in the 'vulnerable group' (e.g. those that have learning difficulties or a mental health condition).
41. In addition to existing provisions, Jobcentre Plus will introduce additional safeguards for those facing disentanglement after failing to attend their FJR. Jobcentre Plus will make at least one attempt at contact by telephone on the day the jobseeker fails to attend and will send a letter to advise them of the need to make urgent contact within five working days. If they do not respond their benefit will end after five working days. This will ensure lone parents have every opportunity to show good cause as to why they failed to attend their FJR and that a sanction will only apply where necessary.
42. The Government announced in Ready for work: full employment in our generation, a review of the hardship regime to ensure it is appropriate for parents and supports the Government's objectives to reduce child poverty. Work on the review commenced in March 2008. The review has taken the range of current and proposed flexibilities under JSA into account, which are expected to enable parents to more readily meet their obligations. It has also taken into account the existing arrangements within Jobcentre Plus to ensure customers only face a penalty if they do not have a reasonable excuse (as outlined paragraphs 28 to 33) and the extra step outlined above to ensure at least two attempts to contact a lone parent are made before their payment is affected.
43. Currently, a quarter of those sanctioned received a hardship payment. Of those that applied for hardship 92% are successful.⁴⁹ Jobcentre Plus staff continue to ensure that those who are sanctioned are told about the possibility of hardship payments.
44. Stakeholder groups proposed the hardship payment should be 80% of personal benefit. However, as a claim for a hardship payment is only necessary where a lone parent has failed to comply with the requirements of the JSAG or underpinning their entitlement to JSA, the review has concluded that the existing regime is appropriate for parents,

⁴⁹ DWP data for 2005.

including lone parents, as it provides a safety net for those job seekers in need while reinforcing the need to genuinely engage in looking for work.

45. There is strong evidence to suggest that sanctions do drive the behaviour of jobseekers. As indicated in paragraph 34, the vast majority of customers comply with the JSA conditions and of those that are sanctioned, nearly half think their own sanction was fair.⁵⁰ This suggests that the overwhelming majority of claimants meet the JSA conditions and understand the need for sanctions when those conditions are not met.

Moving from weekly to fortnightly payments

46. Lone parents receiving IS are currently paid their benefit weekly in arrears. Under the proposals for regulations, those lone parents who successfully claim JSA or ESA will move to a payment regime where the frequency of payment is two weeks in arrears. We estimate this to be 60 per cent of affected lone parents.
47. Currently when a lone parent's youngest child reaches 16 their entitlement to IS ends. If these lone parents choose to claim JSA normal eligibility rules apply. There are no special considerations given in the move from 1 to 2 week payments. In these circumstances if the lone parent needs financial support to bridge the gap they are able to apply for a Social Fund crisis loan, which is recoverable, to help them through this change. Analysis indicates that, for lone parents on IS whose youngest child reached 16 (and who then left IS), roughly one-fifth applied for at least one crisis loan and almost all were successful⁵¹. In 2006/7, lone parents comprised 20.3 per cent of Social Fund crisis loan expenditure, at £19.9m.
48. Jobcentre Plus plan to prepare and support lone parents through these changes by providing early advice on the changes and the impact of the change in payment periods.
49. Jobcentre Plus intend to contact affected lone parents 8 weeks before their eligibility to IS ends and invite them to an interview. At the interview the change in payment periods will be brought to their attention and discussed. Lone parents in Phase 1 of the proposed changes who require financial support as a result of the change in payment periods will be offered a lone parent transition loan, using a simplified claims procedure. It is noted that lone parents with a younger children may have a higher propensity to require such support.

⁵⁰ Mark Peters and Lucy Joyce (2006). *A review of the JSA sanctions regime: Summary research findings*. DWP Research Report No. 313

⁵¹ Sources: 5% sample Income Support datasets for August 2006, November 2006 and February 2007; and final Community Care Grant and Crisis Loan decisions taken in Great Britain from 1st April 2006 to 31st May 2007 and held on the Social Fund Computer System on 31st July 2007.

50. If they want to make a claim for a loan, they will be given a form to complete (preferably at the time). These loans will be Social Fund loans, but special arrangements will be in place to advise lone parents what to do and to streamline the process of applying for this help. If a lone parent has reached the maximum Social Fund loan amount, a community care grant will be considered.
51. The normal Social Fund repayment process will apply. The loan will be repaid over an agreed period of time, in most cases by weekly deductions from JSA or ESA. Repayment rates will vary according to other financial commitments and will usually be made at a rate equivalent to 12 per cent, 10 per cent or 5 per cent of the weekly benefit rate, excluding any housing costs. Recovery will not commence until any previous Social Fund loans the applicant have been repaid in full. The applicant's total debt should normally be repaid within a period of 104 weeks.
52. The Government considered a number of options in looking at how to assist lone parents manage the change in payment periods. This included paying an additional non recoverable payment to lone parents, continuing to pay lone parents on weekly basis and using exiting JSA hardship provisions. All of these alternatives posed higher risks to the operations of Jobcentre Plus and/or the Government's obligations to ensure value for money in the expenditure of taxpayer funds.
53. On balance, a streamlined and simple process for lone parents to apply for a loan where required provides support for lone parents during the transition, although changing the payment cycle will affect the flow of funds into poor families with children.
54. This arrangement will only apply to lone parents with a youngest child of 12 or over. Other lone parents with younger children affected by the proposals for regulations from 2009 will be picked up through a broader departmental exercise to simplify the benefits system and align payment dates across payment types. These will be the subject of a separate proposal for regulations to SSAC.

Access to education for lone parents

55. There are estimated to be around 50 thousand lone parents in full-time education (LFS 2007 Q2). The majority of these are not in work. It is not possible to estimate how many lone parents in receipt of IS are undertaking full-time education.
56. Under these proposals for regulations, once a lone parent loses eligibility for IS, those who move to JSA will be able to study under the existing JSA provisions. JSA customers can engage in part-time education or training courses and continue to claim JSA as long as they are available for work and willing to enter full-time work, which for a lone parent is work of 16 hours a week. Lone parents wishing to enter full-time further

education when they are claiming JSA will lose entitlement to benefit and will have to apply for other sources of funding.

57. DWP will encourage lone parents to undertake a skills health check up to 2 years before they may lose eligibility for IS to give them the best opportunity of developing their skills early and preparing for work. The Government has also indicated it will consult on whether to mandate lone parents to a skills health check before they are required to look for work.
58. Lone parents will continue to be able to access the support via NDLP which provides the opportunity to take part in approved work-related training. NDLP participants can, where possible, negotiate via their Personal Adviser the hours of attendance depending on their caring responsibilities and also claim expenses whilst participating, such as the cost of childcare.
59. Currently, single people who are students with responsibility for a child or young person cannot claim JSA during the summer vacation. Separate proposals for regulations to address this anomaly were considered by SSAC on 5 April 2008.
60. For those existing lone parents on IS, the proposals for regulations include arrangements to transitionally protect them. Those who are entitled to IS and who are either full-time students or undertaking a full-time course on NDLP or as part of an approved scheme immediately before the date the proposed changes in entitlement for lone parents take effect will remain entitled to IS. This will apply whilst undertaking their full-time course, or until their youngest child reaches the relevant age in force at the time they started the course, whichever happens first.

