

Summary: Intervention & Options

Department /Agency: DWP	Title: Impact Assessment of 'No one written off – reforming the welfare state to reward responsibility'	
Stage: Consultation	Version: 1	Date: 21 July 2008
Related Publications: 'No one written off – reforming the welfare state to reward responsibility'		

Available to view or download at:

<http://www.dwp.gov.uk/noonewrittenoff>

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

'No one written off: reforming the welfare state to reward responsibility' sets out the Government's plans to tackle inequality of opportunity and move towards the challenging aspiration of an 80 per cent employment rate. There are still local areas with high levels of inactivity and over 2.6 million incapacity benefits claimants; there remains a large gap between the employment rate of particular groups, such as disabled people and the overall employment rate. There are also 2.9 million children in poverty in the UK. Government intervention is necessary to help break the barriers to work which hold people back. Work, for those who can, remains the best route out of poverty and improves people's health and well being.

What are the policy objectives and the intended effects?

We want to give individuals greater support and, in return, expect them to take on greater responsibility for finding work. The objective is to increase employment, particularly for disadvantaged groups and those who have been on benefits for a long time. Improving the skill level of individuals may also increase productivity. This will increase the growth of the economy and will allow a more efficient allocation of resources as individuals exercise choice. It will also help to tackle poverty and facilitate the integration of disadvantaged groups into society.

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

- 1) Reforms to Incapacity Benefit / Employment and Support Allowance and improved support for disabled people;
- 2) Reforms to the Jobseeker's Allowance regime;
- 3) Proposals to help lone parents and partners of benefit claimants into work;
- 4) Support for problem drug users in the benefit system;
- 5) A full child maintenance disregard in out of work benefits; and
- 6) Individual Budgets

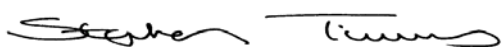
When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

This is a consultation stage Impact Assessment. The policy will be reviewed in the light of responses to the consultation.

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:



.....Date: 21st July 2008

Summary: Analysis & Evidence

Policy Option:	Description:
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups' The following costs include resource costs on funding measures such as increased employment support, funding on disabled employment programmes and on pilots. It also includes increased benefit expenditure. These monetised costs represent the fiscal costs rather than the economic costs.			
	One-off (Transition) Yrs		£ 0		
	Average Annual Cost (excluding one-off)		£ 200m–300m	Total Cost (PV)	£ 1100m – 1400m
	Other key non-monetised costs by 'main affected groups'				

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups' These benefits include reduced Government expenditure, including reduced benefit expenditure. They do not include increased fiscal flow-back through tax and national insurance or the wider economic benefits of helping people back into work.			
	One-off Yrs		£ 0		
	Average Annual Benefit (excluding one-off)		£ 300m-400m	Total Benefit (PV)	£ 1400m–1900m
	Other key non-monetised benefits by 'main affected groups' Increasing employment and the productive potential of the economy. Related reduction in child poverty. Potential reductions in health spending and reductions in crime. Increased integration and participation of disadvantaged groups in society.				

Key Assumptions/Sensitivities/Risks

These early cost and benefit estimates are highly indicative and will be further developed during the consultation phase. Costs/Benefits have been rounded to nearest hundred million and have been considered over a 5 year period – however some will be ongoing.

Price Base Year 2008	Time Period Years 5	Net Benefit Range (NPV) £ 0- 800m	NET BENEFIT (NPV Best estimate) £ 400m
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What is the geographic coverage of the policy/option?	UK/ GB / Various			
On what date will the policy be implemented?				
Which organisation(s) will enforce the policy?				
What is the total annual cost of enforcement for these organisations?	£ N/A			
Does enforcement comply with Hampton principles?	Yes			
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?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	No	No	N/A	N/A

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

Key:

