EXPLANATORY MEMORANDUM TO

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

2008 No.

1. This Explanatory Memorandum has been prepared by The Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 These draft Regulations amend the Income Support (General) Regulations 1987 ("the IS Regulations") with the result that only lone parents with a youngest child aged under 12 will be entitled to Income Support (IS). Beginning in October 2009, only lone parents whose youngest child is aged under 10 will be entitled to IS, and from October 2010, entitlement will be limited to lone parents whose youngest child is aged under 7.

2.2 These draft Regulations provide for the changes in IS entitlement to take effect in stages in relation to lone parents who are existing claimants. They also provide that certain existing claimants who are also full-time students or taking part in an approved course on New Deal for Lone Parents (NDLP) or a scheme which has been approved by the Secretary of State as supporting the objectives of NDLP may remain entitled to IS for a limited period. In addition, they provide that lone parents with disability premium who cease to be entitled to IS due to these Regulations but who claim an Employment and Support Allowance (ESA) may receive the support or work-related activity components without having to complete an assessment phase.

2.3 They also require certain lone parents who are entitled to IS and whose youngest child is aged at least 6 to take part in work-focused interviews (WFIs) every 13 weeks.

2.4 These draft Regulations also amend the Jobseeker's Allowance Regulations 1996 ("the JSA Regulations") to make additional provision in relation to lone parents and other claimants who are treated as having caring responsibilities in relation to a child. These amendments relate to the circumstances in which claimants are required to be available for, and actively seeking employment, the determination of just cause for leaving employment and good cause for failing to take up paid employment or to comply with a jobseeker's direction, and concerning the eligibility of lone parents for hardship payments.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 A person may claim IS if he or she is within a category of person prescribed in Schedule 1B to the IS Regulations. Currently, a lone parent may be entitled to

IS if that person is treated as responsible for a child aged under 16 who is a member of his or her household.

4.2 Most lone parents who claim IS are required to participate in regular WFIs, at least every 6 months. Since October 2005, they have been required to complete an action plan as part of the WFI process. The purpose of a WFI is to discuss the availability of assistance for lone parents who want to take up employment or training or prepare for employment in the future. A Jobcentre Plus Personal Adviser ensures that the lone parent is informed of the range of help available to them, including NDLP.

4.3 Although lone parents who are entitled to IS are required to take part in WFIs, currently they are not required to look for paid work in order to claim IS, nor are they required to undertake any work-related training or other activity, which is voluntary.

4.4 Entitlement to JSA is conditional on a person being willing and able to take up employment and actively seeking employment (*see* section 1 of the Jobseekers Act 1995 http://www.opsi.gov.uk/acts/acts1995/Ukpga_19950018_en_1). Much of the detail is contained in the subordinate legislation (the JSA Regulations).

5. Territorial Extent and Application

5.1 This instrument applies to Great Britain.

6. European Convention on Human Rights

Stephen Timms, Minister of State for Employment and Welfare Reform has made the following statement regarding Human Rights:

"In my view, the provisions of the Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008 are compatible with the Convention rights."

7. Policy background

7.1 The Government has committed to halving child poverty by 2010 and eradicating it by 2020. There are currently 2.9 million children living in poverty and to reach the halving target, this must be reduced to 1.7 million children.

7.2 The current policy, based around a core of WFIs and NDLP, supported by tax credits and increased access to childcare, has helped to increase the lone parent employment rate by 11.6 percentage points to 56.3 per cent (Labour Force Survey 2008 Q2 household data). But, to further increase the employment rate and help lone parents improve their life chances and lift themselves and their children out of poverty, the Government needs to go much further.

7.3 The Government believes these Regulations will contribute to the key policy objective of reducing child poverty by requiring those lone parents with older children who can do so, to actively seek paid work in order to claim support from the benefits system. The Government also provides tailored assistance to

help lone parents secure and maintain paid employment and, in its view, these Regulations are therefore consistent with the approach that people make full use of the services that are available to them from which they can benefit.