What is the impact of the proposal on different groups?

Child Poverty

61. There is clear evidence that children who grow up in poverty lack many of the experiences and opportunities that others take for granted, and can suffer from negative outcomes⁵². Worklessness is a large determining factor of child poverty. Children living in families where no-one works have a 58 per cent risk of poverty, which is considerably above the average of 22 per cent. 1.4 million children living in poverty are in families where no-one works. The risk of living in poverty is much lower for children in working families. Children in working families have a relatively low risk of poverty at 14 per cent but because so many children live in working families they still account for 1.4 million children living in poverty⁵³.
62. The reduction in the number of lone parents on out of work benefits from the proposed changes will have a beneficial impact on employment and

⁵² Ending Child Poverty: Every bodies business. HMT 2008.

⁵³ Households Below Average Income 2005/06. DWP 2007

child poverty. Our current estimates are that over the longer-run (again from 2013 onwards) this would imply an increase in the number of lone parents in work of 75,000 to 100,000, and a reduction in child poverty of approximately 70,000⁵⁴.

63. There is some evidence of the negative impact on children of mothers moving into unstable employment. Where mothers entered insecure labour markets, where pay was poor and job security was uncertain, children found that the changes for themselves, their mothers and their families as a whole were problematic and there were signs that this was taking a toll on these children and their sense of well-being⁵⁵.
64. The Government's aim is to move lone parents into sustainable jobs that make them better off in work. It has introduced additional support for lone parents from April 2008 to provide financial support and advice whilst they are in work. This includes the national roll out of:
 - In-Work Credit so that lone parents across the country who have been on benefit for 12 months or more have access to a payment of £40 a week (£60 in London) for up to 52 weeks on starting full-time work;
 - In-Work Advisory Support from Jobcentre Plus Advisers for all lone parents who have moved into work to assist with their transition and career progression; and
 - In-Work Emergency Discretion Fund which provides financial assistance to lone parents if unexpected barriers crop up when they first starts work, which might otherwise make it difficult for them to remain in employment.

Gender

65. The proposed increase in lone parent obligations will apply both to lone mothers and lone fathers with children aged 7 and over. However it is true that, according to LFS data for 2007 Q2 (April-June) over 90 per cent of lone parents are female. Any changes to the policy regime for lone parents will therefore have a much greater impact on women.
66. It is worth noting that the gender impact is much less pronounced for lone parents of older children – there are proportionately more lone fathers with a youngest child aged seven and over compared to the lone parent population as a whole.
67. Female lone parents are more likely than male lone parents to be out of work (43.5 per cent of lone mothers are not employed, compared to 35.3

⁵⁴ These estimates relate solely to the measures set out in this paper, which are separate from the measures announced in the 2007 Budget and 2007 Pre-Budget Report, which will also have an impact on child poverty.

⁵⁵ It's a Family Affair: Low-Income Children's: Perspectives on Maternal Work. Tess Ridge in Jnl Soc. Pol., 36, 3, 399–416 _C 2007

per cent of lone fathers), such that over 95 per cent of IS lone parent claimants are female.⁵⁶

- 68. But as with above this is somewhat less pronounced for lone parents with older children; whilst 98 per cent of IS lone parent claimants with a youngest child aged under five are female, only 90 per cent of IS lone parent claimants with youngest child aged 11 to under 16 are female.
- 69. In addition to this, data shows that the vast majority of NDLP participants are female – 92 per cent. Women actually have somewhat better outcomes than men – 60 per cent of women leave NDLP for employment compared to 52 per cent of men. However, this is in the context of single fathers moving off IS more quickly than single mothers: of those lone parents that moved onto IS in May 2006, it is estimated that around 30 per cent of fathers had moved off the benefit within the year compared to around 20 per cent of women.

Ethnicity

Ethnicity and employment outcomes

- 70. The proposed increase to lone parent obligations will not apply differently to people of different races or cultures. Any lone parent with a child age 7 or over may be affected by the proposals irrespective of race.
- 71. Table 5 shows the ethnicity breakdown of lone parents compared to the working age population as a whole, again using LFS data (Q2 2007).

Table 5: Ethnicity breakdown of lone parents compared to the working age population as a whole

(Q2 2007, Labour Force Survey)	White	Mixed	Asian	Black	Chinese	Other ethnic group	All non-white
All working age population	89.1%	0.8%	5.2%	2.6%	0.6%	1.8%	10.9%
Lone parents	85.3%	1.4%	3.6%	7.2%	0.3%	2.2%	14.7%
Lone parent employment rate	59.2%	45.9%	35.7%	53.6%	51.6%	33.2%	45.4%

- 72. The table shows that lone parents are slightly more likely to be of non-white ethnicity than the overall working age population, with some 15 per cent of lone parents of non-white ethnicity.
- 73. Breaking down amongst ethnic group, the table shows that the proportion of lone parents who are black is significantly higher than the

⁵⁶ Work and Pensions Longitudinal Survey. May 2007

proportion of black individuals in the working age population as a whole, but the proportion of lone parents of Asian ethnicity is lower. As with the population overall, and with partnered mothers, the employment rate of all non-white lone parents is lower, standing at 45.4 per cent compared to 59.2 per cent for White lone parents.

74. Looking only at those who will be affected by the removal of IS however, there are proportionately fewer non-white individuals than in the lone parent population. Around 14 per cent of lone parents with a youngest child aged 7-10 are non-white, compared with 13 per cent of those with a youngest child aged 10-12 and 11 per cent of those with a youngest child aged 12 and over.⁵⁷
75. NDLP statistics can also be broken down by ethnicity. This shows that 15.9 per cent of NDLP participants in May 2007 were from an ethnic minority – slightly higher than the proportion of non-white lone parents overall. They do however have considerably worse outcomes from NDLP – 47 per cent of all leavers go into employment, compared to 60 per cent of white NDLP participants. There is no difference in terms of ethnicity in job sustainability. The distribution between people who sustained their jobs (kept their jobs for a minimum of 13 weeks) and those with unsustainable jobs is about the same for all groups; 60 per cent of people sustained their jobs, while 40 per cent did not.
76. This contrasts with results from New Deal for 25+, from which the percentage of white leavers entering employment is only slightly higher than for ethnic minorities at 31 per cent compared with 33 per cent. The policy Impact Assessment accompanying ‘Ready for Work’ looked at the impact of Flexible New Deal on ethnicity and other groups.
77. DWP administrative data analysis of lone parent sanctions shows that non-white lone parents are sanctioned less than white lone parents (3.5 per cent of non-white lone parents were sanctioned, compared to 5 per cent of white lone parents in the sample analysed).
78. Table 6 shows that most ethnic minority lone parents are concentrated in London – around 55 per cent of all ethnic minority lone parents reside in London, and they represent a considerably larger proportion of the overall lone parent population than in other regions.

