



Chapter 2

Sustainable employment for lone parents

We have already made substantial progress in helping lone parents into work, but we need to do more.

Helping more lone parents into work is good for their health, boosts self-esteem, promotes independence and lifts children out of poverty.

It is reasonable that once children are older, lone parents claiming benefit who are able to work should move from being passive recipients of Income Support to active jobseekers on Jobseeker's Allowance.

Increased obligations will be supported by appropriate and affordable childcare, suitable and flexible jobs and tailored employment and skills provision, with Jobcentre Plus advisers given more discretion to assess individual circumstances.

Current and new flexibilities and services will help lone parents meet their obligations to look for, take up and stay in work.

More than 8,400 schools – over one in three of the total – already offer access to the core extended services. This is ahead of schedule. Many extended schools are located in deprived areas.

So, for those lone parents that do need childcare, services are increasingly available. We will make sure that Jobcentre Plus advisers who work with lone parents fully understand any local childcare issues – including problems which some ethnic minority parents report about finding suitable childcare. We are working with the Department for Children, Schools and Families to explore ways to increase ethnic minority take-up of childcare, and – wherever possible – integrate this approach with other services, such as our Partners' Outreach for Ethnic Minorities programme, to help parents back to work.

Jobcentre Plus will also work closely with local authorities to assess any changes in the demand for childcare in their areas resulting from the increased obligations placed on lone parents to seek work. This process will be aided by the dedicated Childcare Partnership Managers who are located in every Jobcentre Plus district.

In response to consultation comments and because we acknowledge that childcare can be a particular concern for lone parents, we will amend regulations to give Jobcentre Plus advisers additional discretion so that **a lone parent who is claiming or receiving Jobseeker's Allowance will not be penalised if they leave a job, or fail to take up a job, because appropriate, affordable childcare is genuinely not available.** We will discuss with lone parent groups how best to develop the regulations and guidance around these childcare provisions.

Jobcentre Plus advisers will have the flexibility to ensure that, in addition to childcare needs, the other particular circumstances of individual lone parents, including those with disabled children, are accommodated. This is outlined below.

Employment opportunities

What you said about flexible working

"If [the Government] really wants lone parents working, then they must do something about the availability of work during suitable/flexible hours."

Individual

"We suggest that the right to request flexible working for parents with older children, and for other disadvantaged groups identified in the Green paper, is a central part of the Jobs Pledge and the newly established Local Employment Partnerships with businesses."

4Children

The UK labour market has the flexibility to provide more employment opportunities for parents than most other countries, with a wide range of jobs and patterns of work that enable parents to combine work with their family responsibilities. Since 1997 many lone parents have taken advantage of these flexibilities to move off inactive benefits and into work.

The availability and take up of arrangements that allow lone parents to maintain a work-life balance continues to increase. But at present parents, including lone parents, with children aged seven or over do not have the right to request flexible working. The Government recognises that the availability of flexible working will be important in enabling lone parents with older children, like other parents, to juggle work and family life. On 6 November 2007, the Prime Minister announced the Government's intention to extend the right to request flexible working to parents of older, teenage children. The Department for Business, Enterprise and Regulatory Reform has asked Imelda Walsh, Human Resources Director of J Sainsbury PLC, to lead an independent review to determine how this can be achieved.

Taking forward the proposals

What you said about the proposals

"We agree that lone parents should look for work when their child reaches 12 or even 7 years of age, as long as an individual support package is put in place."
Gateshead Council

"We are not convinced that the new approach is the right one as the required support systems, primarily affordable, quality childcare and flexible working, still remain out of reach for many lone parents."
Daycare Trust

"We believe that it would be wrong to simply move lone parents from Income Support onto the Jobseeker's allowance regime: an unrestricted requirement to search for work is inappropriate given the complex and difficult circumstances many lone parents face."
One Parent Families|Gingerbread

"In my opinion if a mother chooses to stay at home and be a primary care giver for her child(ren) this is a very important choice."
Individual

"I have spent 4 years as a Lone Parent adviser and I am now doing a mixture of this and IB advising. I was really pleased to hear about the proposals to change the age at which Lone Parents must start to look for work."
Jobcentre Plus lone parent adviser

Lone parent obligations

Some respondents thought that lone parents should remain at home with their children until their youngest child is 16. Many did not support the introduction of obligations on the basis that lone parents should be able to choose to stay at home to care for their children full time. However, evidence shows that such long-term inactivity has harmful effects on the long-term prospects of the parent, the children, the family and the community.