7.4 The Government also believes that paid work, for those who can, is the most sustainable route out 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 7 per cent of those working full-time (2006/07 HBAI data).

7.5 The policy is expected to increase the rate at which lone parents leave benefits for employment and to contribute to an increase in the number of lone parents taking up full or part-time paid employment.

7.6 The Government's policies for lone parents, therefore, are a balance between providing direct financial and other assistance to enable a person to support his or her family, and wider measures aimed at lifting families and children out of poverty.

Consultation

7.7 In the Green Paper "*In Work, Better Off: Next Steps to Full Employment"*, published in July 2007 the Government sought views from the public on its proposals to move lone parents who can undertake paid work from a passive benefit regime to a benefit which requires more active steps to look for paid work and greater engagement with the labour market. It sought feedback on options to change the circumstances in which lone parents are entitled to IS, depending on the age of their youngest child.

7.8 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.

7.9 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 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.

7.10 The Command Paper also indicated that the regulations would apply to lone parents with older children and that, subject to certain conditions, a person would be able to look for part-time employment if that was appropriate to his or her circumstances. It also committed to introducing further safeguards so that Jobcentre Plus staff would have extra discretion so that a lone parent would not be penalised if appropriate and affordable childcare was not available.

7.11 The Command Paper included proposals to adopt a phased approach to implementation to ensure Jobcentre Plus was able to support lone parents in the transition between benefits and the move into employment.

7.12 The Department for Work and Pensions informally consulted with Lone Parent Voluntary Groups on the proposals, and made some changes in response to their specific concerns.

7.13 The Department for Work and Pensions formally consulted the Social Security Advisory Committee (SSAC) concerning its proposals for regulations. The Committee formally consulted on the Regulations. The Command Paper containing the Explanatory Memorandum to SSAC, the Committee's report and the response from the Secretary of State for Work and Pensions can be found on the OPSI website http://www.opsi.gov.uk/official-publications/index.htm.

7.14 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.

7.15 In summary, the Government's response was not to accept the Committee's recommendations.

Guidance

7.16 Detailed guidance on both regulatory and operational changes will be provided to Jobcentre Plus staff and Decision Makers. In particular, comprehensive guidance, support material and training will be provided concerning the application of the JSA regime to parents.

7.17 Letters will be issued to all claimants affected by these changes. Jobcentre Plus will also put in place a range of extra steps to contact lone parents to ensure they are aware of the changes.

Consolidation

7.18 Informal consolidation will be included in due course in the Department's "the Law Relating to Social Security" (the Blue Volumes) which are available on the internet at: http://www.dwp.gov.uk/advisers/docs/lawvols/bluevol/pdf/c_0031.pdf at no cost to the public.

8. Impact

8.1 A full impact assessment has not been published for this instrument as it has no impact on the private or voluntary sectors.

8.2 An assessment of the impact that this instrument will have on the public sector and an equality impact assessment has been prepared and is annexed to this Explanatory Memorandum. It is also available alongside the instrument on the OPSI website http://www.opsi.gov.uk/stat.htm.

9. Contact

Johanna Blythin at the Department for Work & Pensions Tel: 0113 2327888 or e-mail: johanna.blythin@jobcentreplus.gsi.gov.uk can answer any queries regarding the instrument.

Summary: Intervention & Options

Department /Agency:	Title:	
Department for Work and Pensions	**Impact Assessment of Lone Parent Obligations: (lone parents and miscellaneous amendments) Regulations 2008**	
Stage: Implementation	**Version:** Final	**Date:** xx **September 2008**
Related Publications: 'In Work, Better Off: Next Steps to Full Employment' (Cm7130), 'Ready for Work: Full Employment in Our Generation' (Cm7290)		

Available to view or download at:

http://www.dwp.gov.uk/welfarereform/readyforwork/l

Contact for enquiries: Elaine Squires **Telephone:** 02079628334

What is the problem under consideration? Why is government intervention necessary?

The Government has 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 11.6 percentage points to 56.3 per cent. The aim of changing from a voluntary to a mandatory intervention regime for lone parents of older children is to help more lone parents who can do so to move into paid work and further reduce child poverty.