Table 6: Number and % of ethnic minorities, by region (LFS 2007 Q2).

Region	Number of LPs that are ethnic Minorities	As % of overall LP population in that region
Inner London	79478	58.90%
Outer London	64515	40.60%
W Midland Metro	27851	28.00%

⁵⁷ Work and Pensions Longitudinal Survey. May 2007

Region	Number of LPs that are ethnic Minorities	As % of overall LP population in that region
Greater Manchester	16044	16.10%
W Yorkshire	9412	15.90%
S Yorkshire	3575	8.90%
East of Eng	12740	8.60%
SE	17696	8.60%
East Midlands	9018	7.60%
Rest NW	3911	4.70%
SW	5454	4.30%
Merseyside	2302	4.00%
Wales	3731	3.70%
Rest W Midlands	1693	2.20%
Strathclyde	1742	2.10%
Rest of Scotland	1581	2.00%
Yrk & Humber	881	1.70%
Rest NE	773	1.60%
Tyne & Wear	0	0.00%

79. There is additional support available for lone parents in London to help with higher childcare and housing costs including:
- increased In-Work Credit payments in London from £40 a week to £60 a week; and
 - from Spring 2008, a pilot to provide up front financial support for childcare costs for those who qualify.
80. The Government has also introduced and extended measures to help lone parents find and enter work. These include:
- The extension of support available via New Deal Plus for Lone Parents pilots until March 2011. These pilots have also been expanded to cover the whole of London. The pilots provide a comprehensive package of support for lone parents combining childcare availability, with a work focus and financial incentives; and
 - From April 2008, the expansion of work-focused English as a Second Language provision, delivered through the City Strategy pilots in East and West London. The potential returns are significant; some people have highly developed work skills but are not able to access their occupation due to limited English language skills.
81. In Budget 2008, the Government also announced its intention to pilot additional incentives for parents in London to return to work. Due to the concentration of lone parents from ethnic minority groups in London they will benefit from this range of measures.
82. Additionally DWP has commissioned research looking at 'ethnic parity in Jobcentre Plus programmes and mainstream services' which is due to be published in spring 2008. The research is designed to quantify the

extent to which a Jobcentre Plus customer's ethnicity influences their probability of gaining employment after taking into account other factors.

Ethnicity and childcare

83. The provision of high quality, flexible childcare has a key role to play in helping parents start and remain in work. Evidence shows that some Black and Ethnic Minority (BME) groups are less likely to access childcare than white families. Given the importance of good quality early year's provision on future outcomes for children and the emerging evidence around the positive impact of extended schools activity, it is essential the positive benefits of formal childcare are promoted to this group.
84. The Department for Children, Schools and Families (DCSF), as part of the wider work to increase take-up of formal childcare by low income working families, are undertaking a range of projects targeted at BME families.
85. Firstly, working with six local authorities and other experts, DCSF are looking at practical ways to increase the accessibility of formal childcare by BME families.⁵⁸ The project is not limited to issues around formal childcare, but has been set in the wider context of reducing child poverty and worklessness. This project was informed by discussions with local authorities, organisations such as Working Links who have experience in specific targeted work with BME communities and a range of other partners to discuss the challenges faced in engaging effectively with BME families. The short term goals of the project are the development of models that work and the sharing of good practice across all local authorities. The long term impact is expected to be greater as the effects of the outreach work are realised.
86. Secondly, and closely linked, is a pilot to develop 'parent childcare champions' in local areas who will spread the word to other parents about the advantages and availability of childcare. This is in response to feedback from a number of sources which showed that 'word of mouth' is an effective way of passing messages on and that parents are well placed to encourage and influence other parents to take up childcare, especially in communities where the use of childcare is low, including BME and hard to reach groups.
87. In addition, as part of a national 'affordable childcare' communications campaign, there is a specific brief to address the issues affecting BME and hard to reach groups. Key messages for these groups include the beneficial effects of quality pre-school provision for children on their subsequent school achievement; and affordability of formal childcare. Since the campaign started, there has been a 42 per cent increase in the

⁵⁸ The local authorities involved are Camden, Tower Hamlets, Leicester, Manchester, Rotherham and Bradford.

number of parents from Pakistani and Bangladeshi backgrounds calling the campaign helpline.

Disability

88. According to the Labour Force Survey, 29 per cent of lone parents have some kind of disability, of which 18.6 per cent are covered by the Disability Discrimination Act (DDA) and have a work limiting disability.
89. There are around 25,000 lone parents who are in receipt of a disability premium receiving IS solely on the grounds of being a lone parent. They have not made a claim on incapacity grounds. Of this group approximately 16,000 are lone parents with a youngest child aged 7 to 16. It is estimated that around 10,000 of these are in receipt of the higher or middle care component rate of Disability Living Allowance (DLA) and therefore most likely to qualify for Incapacity Benefit (IB) or ESA if they made a claim. Some of these lone parents will be in receipt of Disability Living Allowance (DLA) because they have a disabled child. It is not possible to give an idea of the numbers in this group.
90. Both IS and JSA have provision to pay the disability premium, but ESA does not include any equivalent to the disability premium. Therefore lone parents in receipt of the disability premium on IS will be £25.85 a week worse off in the first 13 weeks of their ESA claim and £1.85 per week from then onwards.
91. To address this, Jobcentre Plus will identify lone parents affected by the changes in advance and invite them to claim IS on the grounds of incapacity where appropriate. For those who do not claim on the grounds of incapacity but then later claim ESA, the proposals for regulations include the waiver of the ESA Assessment Phase for those lone parents who receive the disability premium.
92. Existing evaluation analysis of the operation of WFIs for lone parents has shown that lone parents are a diverse group with a range of important characteristics including health and disability issues. For a small number of customers with disabilities or health problems the WFI has been shown to play an important role in increasing self-confidence and raising their optimism with regard to their perceived limitations. Recent research suggests that over half of lone parents with a health problem or disability describe themselves as '*not looking for work but would like to work in the future.*' These findings, and the fact that a small number of surveyed lone parents in these categories had moved into work over the period of the research, suggest that there is some scope for advisers to challenge aspects of customers' attitudes towards their own situation and possibilities relating to employment.⁵⁹

⁵⁹ Thomas, A. 2007 *Lone Parent Work Focused Interviews: Synthesis of Findings*, DWP research report 443: 41.