Consistent with the principle of rights and responsibilities, we consider that once children are older, lone parents who are able to work and are claiming benefits should be expected to look for work.

Therefore, as proposed in the Green Paper, we intend that from October 2008 lone parents with older children will no longer be entitled to Income Support solely on the grounds of being a lone parent. Instead those able to work may claim Jobseeker's Allowance. They will be expected to look for suitable work and, if necessary, acquire the skills they need to do so, in return for personalised help and support.

To ensure each individual is fully supported during the change, this will be implemented over three years. The change will be introduced for lone parents with:

- a youngest child aged 12 or over from October 2008;
- a youngest child aged 10 or over from October 2009; and
- a youngest child aged 7 or over from October 2010.

The middle step in this process was not part of the proposals in the Green Paper. This stepped approach will allow us to provide more support in helping lone parents make the transition between benefits and move into employment. In addition, any growth in the demand for childcare or other services will be easier to manage.

We have decided to place the threshold at a youngest child aged seven because by this age a family will have established a routine with the child going to school. The parent returning to work will therefore cause minimal disruption. Also, by the time this change is implemented for the youngest age group in October 2010, schools in England will be able to offer all children childcare between 8am and 6pm throughout the year.

It is essential that lone parents who are affected by these changes have a smooth transition to Jobseeker's Allowance. Jobcentre Plus staff will use Work Focused Interviews, which will take place every three months in the year before the move, to provide plenty of advance notice and explain the differences in benefit and responsibilities. They will also work with local authorities and other organisations to ensure payments such as Housing Benefit and Child Tax Credits are processed correctly so there is no gap in payment.

These changes will apply to lone parents already on Income Support when their youngest child reaches the appropriate age and to people claiming benefits for the first time.

International comparisons

An international review by the Organisation for Economic Co-operation and Development (OECD) recommended that, with the right support in place, the UK should consider further extending work tests for lone parents²⁶. As mentioned in the Green Paper, the UK is rare amongst OECD countries in having a specific benefit for lone parents which has no reciprocal obligation to look for work. Most countries have moved, or are moving, to tougher work obligations on lone parents.

With the increasing provision of childcare, more financial incentives and additional employment support, governments in a range of countries are increasing the obligations that lone parents must fulfil to receive benefits. In such countries, 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 six, in The Netherlands when the child is five, and in France and Germany when the child is three.

Experience from other countries strongly suggests that more lone parents move into work when more stringent work search requirements are aligned with satisfactory supportive measures.

²⁶ OECD, May 2005. *Thematic report on Family Friendly Policies*. OECD.

Learning from US experience

There has recently been a lot of attention, from politicians, academics and commentators, on reforms to the US welfare system. Their experience clearly shows the need to strike the correct balance between rights and responsibilities in the welfare system. For example, the Wisconsin reforms from the late 1980s onwards abolished benefits for anyone without children; lone parents with children as young as 13 weeks were forced into work; and a cap was put on the benefits caseload regardless of whether people actually needed assistance. Advocates of the model state that its tough approach alone is justifiable because it works. It does not.

The unemployment caseload in Wisconsin did fall by around 80 per cent during the 1990s. However, much of this decline was due to a strong economy and national measures to make work pay, including the expansion of in work tax credits and an increase in the minimum wage. Furthermore, it appears that, some claimants were redirected to 'inactive' federally funded sickness benefits – the federally funded sickness benefit caseload increased during the same period. Wisconsin reforms did little or nothing to reduce child poverty. Indeed **absolute** child poverty in Wisconsin actually rose between 1998 and 2004 – at a time when absolute child poverty in the UK fell by fully a half.

These outcomes – which disguise the true level of economic inactivity – do not amount to an effective long-term solution to support people into work or tackle child poverty. In the UK, the Government has struck a better balance between these various objectives, combining reductions in those on benefits with steep falls in absolute and relative child poverty. We can also learn from the US experience in contracting out employment services to the public, private and third sector²⁷. We published the interim report on our commissioning strategy on 27 November 2007 which makes clear our commitment to a competitive market of larger, longer contracts for providers of welfare to work services. In return we will be increasingly paying for these services through outcome focused contracts under which providers will have to achieve sustained job outcomes for claimants, as is the practice in New York City.