What are the policy objectives and the intended effects?

To contribute to the key objective of reducing child poverty by encouraging lone parents with older children who can do so to actively seek paid work. The policy will contribute to achieving an increase in the number of lone parents taking up full or part-time paid employment.

What policy options have been considered? Please justify any preferred option.

In the Green Paper “In Work, Better Off: Next Steps to Full Employment” the Government consulted 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 reduce the age at which a lone parent’s entitlement to Income Support ceases, about what support should be made available to lone parents who claim Jobseeker's Allowance, and whether there should be transitional support. The White Paper "Ready for Work: Full Employment in our Generation" set out the case for the lone parent obligations changes.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? Monitoring and evaluation will be an ongoing process. A large scale evaluation is planned over 5 years, with a final report in 2014.

Ministerial Sign-off For final proposal/implementation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible Minister:

Stephen C. Timms Date: 29 September 2008

Summary: Analysis & Evidence

Policy Option: Lone parent obligations	Description: Remove entitlement to Income Support soley on grounds of being a lone parent for those with a youngest child aged 7 years or over

COSTS

ANNUAL COSTS		Description and scale of **key monetised costs** by 'main affected groups' Cost of administering JSA to lone parents with youngest child aged 7 and over; Costs of additional Employment Suppot Allowance on-flows; New Deal provision; Work-focussed Interviews
One-off (Transition)	**Yrs**	
£ 15.5m	3	
Average Annual Cost (excluding one-off)		
£ fluctuating		**Total Cost** (PV) **£ 55.05m**

Other **key non-monetised costs** by 'main affected groups'

BENEFITS

ANNUAL BENEFITS		Description and scale of **key monetised benefits** by 'main affected groups' Fiscal benefits of lone parents moving off benefits and into work, including reduced Housing and Council Tax Benefit, increased tax receipts, but net of Working Tax Credits. These are the fiscal benefits of the policy and no separate estimate has been made of the economic benefits of raising employment.
One-off	**Yrs**	
£		
Average Annual Benefit		
£		**Total Benefit** (PV) **£ 200-400m (3yrs)**

Other **key non-monetised benefits** by 'main affected groups'

Key Assumptions/Sensitivities/Risks Due to the fluctuating nature of the recurrent costs, it is not possible to give a meaningful average annual cost until all current customers are fully impacted. The costs and savings, which are partly assumption-based, are subject to a degree of uncertainty.

Price Base Year 2008	Time Period Years 3	**Net Benefit Range** (NPV) **£**	**NET BENEFIT** (NPV Best estimate) **£**

What is the geographic coverage of the policy/option?			Great Britain (ex NI)	
On what date will the policy be implemented?			24 November 2008	
Which organisation(s) will enforce the policy?			N/A	
What is the total annual cost of enforcement for these			£ N/A	
Does enforcement comply with Hampton principles?			Yes/No	
Will implementation go beyond minimum EU requirements?			N/A	
What is the value of the proposed offsetting measure per year?			£ N/A	
What is the value of changes in greenhouse gas emissions?			£ N/A	
Will the proposal have a significant impact on competition?			Yes/No	
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)					(Increase - Decrease)
Increase	£	Decrease	£	**Net**	**£** N/A

Key:	**Annual costs and benefits: Constant Prices**	**(Net) Present Value**

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

This document includes the public sector impact assessment and equality impact assessment for Lone Parent Obligations: (lone parents and miscellaneous amendments) Regulations 2008.

PROPOSED POLICY CHANGE

Currently a lone parent may be entitled to Income Support if the person is responsible for a child aged under 16 who is a member of that person's household. Under these measures, from October 2010 lone parents with a youngest child aged 7 or over will no longer be entitled to Income Support (IS) **solely** on the grounds of being a lone parent. Instead those able to take up paid employment may claim Jobseeker's Allowance (JSA) or an appropriate benefit for their circumstance. Those eligible for JSA will be expected to look for, and be available for, suitable paid work 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 who can do so 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.