93. Lone parents who are disabled and are participants in NDLP are seen to have somewhat worse outcomes than non-disabled participants, with 52 per cent of them entering employment compared with 60 per cent of non-disabled participants. However, tailored support by trained advisers, backed up by a package of pre and in-work support will aim to improve outcomes for disabled participants.

Table 7: Number of participants in NDLP (May 2007) and percentage of leavers entering employment

	Number of participants in NDLP (May 2007)	Percentage of leavers entering employment
Disabled lone parents	4,230	52%
Non-disabled lone parents	60,180	60%

94. Lone parents who are in receipt of IS on the grounds of incapacity or are claiming JSA and have a health problem can access a number of DWP employment schemes aimed at helping them start and retain work. These include Access to Work, New Deal for Disabled People, Workstep and Work Preparation. The Pathways to Work programme is proving to be a success and the new ESA will replace the current IB system from 2008. Under the proposed changes, lone parents who have a disability or illness will be able to apply for ESA.

Lone parents with disabled children and caring responsibilities

95. Some parents face additional challenges, particularly when they have a sick or disabled child. The longitudinal Families and Children Study (2005 data) found that around half of lone parents with a disabled child (49 per cent) are in employment. This increases to 55 per cent for lone parents with a youngest child between 7-15 years and 64 per cent for those with a youngest child 12-15 years⁶⁰.
96. For those parents who claim JSA, Jobcentre advisers will use the existing and proposed flexibility within the JSA system to support them. This will address any restrictions agreed between the parent and the Personal Adviser, for example, on availability and actively seeking work, and these will be included in the Jobseeker's Agreement.
97. Although some disabled children may be accommodated in mainstream childcare settings with little or no adjustment and through appropriate practice, the 2004-05 Parents Survey showed that:
- disabled children and children in families with at least one disabled parent were significantly less likely to have used any childcare in the last week than children in families where no-one is disabled.

⁶⁰ Families and Children Study 2005 data.

These children were also significantly less likely to have used formal childcare; and

- children in families with at least one disabled parent were significantly less likely to have used informal childcare in the last week than children in families where no-one is disabled, while disabled children were no less likely to have used informal childcare than children in families where no-one is disabled.

98. The provisions under the Childcare Act should improve this position. Among other things, the Act will:
- give Local Authorities a statutory responsibility to ensure the local childcare market meets the needs of working parents, including those with children who are disabled or from minority ethnic groups;
 - ensure that parents of disabled children have access to reliable information on childcare options; and
 - secure child level data on outcomes of children with disabilities from minority ethnic backgrounds.
99. Future commitments to improve access to formal childcare for disabled children were also announced in *Aiming High for Disabled Children*, published in May 2007. This will provide additional funding of £35 million for 2008-09 to 2010-11 to improve access to childcare for disabled children and young people. Funding will be used in a 3 year childcare accessibility project to help improve access and to reduce attitudinal barriers. Pilots starting in September 2008 in 10 local authorities will test out ways of meeting the needs of disabled children as identified in the childcare sufficiency assessments, with best practice subsequently being rolled out more widely.
100. There are also just under 28,000 lone parents on IS receipt of DLA. Lone parents who have a child for whom the middle or highest rate care component of DLA is payable will continue to be eligible to claim IS even when their youngest child reaches 12 (and in future 10 then 7). Jobcentre Plus will be highlighting the availability of DLA at Options and Choices events and also in the individual interviews with lone parents before their IS ends.
101. Lone parents caring for a child not receiving DLA or caring for a child in receipt of the lowest rate care component of DLA or either rate of the DLA mobility component when the proposed lone parent obligations come in will not be entitled to IS because they are lone parents. This is because a person receiving those benefits does not, by definition, require an amount of care that precludes the carer from working. The number of IS lone parents with a disabled child aged 7 – 15 claiming the lowest rate care component of DLA is around 6,000 (May 2007).
102. The Government also received representations from home educators, indicating they should be excluded from the proposals for Regulations. A number indicated they home educate because their child has a disability

or other behavioural difficulties. As with other lone parents, if the child(ren) are eligible for the middle or higher care component rate of DLA, the lone parent will be exempt from the proposals for regulations. Otherwise, while recognising that lone parents can choose to home educate, funding is not provided by Government to do so and lone parents in this situation do not receive IS for this purpose.

Rural

103. Lone parents are more prevalent in urban regions. Table 8 presents numbers of lone parents by region. The 6 regions with the highest proportion of lone parents are all metropolitan. More rural regions by comparison tend to have fewer lone parents, though there are still a notable number of lone parents in some of these regions. The more urban regions tend to have lower employment rates; the employment rate of lone parents is lowest in Inner London at 40.6 per cent

Table 8: Lone Parent families, number and as a proportion of all families, broken down by region. LFS 2007 Q2 (Apr-June)

Region	Lone parent families as % of all families	Number of lone parent families
Inner London	36.2%	131,818
Merseyside	34.8%	56,780
Tyne & Wear	32.8%	37,765
Gtr Manchester	31.0%	99,433
Strathclyde	30.4%	79,367
W Midlands Metropolitan	29.7%	99,461
Wales	28.2%	100,052
S Yorkshire	27.7%	39,320
Rest NE	26.9%	47,281
Outer London	26.4%	157,709
Rest of Yk and Humber	26.1%	50,056
GB	25.5%	1,786,914
Rest of Scotland	24.4%	78,026
Rest W Midlands	23.3%	76,821
Rest NW	23.2%	82,483
E Midlands	22.9%	117,514
E of England	22.4%	146,468
SW	22.4%	124,554
W Yorkshire	22.3%	58,378
SE	20.3%	203,627

104. There will be an increased requirement on lone parents living in rural areas to attend fortnightly review interviews in order to meet the conditions of continued entitlement for JSA. Current provisions reduce the need to travel by using postal arrangements. Customers will be offered postal status if:

- they live more than one hour, door to door, by public transport, in either direction, from the nearest jobcentre, or;
 - attendance would result in an absence from home in excess of 4 hours; or
 - they have a mental or physical disability, which restricts their mobility.
105. If no public transport is available, postal status is determined by whether or not the customer can reasonably be expected to walk from home to the jobcentre, within one hour. Customers must not be asked to walk more than 3 miles. This will depend on things like their age, health and the terrain over which they must walk.
106. It is recognised that occasionally, some lone parents on JSA may not be able to attend the Jobcentre Plus for their FJR during the school holidays. In such circumstances, and where the adviser agrees, parents will be allowed to sign by post for the school holiday period. The proposed changes to regulations also allow that where a parent has caring responsibilities during the child's school holidays and it is unreasonable for him or her to make other child care arrangements, advisers may treat him or her as being available for work and as having good cause for not attending FJRs during this period.
107. There will also be an increased requirement to attend additional Work-focused Interviews. Jobcentre Plus already provide a much more flexible system for lone parent customers to be able to consult with Advisers around the timing and place of their mandatory WFIs, so for example there are already provisions available for lone parents to have their WFI at a location that is more convenient to them, if it is unreasonable for them to attend a WFI in their local office.