Annual costs and benefits: Constant Prices

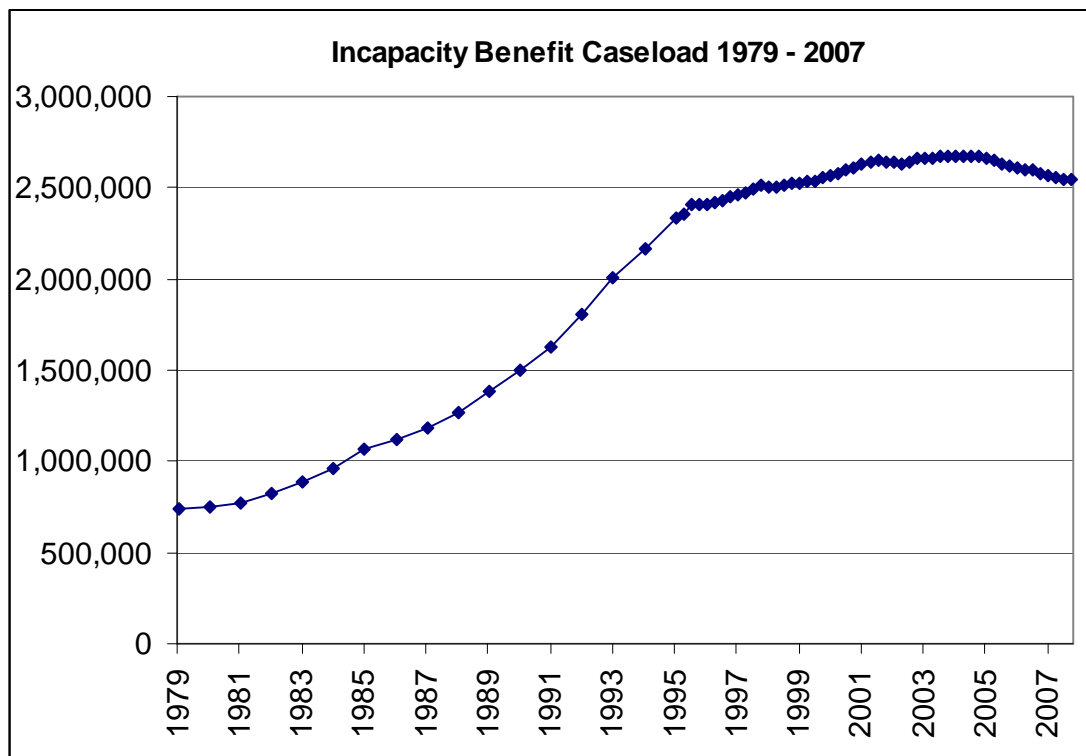
Evidence Base (for summary sheets)

1) Proposals to Reform Incapacity Benefit/ Employment and Support Allowance and Improve Employment Support for Disabled People

IB Reform – Context

1. The Government has set itself the ambitious aim of helping 1 million people off incapacity benefits. Furthermore, many of those currently claiming incapacity benefits, and from October 2008, Employment and Support Allowance (ESA), are not receiving support that is most appropriate to their needs. Current policies do provide some support for new claimants, but much more can be done to improve claimants' chances of re-joining the labour market, where they are able to work, and provide financial support where they are not.
2. At the heart of our approach to welfare reform is the belief that, for the vast majority, work is the route to independence, health and well-being. This belief has underpinned our policies to support more people with a health condition or disability into employment. Our comprehensive and coherent reforms have brought an end to the year-on-year increase in the number of incapacity benefits claimants so evident over the 1980s and early 1990s (see Figure 1). We recognise, however, that the welfare system could raise further its expectations for many people with a health condition or disability and, in some respects, can fail to give them the support they need to work.

Figure 1. Working age incapacity benefits claimants, 1979 to 2007



Source: Work and Pensions Longitudinal Study (excluding Incapacity Benefits on the short-term lower rate).

3. *'No one written off: reforming the welfare state to reward responsibility'* sets out the next steps we plan to take. The impact of these measures is laid out in this Impact Assessment under the following sections:

- a) Reviewing the Work Capability Assessment**
- b) Extending personalised employment support**
- c) Ongoing engagement beyond the initial Pathways period for new customers**
- d) Smoothing the transition to the Employment and Support Allowance**
- e) Reforming the contribution conditions**
- f) Increased support from Access to Work**
- g) New specialist disability employment provision**
- h) Mandatory skills training for ESA claimants**

a) Reviewing the Work Capability Assessment

Introduction and Policy Rationale

4. We are introducing a new Work Capability Assessment (WCA) this year to measure more accurately an individual's capacity for work. For both physical and mental health conditions, it focuses far more on what an individual can do rather than what they can't. In light of the new evidence that work is good for people's health¹, we will review the WCA to ensure that only those who have limited capability for work as a result of a health condition or disability are being placed on ESA. Others will be placed on the more active Jobseeker's Allowance (JSA) regime, with immediate back to work support. We expect that following the planned review the proportion of ESA claimants who will be assessed as able to look for a wide range of jobs straight away and eligible for JSA by the time they complete the WCA at around the three month point will rise by around 10 percentage points.