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 proposed change will be introduced for lone parents with:

- a youngest child aged 12 or over 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.

COSTS AND BENEFITS

The costs and benefits presented are based on rolling out the policy in three stages as set out above, and 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. How effective the JSA regime will be for lone parents in practice is of course necessarily uncertain 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.

Employment Support Allowance (ESA)) at the same rate as they do under IS. These assumptions will be fully tested by an extensive evaluation.

- **Where lone parents go to when they move off JSA,** based on the assumption that 60% of lone parents go into paid employment. This is based analysis from the Family and Children's Study, New Deal for Lone Parents (NDLP) evaluation, and the Destinations Survey.

Based on these assumptions, DWP estimates that the cost of putting lone parents onto a JSA or ESA regime instead of the IS regime, and the cost of additional quarterly work focused interviews (WFIs) to prepare lone parents for the change would be in the region of £55.1 million over three years from April 2008-2011, with implementation costs of an additional £15.5 million.

The annual breakdown of these costs is as follows:

	08/09	09/10	10/11	TOTAL
Recurrent	£ 3.56m	£21.50m	£30.00m	£55.05m
Investment	£ 6.34m	£ 7.85m	£ 6.53m	£20.72m
TOTAL	£ 9.90m	£29.35m	£36.53m	£75.78m

Due to the fluctuating nature of the recurrent costs, it is not possible to give a meaningful average annual cost until all current customers are fully impacted. This is not expected to occur until 2012/13 and hence no average annual cost has been quoted.

Using the same assumptions, DWP current estimates are that the implementation of the policy as set out above could lead to a net reduction of 90,000 in the number of lone parents on out of work benefits by 2011, rising eventually to around 120,000 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 paid work of at least 75,000 and around 70 thousand fewer children in poverty. These estimates are sensitive to the particular assumptions used and will be fully tested in the evaluation.

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.

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 ratios.**1**

There will also be economic benefits in the form of increased employment and growth, though we have not estimated these here. These will form part of the cost benefit element of the planned evaluation.

1 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.

PUBLIC SECTOR IMPACT

Impact on Jobcentre Plus Resourcing

The 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 in the transition to, and while in receipt of JSA.

The intended phased implementation and gradual move of existing lone parent customers from IS to JSA or ESA from March 2009 means that the initial impact, from November 2008, will only result from new and repeat claims nationally. These are estimated to be approximately 1,677 JSA and 287 ESA claims monthly.

This phased and gradual approach will enable Jobcentre Plus to take account of other changes being introduced in October 2008 and help 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. Jobcentre Plus will also ensure that staff are aware of the changes to JSA will apply to all parents and not just lone parents.

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 also be an increased staff requirement to implement the change for existing lone parent customers. It is anticipated that there will be a slight staff increase in 2008/09 (142) but substantial increases in the two subsequent years (483 and 368 respectively).

There will also be an impact on the Jobcentre Plus estate as more customers will be required to attend Jobcentres for their fortnightly job reviews and there will be an increase in the number of customers referred to Pathways providers.

Impact on Jobcentre Plus staff

Jobcentre Plus have a comprehensive internal communications plan which includes operational awareness raising and operational guidance.

The gradual increase in workloads referred to above will enable Jobcentre Plus 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.

All relevant Jobcentre Plus 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 desk aid to support them. In addition relevant 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.

An understanding of available and appropriate childcare is crucial in supporting lone parents to move off benefit and nearer to the labour market. Jobcentre Plus have therefore taken steps to improve their training and development to help parents overcome childcare barriers.

Claiming Child Tax Credits (CTC)

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 Child Tax Credit (CTC) about 6 months before their Income Support is due to end, providing support for lone parents to do so as part of the Options & Choices Events, mandatory Work-focussed Interviews (WFI) and other case load interviews.

It is estimated that the numbers of lone parents who do not currently receive CTC are about 75,500 in Phase 1 of these lone parent changes, 45,000 in Phase 2 and 73,000 in Phase 3.