Conclusion

108. The Government believes that changing from a voluntary to a mandatory intervention regime for lone parents of older children will help more lone parents move into work. This in turn will have a beneficial impact on child poverty.
109. The Government recognises that a small number of parents, including lone parents, may face particular difficulties and has agreed that additional flexibilities to JSA be adopted to meet these specific needs. DWP will conduct an early post implementation review to examine the application and appropriateness of these flexibilities, as well as a substantive, ongoing evaluation.
110. Despite these proposals, there remains a risk that a very small number of lone parents with complex personal needs may experience difficulty in the move from IS to an alternative arrangement, or in managing their requirements under JSA. To respond to these cases, Jobcentre Plus will have a responsive and targeted approach to assist the individual.

Attachment 1 to Annex 3 – Summary of International Comparison of Lone Parent Employment Policies

Experience from other countries suggests that the success of active labour market policies for lone parents is largely dependent on ensuring the right mix of support and responsibilities.

However, there is a lack of directly comparable and timely data on different international lone parent policies and care needs to be taken in interpreting what is available.

Comparison of Lone Parent Employment Characteristics

Employment rates for lone parents vary widely from country to country. Table 1 shows the latest comparative international data on lone parent employment and poverty rates (OECD, 1999-2003).

International evidence indicates that, in the majority of cases, countries with higher lone parent employment rates have lower poverty rates for lone parent households. There are two notable exceptions: the United States and Japan both have relatively high poverty rates for lone parent households despite high lone parent employment rates.

Policy Comparison of Lone Parent Work Requirements

Most countries comparable to Great Britain impose some conditions on the receipt of benefits. Australia recently introduced increased conditionality for all parents, including lone parents, in July 2006. New Zealand is the exception, having largely reversed its lone parent conditionality reforms in 2002, though retaining an employment focus.

The OECD have repeatedly suggested that the success of more stringent work search requirements for lone parents is contingent on the presence of satisfactory supportive measures for lone parents.

There is some reason to believe that this was not the case in New Zealand: clients were not always aware of in-work benefits and employment assistance measures available, and services such as childcare and post-placement support had not operated as intended.

In countries where active labour measures are in place, eligibility is often limited to lone parents with a youngest child above a certain age. For example, conditionality in Australia begins when the child is 6, in the Netherlands when the child is 5, and in France and Germany when the child is 3. Table 2 compares lone parent criteria for conditional benefit receipt amongst relevant OECD countries.

In most countries, work-search requirements for eligible lone parents include certain additional exemptions:

- In France and Norway, clients are not required to search for work within the first year of becoming a lone parent, whatever the age of youngest child.
- In countries such as Australia, lone parents are not obliged to accept a job if they are not financially better off by a certain amount.
- In certain countries, namely in the Netherlands and Australia, lone parents are not required to accept a job if there is a lack of adequate schooling or childcare support.

Table 1 - Lone Parent Employment and Poverty rates

Most of these data sources are 4-5 years old, and figures have almost inevitably changed, especially in countries such as Australia which have since implemented substantial reforms. In the UK, the employment rate for lone parents currently stands at 57.2% (Q2 2007 data), around 4 percentage points higher than the figure indicated here.

There are also sometimes large differences in the available data between countries.

Country	Employment rate (%)	Lone parent poverty rate (%)
	OECD 2000-03	OECD 1999-2002
Australia	47.3	38.4
Austria	81.1	30
Belgium	58	
Canada	67.6	42.1
Czech Republic	59	23.2
Denmark	71.9	7.2
Finland	70	10.5
France	67	26.6
Germany	66	31.4
Greece	79	19.8
Ireland	45.1	53.9
Italy	74	24.9
Japan	83.6	57.3
Luxembourg	89	5.1
Netherlands	47	30.3
New Zealand	50.4	47.5
Norway	69	9.9
Poland	33.3	34.7
Portugal	77.9	32.5
Spain	79	
Sweden	81.9	9.3
Switzerland	78.3	
United Kingdom	53.1	40.7
United States	67.7	48.9
Country Average	69.4	29.7

Source: OECD, 1999-2003 data

Notes: Poverty rate: lone parent households in poverty as a percentage of all lone parent households.

Table 2 – Lone Parent Policy Comparison

Table 1. Work tests for lone parents, selected countries, around 2006

No work test	Work test	
	Independent of child age	Dependent on child age (age limit in years)
Portugal Spain	Belgium ¹ (Discretion) Denmark (subject to childcare) Finland Japan ⁵ (Discretion) Sweden	Ireland (18 or 22 if child in full-time education) New Zealand ² (18) United Kingdom ³ (16) Australia ⁴ (16/7) Luxembourg (6) Canada ⁸ (0.5 - 6) Netherlands ⁷ (5) Czech Republic (4) Austria (about 3) France (3) Germany (3) Norway (3) Switzerland (3) United States ⁸ (usually 0.25-1, with some exceptions)

Source: adapted, by the OECD, from *Babies and Bosses – Reconciling Work and Family Life in the OECD Countries (Volume 5)*