²⁷ <http://www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep466.pdf>

Lone parents in special circumstances

The arrangements described above will only apply to lone parents who are able to work. Lone parents who have other reasons for claiming Income Support, for example if they have children for whom the middle or highest rate care component of Disability Living Allowance is payable, or they claim Carer's Allowance, or are fostering, will continue to be eligible to claim Income Support. Lone parents with a health problem or disability may be able to claim the new Employment and Support Allowance.

Flexibility for those on Jobseeker's Allowance

What you said about Jobseeker's Allowance

"The Job Seekers Allowance regime is not designed to take into account particular difficulties lone parents can face accessing work, which could result in benefit sanctions being imposed unfairly."

Barnardo's

"We are already concerned about existing sanctions for families on low incomes and would strongly oppose any widening of sanctions as not in the best interest of children."

Save the Children

For those able to look for and take up work, Jobseeker's Allowance is the most appropriate payment. Jobseeker's Allowance will ensure that lone parents look for work and that, in return, they get extra help and support.

But it is still understood that lone parents often have complex needs and that their individual situations need to be understood and considered.

There are already flexibilities within the support offered by Jobcentre Plus advisers for people on Jobseeker's Allowance, allowing advisers to customise services to help lone parents move into employment. 9,000 lone parents with a youngest child aged under 16 have already chosen to move onto Jobseeker's Allowance. These lone parents are able to meet the Jobseeker's Allowance conditions while making use of the help available to them.

These flexibilities allow lone parents to tailor their availability for work to their personal circumstances. For example, the requirements on lone parents can be changed based on their individual circumstances, including:

- their availability over school holidays;
- if the lone parent is ill;
- if their child is ill;
- if their child is disabled and has special childcare needs;
- if their normal childminder is ill; and
- if they have another unforeseen situation or personal crisis, which may include domestic violence or a relationship breakdown, which causes them to become a lone parent.

We do not want to see lone parents penalised when they are on Jobseeker's Allowance and we need to safeguard the welfare of children to ensure that hardship does not occur – as our long-term aim is to **reduce child poverty**. But there is a balance between providing safeguards to ensure lone parents facing difficult times are not penalised, and making sure that people on benefits who can work cannot opt out.

The best way to manage this is to ensure that skilled Jobcentre Plus staff work with individual lone parents throughout their journey so they understand and recognise their personal circumstances.

Some respondents were concerned that Jobcentre Plus advisers sometimes do not use the flexibilities that are available. As part of the plans to increase the tailoring of provision to meet the needs of each person, we plan to increase the discretion available to advisers. This will be backed by clear guidance for advisers on the existing and new flexibilities, and supported by the Jobcentre Plus reward and recognition systems.

This means that lone parents who have genuine reasons, or good cause, for not complying with their obligations to look for, or take up, work will not be penalised. Good cause could include a variety of reasons depending on the circumstances of the individual. For example, problems with childcare, illness of themselves or their children or their childcare support, transport difficulties, unforeseen family circumstances, domestic violence or relationship breakdown could all be considered as a good cause. However, this will not be a general 'opt-out' for those who would prefer to be on benefits.

The activities expected from Jobseeker's Allowance recipients are made very clear at the outset of the claim. They are reasonable and advisers are able to take account of individual circumstances. If lone parents legitimately fulfil their obligations as best they can, they will not be penalised. If lone parents do not comply with their obligations and cannot offer a genuine reason or good cause why they are not doing so, they will be penalised.

We believe the basic Jobseeker's Allowance framework is sufficiently flexible to ensure that sanctions will only apply where absolutely necessary. In addition, to safeguard the welfare of children, we plan to clarify and extend that flexibility for lone parents by:

- Amending regulations so that a lone parent who is claiming or receiving Jobseeker's Allowance will not be penalised if they leave a job, or fail to take up a job, because appropriate, affordable childcare genuinely is not available.
- Ensuring that, for all parents on Jobseeker's Allowance, claimants have a reasonable chance to show good cause for non-attendance. There will be at least one attempt at contact by telephone on the day from which the penalty will apply and, if contact is not made, a letter will be sent to the parent's home address telling them that if they do not contact Jobcentre Plus within five working days their entitlement to benefit will end. This will ensure that if the claimant can show good cause for non-attendance, there will be no break in the payment of benefit, while at the same time not delaying closing a claim.
- Reviewing the hardship regime which applies to parents in receipt of benefits to ensure it is appropriate for parents and that it supports the Government's objectives to reduce child poverty.