Rural impacts

Lone parents are more prevalent in urban regions. Table 1 presents numbers of lone parents by region. The majority of regions with a proportion of lone parents above the GB average are metropolitan. More rural regions by comparison tend to have fewer lone parents than the national average, 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 per cent.

Table 1: Lone Parent families, number and as a proportion of all families, broken down by region. LFS 2008 Q2 (Apr-June)

Region	Lone parent families as % of all families2	Number of lone parent families
Inner London	36.6%	138,000
Merseyside	35.4%	62,000
Tyne & Wear	30.9%	36,000
S Yorkshire	30.2%	43,000
W Midlands Metropolitan	29.5%	99,000
Gtr Manchester	28.8%	96,000
Strathclyde	28.4%	76,000
Wales	28.0%	104,000
Outer London	27.8%	167,000
Rest NE	27.1%	48,000
Rest of Yk and Humber	25.8%	48,000
GB	25.2%	**1,792,000**
W Yorkshire	24.9%	66,000
Rest of Scotland	23.2%	75,000
SW	23.0%	135,000
Rest NW	22.5%	77,000
Rest W Midlands	22.5%	74,000
E Midlands	21.7%	115,000
E of England	21.5%	146,000
SE	19.2%	188,000

2 Household Labour Force Survey 2008 Q2. Taken as a proportion of all lone parents and partnered mothers.

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.

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.

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.

There will also be an increased requirement to attend additional Work-focused Interviews in preparation for the cessation of IS. 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.

EQUALITY IMPACT ASSESSMENT

Gender

The proposed changes for lone parent will apply both to lone mothers and lone fathers with children aged 7 and over and as such aim to promote equality of opportunity. However, as 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.**3** The gender impact is slightly 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.

The overall lone parent employment rate is 56.3 per cent, and whilst it is much higher for male lone parents (63.8 per cent) than female lone parents (55.6 per cent), there is no difference in the employment rate for male and female lone parents with children aged over 7 years (68 per cent).

Risk of negative impact

Women will be more affected by the changes because the majority of lone parents are female and female lone parents are more likely than male lone parents to be out of work (44.4 per cent of lone mothers are not employed, compared to 36.2 per cent of lone fathers), such that over 95 per cent of IS lone parent claimants are female.**4** This is slightly less pronounced for lone parents with older children; 90 per cent of IS lone parent claimants with a youngest child aged 11 to under 16 are female. **5** However, male lone parents move off IS more quickly than female lone parents: of those lone parents who moved onto IS in 2006/07, it is estimated that around 44 per cent of fathers had moved off the benefit within the year compared to around 39 per cent of mothers.**6**

The vast majority of New Deal for Lone Parents (NDLP) participants are female – 94 per cent. Women actually have somewhat better outcomes than men – 59 per cent of women leave NDLP for employment compared to 52 per cent of men.**7** Increasing the rate at which female lone parents participate in NDLP should improve their employment outcomes.

Opportunity to promote equality of opportunity

The changes aim to help reduce child poverty through encouraging more lone parents with older children who can do so to seek paid employment and promote the equality of opportunity for employment for both lone mothers and fathers. As the population affected by the change are predominantly female they provide an opportunity to promote gender equality by helping more women back into the labour market.

Ethnicity

The proposed changes for lone parent will not apply differently to people of different ethnicity. Any lone parent with a youngest child age 7 or over may be affected by the proposals irrespective of ethnicity.

Table 2 shows the ethnicity breakdown of lone parents compared to the working age population as a whole, again using LFS data (Q2 2008).