Annex 4

Lone Parent (LP) Load count at May 2007

Jobcentre Plus District	All	LPs with youngest child age 7 to 15		Phase 1 JSA Flow	Phase 1		Phase 2		Phase 3	
		No.	%		No.	%	No.	%	No.	%
Total	765,630	295,650	38.62	1,947	106,610	36.06	67,900	22.97	121,140	40.97
Ayrshire Dumfries Galloway & Inverclyde	8,080	3,240	40.10	20	1,270	39.20	680	20.99	1,290	39.81
Bedfordshire & Hertfordshire	17,270	6,670	38.62	44	2,380	35.68	1,540	23.09	2,750	41.23
Berks, Bucks & Oxfordshire	18,700	6,690	35.78	40	2,380	35.58	1,470	21.97	2,840	42.45
Birmingham and Solihull	24,680	9,440	38.25	61	3,400	36.02	2,150	22.78	3,890	41.21
Black Country	19,030	6,960	36.57	45	2,590	37.21	1,580	22.70	2,790	40.09
Brent, Harrow & Hillingdon & West London	27,830	10,900	39.17	73	3,900	35.78	2,510	23.03	4,490	41.19
Bridgend and Eastern Valleys	10,700	3,920	36.64	24	1,370	34.95	860	21.94	1,690	43.11
Central London	15,520	6,870	44.27	42	2,600	37.85	1,530	22.27	2,740	39.88
Cheshire	7,300	2,700	36.99	17	980	36.30	620	22.96	1,100	40.74
City and East London	21,360	8,810	41.25	57	3,150	35.75	2,000	22.70	3,660	41.54
Cornwall & Devon	15,110	6,150	40.70	43	2,170	35.28	1,470	23.90	2,510	40.81
Coventry & Warwickshire	9,740	3,590	36.86	25	1,290	35.93	840	23.40	1,460	40.67
Cumbria	4,390	1,650	37.59	10	630	38.18	380	23.03	640	38.79
Derbyshire	10,370	3,950	38.09	25	1,420	35.95	890	22.53	1,640	41.52
Edinburgh Lothian & Borders	9,290	3,640	39.18	23	1,250	34.34	850	23.35	1,540	42.31
Essex	19,290	7,830	40.59	48	2,750	35.12	1,730	22.09	3,350	42.78
Forth Valley & Fife & Tayside	11,650	4,500	38.63	29	1,620	36.00	1,050	23.33	1,830	40.67
Glasgow	13,300	6,000	45.11	40	2,290	38.17	1,380	23.00	2,330	38.83
Gloucestershire and Wiltshire	10,460	3,890	37.19	28	1,340	34.45	950	24.42	1,600	41.13
Greater Manchester Central	18,350	7,020	38.26	48	2,590	36.89	1,620	23.08	2,810	40.03
Greater Manchester East & West	21,650	8,070	37.27	53	2,920	36.18	1,880	23.30	3,270	40.52
Greater Mersey	12,940	5,160	39.88	33	1,870	36.24	1,220	23.64	2,070	40.12
Hampshire	18,180	7,010	38.56	45	2,460	35.09	1,570	22.40	2,980	42.51
Highlands Islands & Clyde Coast & Grampian	11,420	4,480	39.23	30	1,580	35.27	1,060	23.66	1,840	41.07
Kent	19,350	7,600	39.28	49	2,660	35.00	1,740	22.89	3,200	42.11
Lambeth, Southwark & Wandsworth	19,990	7,740	38.72	53	2,780	35.92	1,760	22.74	3,200	41.34
Lanarkshire & East Dunbartonshire	9,210	3,760	40.83	26	1,360	36.17	890	23.67	1,510	40.16
Lancashire	16,210	6,090	37.57	40	2,260	37.11	1,370	22.50	2,460	40.39
Leicestershire & Northamptonshire	17,000	6,100	35.88	40	2,160	35.41	1,420	23.28	2,520	41.31
Lincolnshire	5,790	2,160	37.31	14	790	36.57	470	21.76	900	41.67
Liverpool & Wirral	16,420	6,650	40.50	45	2,480	37.29	1,540	23.16	2,630	39.55
Norfolk	7,610	3,060	40.21	21	1,100	35.95	730	23.86	1,230	40.20
North & North East London	39,050	15,600	39.95	105	5,530	35.45	3,590	23.01	6,480	41.54
North West Wales & Wrexham	7,950	3,090	38.87	20	1,160	37.54	710	22.98	1,220	39.48
North Yorkshire & Humber	18,020	6,680	37.07	50	2,410	36.08	1,660	24.85	2,610	39.07
Northumbria	13,120	4,930	37.58	33	1,820	36.92	1,110	22.52	2,000	40.57

Jobcentre Plus District	All	LPs with youngest child age 7 to 15		Phase 1 JSA Flow	Phase 1		Phase 2		Phase 3	
Nottinghamshire	14,010	5,280	37.69	32	1,970	37.31	1,180	22.35	2,130	40.34
Somerset & Dorset	10,050	4,100	40.80	27	1,440	35.12	980	23.90	1,680	40.98
South & South East London	36,700	14,300	38.96	94	5,100	35.66	3,250	22.73	5,950	41.61
South East Wales and Cardiff & Vale	11,010	4,140	37.60	28	1,380	33.33	980	23.67	1,780	43.00
South Tyne, City of Sunderland & Durham	13,100	5,000	38.17	34	1,870	37.40	1,140	22.80	1,990	39.80
South Yorkshire	17,600	6,300	35.80	39	2,270	36.03	1,420	22.54	2,610	41.43
Staffordshire	10,450	3,950	37.80	26	1,450	36.71	910	23.04	1,590	40.25
Suffolk & Cambridgeshire	13,170	5,060	38.42	33	1,780	35.18	1,170	23.12	2,110	41.70
Surrey & Sussex	22,070	8,870	40.19	62	3,120	35.17	2,060	23.22	3,690	41.60
Swansea Bay and West Wales	8,880	3,530	39.75	24	1,300	36.83	810	22.95	1,420	40.23
Tees Valley	11,380	4,120	36.20	26	1,570	38.11	930	22.57	1,620	39.32
The Marches	10,580	4,070	38.47	28	1,450	35.63	910	22.36	1,710	42.01
West Yorkshire	28,650	10,360	36.16	68	3,850	37.16	2,410	23.26	4,100	39.58
West of England	11,570	4,210	36.39	28	1,470	34.92	980	23.28	1,760	41.81

Impact of Lone Parent Obligation Changes on Benefit Loads

	IS LP Load	IS Other Load	JSA Load	ESA Load	Total Load
Nov-08	-3,660	550	1,431	582	-1,097
Feb-09	-26,312	4,278	10,593	4,480	-6,961
May-09	-83,556	13,799	33,261	14,417	-22,079
Aug-09	-106,124	19,796	44,003	20,682	-21,643
Nov-09	-127,562	23,666	48,385	24,794	-30,718
Feb-10	-160,385	28,804	57,634	30,210	-43,737
May-10	-170,436	29,473	53,582	30,801	-56,581
Aug-10	-172,668	28,858	47,398	30,088	-66,324
Nov-10	-210,860	35,474	61,648	37,119	-76,620
Feb-11	-269,213	44,702	82,250	46,877	-95,383
May-11	-287,206	47,052	80,382	49,262	-110,510
Aug-11	-291,037	46,669	72,652	48,803	-122,913
Nov-11	-288,690	46,412	67,352	48,568	-126,358
Feb-12	-287,600	45,634	64,125	47,749	-130,092
May-12	-285,924	44,730	58,966	46,696	-135,533
Aug-12	-289,799	44,759	56,939	46,680	-141,421
Nov-12	-287,498	45,049	56,009	47,029	-139,411
Feb-13	-286,473	44,869	55,860	46,847	-138,897
May-13	-284,841	44,291	52,823	46,145	-141,583
Aug-13	-288,754	44,548	52,299	46,375	-145,533
Nov-13	-286,488	45,038	52,694	46,940	-141,816
Feb-14	-285,515	45,062	53,559	46,979	-139,915
May-14	-283,923	44,633	51,455	46,438	-141,396
Aug-14	-287,877	44,915	51,626	46,697	-144,640
Nov-14	-285,655	45,449	52,452	47,312	-140,442
Feb-15	-284,711	45,541	53,593	47,426	-138,151

The impacts on child poverty/employment are based on the following key assumptions:

- **Where lone parents go to when they lose eligibility to IS**, based on where lone parents currently go to when their youngest child turns 16 (from the Department's administrative data)
- **Number of lone parents moving onto benefits**, based on the assumption that this will be the same as the number of lone parents moving onto IS in the same period of the previous year. Inflows have been reasonably steady over the last

few years

- **How quickly lone parents move off other benefits**, based on the assumption that lone parents will move off JSA at a rate halfway between that for women on JSA and lone parents on IS. This is considered a cautious estimate. We have also assumed that a proportion of these move back onto JSA at a later date (based on what we know about jobseekers currently). We have also assumed that lone parents move off other benefits (e.g. ESA) at the same rate as they do under IS.
- **Where lone parents go to when they move off JSA**, based on the assumption that 60% of lone parents go into employment. This is based on analysis from the Family and Children's Study, NDLP evaluation, and the Destinations Survey.