The number of hours in which a parent must be available for work each week can also be reduced from 40 to as few as 16 if they care for a child, and that is the most they can work. This will enable lone parents to look for part-time employment if that is appropriate to their circumstances.

We believe our proposals for an integrated employment and skills service and a flexible New Deal, which personalise support for people seeking work, go a long way to reassure those who have expressed concerns about the level and flexibility of support that will be available. Chapter 3 explains the flexible New Deal in more detail.

How will the changes affect lone parents – a potential case study

Karen had been receiving Jobseeker's Allowance for a few weeks. She had previously been on Income Support for a long time. When moving to Jobseeker's Allowance, Karen had been worried that she would be forced into any job that was available. However, at her initial meeting with the Jobcentre Plus adviser, she explained that she could not work full time because she would have to look after her children. The adviser said that this would be alright as long as she was able to look for work of a minimum of 16 hours per week. This suited Karen perfectly and they went on to discuss the type of work Karen could do that fitted these hours.

Karen and the personal adviser discussed the jobsearch and financial support available, performed a Better Off Calculation to give Karen an idea of how much extra money she would get in work and discussed the availability of out of school childcare. Karen decided to join New Deal for Lone Parents so she could see a personal adviser regularly. In the first interview they discussed Karen's skills and the personal adviser suggested training as an option. Karen decided not to do this straight away, but to consider it later.

At her next interview, Karen's personal adviser checked on her progress and found she was having trouble writing CVs and application forms. The personal adviser suggested going to a Programme Centre which would help her with these, and also allow her to get other advice and access to free facilities including telephones, photocopiers, stamps, and newspapers. Karen agreed and found the help very useful – as a result she started getting invited for more and more interviews.

After one of her interviews Karen told her personal adviser that an employer had nearly offered her a job as a sales assistant for 16 hours per week, but they were unsure if her skills fitted the job. As a result the personal adviser checked whether the vacancy suited Karen's circumstances, called the employer to find out if they were still interested, and discussed the possibility of a Work Trial.

The employer agreed that this was a good idea and after a couple of weeks offered Karen the job. Karen's personal adviser then helped her fill in the forms to access the support she was entitled to. This included a Job Grant of £250, Housing Benefit extension of four weeks, help with childcare costs via the Adviser Discretion Fund and longer term support from In Work Credit and tax credits.

Her personal adviser also informed her that she could come back to Jobcentre Plus for the next few months if she needed extra advice or emergency financial assistance through the In Work Emergency Discretion Fund. Also, if she found she was not at least £25 per week better off in work than she was on benefit she could come back to Jobcentre Plus to claim a new credit.

Providing support to help lone parents move into and stay in work

What you said about help for lone parents to move into and stay in work

“A flexible programme of support must be available to retain lone parents in work with the extension of Personal Adviser support once in employment and support for retention and progression in the workplace.”

Wirral Council

“However, if welfare reform is to have an impact on child poverty levels, lone parents must also be given both pre work and in work support to improve their skills levels.”

Glasgow Works

“Greater support is required for lone parents and other disadvantaged groups wanting to return to work or to enter work for the first time. The right to learning, taking degree courses and to claim benefits during college holidays would be a helpful step to offer people more choices in their work.”

Public and Commercial Services Union

Assistance needs to be in place before October 2008 to support lone parents throughout the change. A strong package of support will ensure flexibility, make work pay and provide lone parents with the skills they need to remain and progress in work.

We already have a comprehensive package of assistance for lone parents, including the New Deal for Lone Parents. This will continue to be available to lone parents on Jobseeker's Allowance until they move to a flexible New Deal provider – this will be after 12 months unless they are fast-tracked. We will make sure lone parents understand the options that are available to them by using specialist lone parent advisers where appropriate.

Pre-employment support

A range of new measures will be available to assist lone parents, including a number announced in September 2007 by the Prime Minister. Depending on their individual needs and circumstances, lone parents will be able to take up some or all of the measures. Key pre-employment support measures from April 2008 include:

- **Group Seminars for Lone Parents** – 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 other partner organisations can help them prepare to return to work, develop their skills and understand how the local labour market works. This will apply to parents of younger children who will be losing eligibility for Income Support from 2009 and 2010.