3 Labour Force Survey, Q2 2008.
4 Work and Pensions Longitudinal Survey. March 2008
5 Work and Pensions Longitudinal Survey. March 2008
6 Work and Pensions Longitudinal Survey. March 2008
7 New Deal for Lone Parents data February 2008

Table 2: Ethnicity breakdown of lone parents compared to the working age population as a whole

(Q2 2008, Labour Force Survey)	White	Mixed	Asian	Black	Chinese [8]	Other ethnic group	All non-white
All working age population	89.6%	1.1%	5.1%	2.3%	0.5%	1.5%	10.40%
Lone parents	85.6%	1.5%	3.6%	6.9%	0.4%	2.0%	14.4%
Lone parent employment rate	58.3%	52.9%	37.9%	49.9%	29.1%	33.6%	44.4%

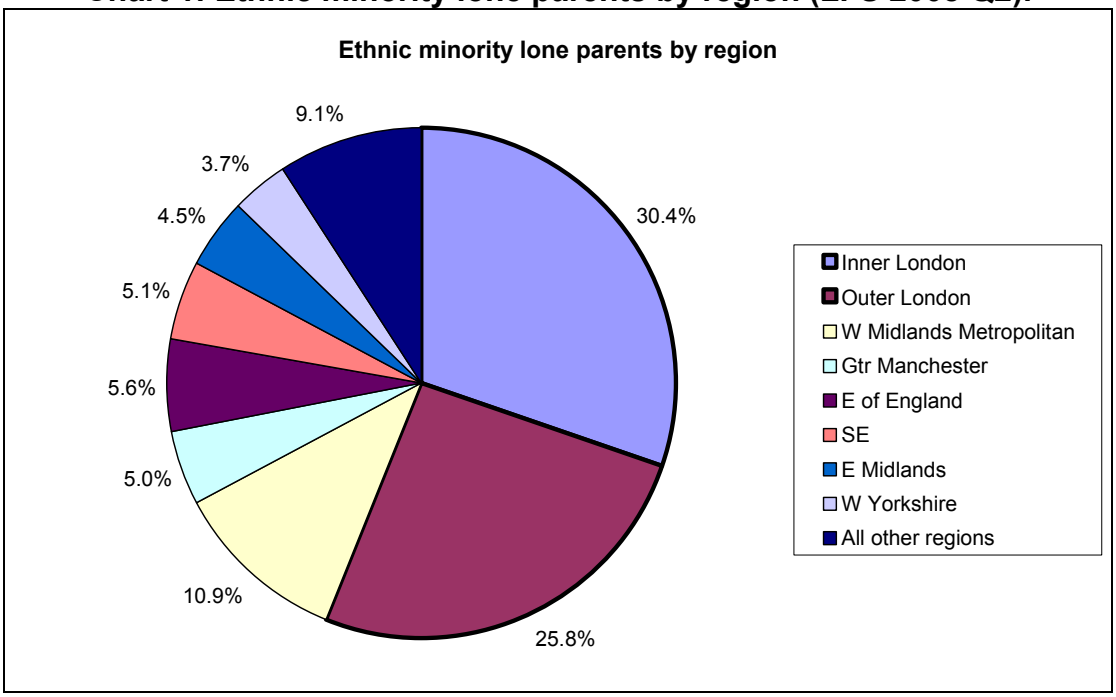
The table shows that lone parents are slightly more likely to be of non-white ethnicity than the overall working age population, with some 14 per cent of lone parents of non-white ethnicity.

Breaking down amongst ethnic group, the table shows that the proportion of lone parents who are black is significantly higher than the 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 44.4 per cent compared to 58.3 per cent for white lone parents.

Looking only at those who will be affected by the removal of IS there are slightly fewer proportions of non-white individuals than in the lone parent population, with around 12 per cent of lone parents with a youngest child aged 7 or over being from a non-white background.[9]

Chart 1 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 in this region (around 50%) than nationally.

Chart 1: Ethnic minority lone parents by region (LFS 2008 Q2).



Risk of negative impact

[8] Due to the small sample size of Chinese lone parents, the figures for this group are not statistically reliable.
[9] Household Labour Force Survey, 2008 Q2

15 per cent of NDLP participants in February 2008 were from an ethnic minority. They do have considerably worse outcomes from NDLP – 46 per cent of all non-white leavers go into paid 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 unsustained jobs is about the same for all groups; 60 per cent of people sustained their jobs, while 40 per cent did not. **10**

Recent research looking at the extent to which a Jobcentre Plus customer's ethnicity influences their probability of gaining employment found that people from ethnic minorities are significantly less likely than comparable white customers to be in employment and more likely to be on benefits in at least one of the 12 months following an NDLP programme start date. **11**

However, for New Deal 25plus the majority of results indicate that ethnic minority customers are at least as likely to be in employment or off benefits as whites throughout the year following programme entry.