Review of Lone Parent Obligations Implementation

To inform implementation activity for Phase 2 and 3, a post implementation review will be undertaken in mid 2009. This should provide sufficient time for a reasonable volume of customers to have experienced the change and for management information to become available. Clearly, Jobcentre Plus will also have escalation processes in place from go live to capture any immediate issues that might arise.

The review will cover implementation, communications and live running. As well as identifying lessons learned for phases 2 and 3, our objective will be to assess the initial impact on lone parents and any issues that arise as a result of implementing the changes. We would expect to include information about the:

- destination of lone parents when IS ends;
- number of lone parents where JSA may be disallowed as a result of not meeting availability;
- application of the flexibilities available for lone parents and parents;
- the treatment of lone parents and parents during school holidays;
- destinations of those leaving JSA (jobs; other benefits etc);
- number of lone parents where sanctions have been recommended and applied;
- implementation issues raised by operations and lone parent stakeholder groups; and
- communications issues.

This is distinct and separate from the longer term, multi-method evaluation of the change which will be undertaken. This will include an impact assessment and cost benefit study as well as qualitative depth interviews with customers and staff and a quantitative social survey in order to determine the effects of the new regime on outcomes for lone parents and to assess how the changes have impacted on the lives of those affected.

The Lone Parent Support Package

Pre-employment support

A range of new measures will be available to assist Lone Parents.

- **Options & Choices Events for Lone Parents from April 2008** – Lone parents whose youngest child is aged 11 or over, or approaching 11, will be invited to group sessions that will enable them to understand how Jobcentre Plus and their partners can help them prepare to return to work, develop their skills and understand how the local labour market works. Lone parents will also be told about the proposed changes to the entitlement conditions for Income Support (IS). We also propose that this will apply to parents of younger children from 2009 and 2010.
- **Job Interview Guarantee from April 2008** – Jobcentre Plus will aim, where possible, to guarantee lone parents who are willing and able to work, a job interview with an employer. We will work with employers through Local Employment Partnerships to help provide even more job opportunities for lone parents.
- **New Deal for Lone Parents (NDLP)** - NDLP is a voluntary programme, eligible lone parents can join at any time by contacting an NDLP Adviser or as a result of a compulsory WFI. At an initial interview the Adviser will explain what NDLP can offer. If a lone parent wishes to join NDLP the Adviser will work with the lone parent on a one-to-one basis, delivering a package of advice and support tailored to meet the needs of individual lone parents, including;
 - a record of agreed steps towards work on an Action Plan (AP);
 - help and support with finding suitable work and when applying for jobs;
 - advice on identifying training opportunities;
 - a calculation of how much better off a lone parent could be in work, compared to their current situation;
 - advice on financial help, benefits and tax credits when the lone parent starts work;
 - help in applying for in-work benefits and tax credits;
 - advice on identifying registered childcare options;
 - help with expenses to attend meetings, job interviews or approved training, including childcare/travel costs; and
 - continued support and advice after the lone parent has first started work.

In addition, the following financial support is available to eligible lone parents, through the NDLP programme:

- a weekly £15.00 Training Premium for lone parents undertaking approved training;
 - a £250 Job Grant to cover costs of moving from benefit into work;
 - help with up front childcare costs; and
 - Childcare Assist which provides access to help with childcare a week before starting work.

- ii. **The extension and expansion of the New Deal Plus for Lone Parents (ND+fLP) Pilots from April 2008** – The current ND+fLP pilots will be extended until March 2011. These pilots will also be expanded to cover all lone parents in London. The pilots bring together a comprehensive package of measures based on clearer guarantees of advice and support.

- iii. **Work focused pre-employment training from April 2008** – lone parents on Jobseeker’s Allowance (JSA) will have access to the support offered by ND+fLPs and have access to training opportunities on the same basis as other JSA customers. For example, should their Adviser think it is appropriate they will be able to participate in short, full-time employment focused training opportunities. They will transfer to a training allowance in order to take up this pre-employment training.

- **Increasing the work trials period from three to up to six weeks during 2008** – Subject to changes in Regulations, lone parents taking part in NDLP will be able to take part in a Work Trial for up to six weeks so an employer can assess the lone parent before offering them permanent work. Safeguards are in place to ensure there is no abuse of this by employers, for example they will not apply to seasonal jobs that do not last for 13 weeks or more. The customer is able to walk away from the trial at any stage if they are not comfortable with the arrangements that have been put in place.

- **In work support** - A new range of measures to help people in work are:
 - **National extension of In Work Credit from April 2008:** - In Work Credit (IWC) is designed to help participants cope with the financial aspects of the transition from benefit to work. It is a payment of £40 per week (£60 in London), paid for up to 52 weeks, made to lone parents who have been on benefits for 12 months or more and leave benefit for work of 16 hours or more per week.

 - **In Work Credit and Retention:** – to determine how we can use IWC to help lone parents stay and progress in work, we will pilot using IWC as an aid to retention. After a period of weekly payments to support the transition into work lone parents will then receive lump sum payments, dependent on them attending a meeting with an Adviser to discuss and encourage their progress and see if any other support is needed.

- **In Work Advisory Support from Jobcentre Plus Advisers from April 2008:** - Support and guidance from Advisers will be offered to all lone parents who have moved into work to help resolve any difficulties and direct individuals towards other support. Advisers, along with adult advancement and careers service, will be able to make both individuals and employers aware of skills training opportunities, including Train to Gain.
- **The national rollout of the In Work Emergency Discretion Fund:**
 - The In Work Emergency Discretion Fund will provide in work financial help to overcome unexpected financial barriers which arise when a lone parent first starts work and which might otherwise make it difficult for the lone parent to remain in employment. These barriers could include:
 - a sudden childcare emergency which may jeopardise work unless there is a way to pay for temporary cover;
 - a domestic crisis;
 - the disruption of travel arrangements which may necessitate the temporary use of a more expensive alternative;
 - the essential emergency repair of a motor vehicle; or
 - payments to reduce hardship if Working Tax Credit is not in payment.