- **Job Interview Guarantee** – Jobcentre Plus will aim to guarantee lone parents, who are willing and able to work, a job interview with an employer. We will also work with employers through Local Employment Partnerships to help provide even more job opportunities for lone parents.
- **Work focused pre-employment training** – Lone parents can already access full-time training whilst claiming Income Support. Systematically screening for skills needs at the start of a claim to Income Support, and referral to the adult advancement and careers service where appropriate, will ensure they have access to the necessary support and advice.

Lone parents on Jobseeker's Allowance will have access to the support offered by New Deal for Lone Parents as well as the same training opportunities as other Jobseeker's Allowance 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.

- **The extension and expansion of the New Deal Plus for Lone Parents pilots** – The New Deal Plus for Lone Parents pilots in the current pilot areas 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.
- **Quarterly Work Focused Interviews** – From October 2008 we will introduce quarterly Work Focused Interviews for lone parents in the last year before their child reaches the age where they may lose eligibility to Income Support.
- **Increasing the work trials period from three to up to six weeks** – Subject to changes in regulations, lone parents taking part in the New Deal for Lone Parents will be able to take part in a work trial for up to six weeks to enable an employer to 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. And 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.

A package of in work support

Key to helping more lone parents into jobs and moving more children out of poverty is to provide sustained assistance once someone has taken up a job. To ensure a tailored and individual service that responds to individuals needs and circumstances, the new range of measures to help people in work, from April 2008, are:

- **National extension of In Work Credit** – In Work Credit is designed to help participants cope with the financial aspects of the transition from welfare to work. It is a payment of £40 per week (£60 in London), paid for 52 weeks, made to lone parents who have been on benefit for 12 months or more and leave benefit for work of 16 hours or more per week.
- **In Work Credit and retention** – We will pilot using In Work Credit 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 attending a meeting with a personal adviser, to discuss their job, encourage their progress and see if any other support is needed.
- **In Work Advisory Support from Jobcentre Plus advisers** – Continued support and guidance from a personal adviser will be offered for all lone parents who have moved into work to help resolve any difficulties and direct individuals towards other support. Personal advisers, along with the 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. These may crop up when a lone parent first starts work and might otherwise make it difficult for the lone parent to remain in employment.
- **Piloting the provision of upfront childcare costs in London** – Personal advisers and lone parents, particularly in London, tell us that there can be a problem in meeting the upfront childcare costs that many providers require. These can include registration fees, deposits and advance payments. To address this we will pilot providing upfront financial support for childcare for lone parents in London.
- **Lone parents will be able to claim a new credit to help them be better off in work** – This assistance, which will also be available to other long-term Incapacity Benefit and Jobseeker's Allowance recipients, will give assurance to lone parents, who have been on certain benefits for 26 weeks or more, that their income from work, including in work benefits, will be at least £25 per week more than they received from out of work benefits. We intend to pilot the credit in 2008 and, if it proves successful, extend it in 2009.

Skills for lone parents

Our skills interventions for lone parents will take account of the range of circumstances they face. We will ensure that the right support is provided at the right time and our expectations of lone parents reflect their circumstances. Access to extra help with skills will help more lone parents find long-term jobs and lift them and their families out of poverty.

All lone parents will be signposted to the new adult advancement and careers service which will be able to advise them of their entitlements to training. In addition, lone parent Income Support and Jobseeker's Allowance claimants will undergo a skills screen when they start their claim. This will identify those with basic literacy, numeracy and language skills needs, who will be encouraged to take up the support offered by the new adult advancement and careers service or their local Children's Centre.

Sure Start Children's Centres can offer all lone parents with children under five a range of integrated services and support, including help and advice with training and employment.

When the increased obligations are in place, to ensure that all lone parents are making the preparations needed to engage with mandatory jobsearch, they will be encouraged to attend a full Skills Health Check in the period before they are due to lose eligibility to Income Support. We will consult shortly on whether these Skills Health Checks should be made mandatory for lone parents.

Benefit movement from the changes

The changes set out in this chapter will affect around 300,000 lone parents on Income Support, with a youngest child aged seven or over, or nearly 40 per cent of those currently claiming Income Support.

This removal of eligibility for Income Support will mean some lone parents claim Jobseeker's Allowance, initially bringing about an increase in the numbers of people claiming Jobseeker's Allowance. Lone parents who successfully claim Employment and Support Allowance will also increase the numbers claiming that benefit. However, this will merely reflect a movement between benefits as the Income Support numbers will drop to reflect this.

As more and more lone parents start taking advantage of the support and opportunities available to them and move into work, we expect the overall number of people claiming out of work benefits to fall.