Given this, improving back to work support for lone parents, has the potential to provide particular benefits to ethnic minority lone parents, potentially promoting equality of opportunity. However in order to achieve this, Government needs to ensure that it engages properly with these groups, and understands the issues they face, to ensure they realise these benefits. Work is ongoing, with groups such as the Ministerial Ethnic Minority Employment Task Force on ethnic minority employment strategies. To complement the work on improving mainstream service delivery, the Government is supporting specialised services at the local level to meet the needs of individual communities through for example, the City Strategy.

As there are higher concentrations of ethnic minority lone parents in London they will benefit from the 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.

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.
- In Budget 2008, the Government also announced its intention to pilot additional incentives for parents in London to return to work.

Evaluation of the Options and Choices events pilots designed to prepare lone parents for the forthcoming changes identified that some vulnerable customer groups, including disabled customers and non-English speakers where not being invited to attend events, suggesting an inequality of service level. These events are designed for lone parents who will be affected by the forthcoming changes to lone parent. As lone parents claiming Incapacity Benefit or Carers

10 New Deal for Lone Parents data February 2008
11 Crawford, C, Dearden, L et al (2008) *Estimating Ethnic Parity in Jobcentre Plus programmes: A quantitative analysis using the Work and Pensions Longitudinal Study* DWP Research Report 491.

allowance are not affected, it is right that they are not expressly invited. As a result of the evaluation, Jobcentre Plus strengthened their guidance to clarify that only those customers who are unaffected by the change in regulations are not expressly invited to an Options and Choices event. Jobcentre Plus have also taken appropriate steps to ensure vulnerable customers or those who have difficulty speaking English receive these key messages in the most appropriate way. This may include for example delivery of an event in a different language, or one-to-one delivery of the key messages with an interpreter present.

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 formal 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.

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.

- 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.[12]

- 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.

- 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.

Opportunity to promote equality

These regulations will apply to all lone parents with older children regardless of ethnicity. Jobcentre Plus will continue to have in place communications policies to take account of contact with people whose first language is not English. Jobcentre Plus will ensure that the implementation of the lone parent reflects the race equality duties and is sensitive to the needs of customers of different ethnic minority groups.

Due to the concentration of lone parents from ethnic minority groups in London, they will benefit from the range of measures in London to support parents, promoting equality of opportunity.

Disability

According to the Labour Force Survey (Q2 2008), around 22 per cent of lone parents have some kind of disability, and around two-thirds of these have both a Disability Discrimination Act (DDA) defined and work limiting disability. For those with a child aged 7 and over the proportion is somewhat higher, with just over 25 per cent of lone parents having some kind of disability, with again around two-thirds of these having both a DDA-defined and work limiting disability.

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 and are therefore affected by this change. Of this group over 15,000 are lone parents with a youngest child aged 7 to 16. It is estimated that around 15,000 of these are in receipt of

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

either the higher or middle care component rate or higher mobility 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 estimate the numbers in this group.

Around half of lone parents with a disabled child (51 per cent) are in employment. This increases to 56 per cent for lone parents with a youngest child between 7-15 years and 65 per cent for those with a youngest child 12-15 years.[13]

Risk of negative impact

Both IS and JSA have provision to pay a disability premium, but ESA does not include any equivalent to the disability premium. Therefore lone parents currently in receipt of the disability premium on IS could have been £25.85 a week worse off in the first 13 weeks of their ESA claim. However these Regulations amend the ESA Regulations so that lone parents moving from IS to ESA receive the full rate of ESA from the start of their claim and are only £1.85 per week worse off.

Jobcentre Plus has identified lone parents affected by the changes in advance and invited 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 regulations include the waiver of the ESA Assessment Phase for those lone parents who receive the disability premium.