This list is not exhaustive.

- **Piloting the provision of Up-Front Childcare costs in London from spring 2008:** – Advisers and lone parents, particularly in London, tell us that there can be a problem in meeting the up-front childcare costs that many childcare providers require. The Child Poverty Strategy “Working for Children” published in March 2007 recognised this problem and said that as this is a particular problem in London where the level of up-front registration costs, deposits and advance payments can act as a barrier to work. We plan to pilot providing up-front financial support for childcare for those LPs in London who meet the eligibility criteria. The pilot will last 2 years.
- **Better Off in Work Credit** - the Credit will give assurance to lone parents, and other customers, who have been on certain benefits for 26 weeks or more and who qualify under the scheme, that their income from work, including in work benefits, will be at least £25 a week more than they received from out-of work benefits, assessed according to the scheme. It is intended to trial the Credit in 2008 and, if it proves successful, extend it in 2009.

Further information about Childcare

Domestic and international evidence from OECD⁶¹ countries indicates that access to appropriate and affordable childcare is a key factor in helping parents move off benefit and into the labour market. The Government has invested well over £21 billion in childcare and early years in England since 1997, as part of an unprecedented expansion of provision for young children and families. The stock of registered childcare places in England now stands at over 1.28 million places, twice 1997 level.

The Childcare Act 2006⁶² includes an important new duty in relation to the availability of childcare. From April 2008 all local authorities in England and Wales are required to take reasonable steps to secure sufficient childcare to meet the needs of working parents. In doing so they must have particular regard to the needs of lower income working families. In determining an appropriate level of supply in their areas, local authorities will liaise with local Jobcentre Plus management in order to assess projected levels of demand from parents moving from welfare into work and to ascertain any specific requirements of our clients. The impact of the proposals introduced by these regulations will form part of that conversation.

The provisions of the Childcare Act do not extend to Scotland. However, the devolved administration has a stated objective of improving the availability of childcare for working parents and has invested significantly in this area in recent years. Following discussions, officials in the Scottish Executive have indicated that the projected levels of increased demand for childcare in Scotland resulting from these Regulations can easily be absorbed by current provision.

The Government has stated that, by 2010, there will be a childcare place for all children aged 3-14 years old in England whose parents want one. This provision will be available on weekdays between the hours of 8am and 6pm all year round. As part of this objective there is an aim that, by 2010, all schools in England will be offering extended services – which will include childcare where there is a demand. The Government exceeded its target of 2,500 schools providing the extended services core offer by September 2006 and by September 2008 it expects at least half of primary schools and a third of secondary schools to be offering extended services.

These proposals will not result in lone parents being expected to take up job opportunities involving a-typical hours which are unreasonable in view of their caring responsibilities. The flexibilities within the regime will enable them to cite their caring responsibilities as good cause for not taking such vacancies.

For those who wish to work a-typical hours, the Childcare Act should ensure that their childcare needs are identified and, as far as is practical, met.

⁶¹ Babies and Bosses, reconciling work and family life synthesis. OECD 2007.

⁶² Section 6 of the Childcare Act 2006 (c. 21)

Further information about Childcare Training for Advisers & Childcare Discussions

Enabling parents to access affordable and appropriate childcare has been recognised as a key factor in helping parents move off benefit and nearer to the labour market.

Jobcentre Plus, therefore, has taken steps to improve the training and development received by Advisers in relation to childcare and will ensure that in the operational year 2008/2009, all Advisers, not just NDLP Advisers, help parents overcome childcare barriers.

The introduction of the enhanced parent focus is intended to ensure that Jobcentre Plus staff:

- are equipped to confidently discuss childcare needs with parents;
- have sufficient knowledge to deal with core childcare issues;
- recognise childcare barriers, distinguishing from perceived barriers;
- promote the benefits of formal childcare in terms of job sustainability and a child's development; and
- understand the range of support provided by Children's Centres and Children's Information Service and signpost parents to these partners.

From 21 April 2008 Childcare Discussions involve the following minimum action for all customers with dependent children within the Jobcentre Plus regime, as well as lone parents on the lone parent WFI regime:

Existing Procedures

- discuss childcare barriers with parent (for each child if more than one) to identify whether the barrier is preventing the customer from entering employment or participating in training. Childcare barriers can be any of the following provision/places required, early morning/evening/weekend, cost, transport links required, disabled children and cultural needs;
- explain childcare types available and those suitable for the barriers identified. Childcare types can be any of the following: Day Nursery, nanny, breakfast club, after school club, holiday club, home child carer scheme, informal, child minder and playgroup; and
- record all details on Labour Market System.

New Childcare Discussions - In addition to the above

- offer information on formal childcare to parents to ensure they can make informed decisions on childcare, challenge any negative perceptions e.g. talking through a leaflet on childcare options;

- explain services provided locally by Children's Centres (CCs) and Children's Information Services (CIS);
- where appropriate signpost/refer to CC and CIS; and
- record all information the new Child Details Functionality Labour Market System.

Employment and Support Allowance (ESA) Regime

This is a high level picture of the ESA process:

- when a customer applies for ESA they will enter a 13-week assessment phase;
- during the assessment phase a customer will be referred for a Work Capability Assessment (WCA), which will determine their eligibility for ESA. As part of the WCA, a Work Focused Health Related Assessment (WFHRA) takes place, which will look at the customers capability to work and advise what help and support they may need to start work. The WCA and the WFHRA will be delivered by ATOS Healthcare;
- once the assessment phase is complete and a customer has completed the WCA, if eligible, they will move on to the main phase of ESA. (In the case of lone parents formerly in receipt of IS and the disability premium and whom are subject to the lone parent regulations, it is proposed that the (work-related activity) component will be paid from the outset of the ESA claim). On the basis of the medical test carried out as part of the WCA, customers will be placed in the Work Related Activity Group or Support Group if they meet the eligibility criteria;
- the Support Group can volunteer to receive the Work Related Activity Group help at any time. Exceptionally, customers with a terminal illness will receive the main phase amount from the start of the assessment phase;
- customers in the Work-Related Activity Group will be required to attend the first Work-focused Interview (WFI) at the Jobcentre about eight weeks after they have claimed;
- customers will have up to five more interviews as part of the Pathways to Work (PtW) programme. These interviews will be conducted by a Jobcentre Plus Adviser or one of our contracted partners and will focus on helping customers back to work;
- PtW includes health support so that customers can learn to manage and cope with their disability or health condition. There is also in-work support in the form of coaching and mentoring for all customers who need it when they first return to work; and

If the customer fails to attend the WFI without good cause, a sanction may be applied to those who are in the Work Related Activity Group.



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