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 59 per cent of non-disabled participants.[14]

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, and if eligible access support tailored to their needs.

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 with a health problem or disability 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.[15]

Recent research of lone parents in receipt of a benefits sanction found a low awareness of having been referred for a sanction; many lone parents in the sample did not understand why their benefit had been reduced and some did not realise that a reduction had been applied. [16] The research found that lone parents living with a sanction often reported complex and challenging domestic circumstances (including higher levels of debt and greater ill-health, including mental health) and financial disorganisation (less likely to check the accuracy of benefit payments).

---

13 Families and Children Study 2006 data.
14 New Deal for Lone Parents data February 2008.
15 Thomas, A. 2007 *Lone Parent Work Focused Interviews: Synthesis of Findings*, DWP research report 443: 41.
16 DWP research report 511; The effects of benefit sanctions on lone parents' employment decisions and moves into employment, August 2008

Such lone parents should be identified by Jobcentre Plus as being potentially vulnerable. 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.

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 personal adviser during an interview. In addition to existing provisions, Jobcentre Plus will be introducing additional safeguards for any parent facing disentitlement after failing to attend their fortnightly job review. 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.

There are around 25,000 lone parents on IS that are in receipt of Disability Living Allowance (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). There are around 6,000 lone parents on IS with a child aged 7 – 15 claiming the lowest rate care component of DLA. These lone parents will no longer be entitled to IS solely on grounds of being a lone parent and will be expected to make a claim of JSA if they are capable of work.

Some parents face additional challenges, particularly when they have a sick or disabled child. For those parents who claim JSA, Jobcentre advisers will use the existing and proposed flexibility within the JSA system to support them and promote equality of opportunity. 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.

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**17** 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. 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.

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.

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

17 Bryson C et al; (2006), *Childcare and Early Years Provision: A study of parents' use of views and experiences*; Department for Education and Skills, Research Report 723.

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.

Jobcentre Plus are highlighting the availability of DLA at Options and Choices events and also in the individual interviews with lone parents before their IS ends.

Opportunity to promote equality

Lone parents who have a disability or illness will be able to apply for ESA, if eligible, or move onto JSA. In both cases they will receive tailored support by trained Jobcentre Plus advisers, backed up by a package of pre and in-work support that will aim to improve outcomes for disabled lone parents and promote equality of opportunity. Jobcentre advisers will use the existing and proposed flexibility within the JSA system to support lone parents with disabled children and promote equality of opportunity.

MONITORING AND EVALUATION

As the regulations are implemented the equality impact assessment will continue to be reviewed and updated to ensure that due regard is given to equality Duties. The impacts will be evaluated and any disproportionate negative effects will be mitigated, and opportunities taken to positively promote equality.

Jobcentre Plus will conduct a post-implementation review in mid-2009 which will include implementation, communications and live running.

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 arrangements on outcomes for lone parents and to assess how the changes have impacted on the lives of those affected. The first of the annual synthesis reports will be published in summer 2009, with incremental reports published there after until the full impact assessment in 2014.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	***Results in Evidence Base?***	***Results annexed?***
Competition Assessment	No	No
Small Firms Impact Test	No	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	No	No
Rural Proofing	Yes	No

Annexes

Annex 1: the Equality duties

The Disability Equality Duty requires public authorities in carrying out their functions to have due regard to the need to

- Promote equal opportunities for disabled people;
- Promote positive attitudes toward disabled people;
- Encourage participation of disabled people in public life;
- Eliminate unlawful disability discrimination;
- Eliminate disability-related harassment;
- Take steps to meet disabled people's needs even if that requires more favourable treatment.

The Gender Equality Duty requires public authorities in carrying out their functions to have due regard to the need to

- Promote equality of opportunity between men and women;
- Eliminate unlawful discrimination;
- Eliminate harassment.

The Race Equality Duty requires public authorities in carrying out their functions to have due regard to the need to

- Promote equality of opportunity between people of different racial groups;
- Promote good relations between people of different racial groups;

Eliminate unlawful racial discrimination.