5. The new Work Focused Health-Related Assessment, which follows the WCA, will provide a positive forum in which the customer and the medical professional can focus together on the types of work the customer could prepare for, and the steps that need to be taken to progress back to work and off benefit. This information is shared with the Personal Adviser and is used, in discussion with the customer, to develop the Action Plan.

6. We propose to continue the direction of these reforms by:
 - reducing the maximum period between medical assessments so that all customers are reviewed within two years of starting their claim;
 - introducing additional Work Focused Health-Related assessments to support ongoing conditionality at later stages in a benefit claim;
 - identifying how we could revise the terms of the assessment to take better account of the degree of adaptation to a health condition or disability – reinforcing the focus on ability rather than disability; and
 - consulting on how we can link a medical assessment of the types of work a customer may be able to do with a requirement to look for jobs in these areas. We will build on our experience of the Work Focused Health-Related Assessment.

Estimating Costs and Benefits

<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits</i>	<i>Wider Benefits</i>
There are modest costs for reviewing the assessment and implementing any changes.	These measures have the potential to help support a significant number of people back towards work.	If more people move into work there will be reduced numbers of people claiming incapacity benefits/ ESA and, increased tax and National Insurance Contributions.	Improvement in health and a reduction in poverty.

¹ Waddell, G. & Burton, A. K. (2006) *Is Work Good for Your Health and Well-Being?*, (London - The Stationary Office)

7. Any costs of revising the WCA will arise from undertaking the review, redesigning the assessment and implementing the new assessment.

b) Extending personalised employment support

Introduction and Policy Rationale

8. The Government's reforms so far have focused on new customers. But there are large numbers of existing customers who could benefit from support to help them back to work. In many cases, they have lost contact with the labour market; they may lack the confidence and the skills they need to re-connect. Emerging findings published in May 2008 from a pilot to extend Pathways to Work to this group on a mandatory basis are encouraging, showing that we can achieve a substantial increase in people's prospects of getting a job, even if they have been on benefit for a number of years².
9. Building on our current plans to deliver Pathways support to the under-25s, we will now extend this to all existing customers under the age of 50. For those over 50, who may have been on benefit for a longer period and therefore face greater barriers to work, we will begin with a lighter touch approach. However, we will continue to examine what is most effective for this age group, piloting a more intensive model in some districts.
10. Pathways to Work has been shown to increase the probability of existing claimants moving into employment by three to four percentage points.³ This is beneficial for the individuals involved, the Government and the economy as a whole. Access to the Return to Work Credit, helps to ensure that incapacity benefits claimants are better off in work. There is also evidence that Pathways has had positive health impacts even if people are not yet in work. The percentage of new and repeat customers who reported that their health or disability affected daily life 'a great deal' was reduced by almost eleven percentage points 18 months after starting their claim.⁴ The economy benefits from having a greater proportion of the working age population in work. The Government benefits from extra tax and National Insurance receipts, and the savings from reduced benefit expenditure.

Estimating Costs and Benefits

<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits</i>	<i>Wider Benefits</i>
Administrative costs for providing personalised employment support to existing customers.	Significant number of existing customers moving into employment.	The number of people claiming incapacity benefits/ ESA will be reduced. The Exchequer would also benefit from increased tax and National Insurance contributions from those moving into employment.	Improvement in health and reduction in poverty.

11. The economic costs of extending personalised support to existing customers arises mainly from administering more Work Focused Interviews, and any consequent take-up of our provision for customers with health conditions and disabilities, such as Condition Management Programmes.

² DWP (2008a) Research Report 488, *Evidence on the effect of Pathways to Work on existing claimants* (London – CDO), p2

³ *ibid*

⁴ DWP (2007), Research Report 435, *The impact of Pathways to Work*, (London – CDO), p2

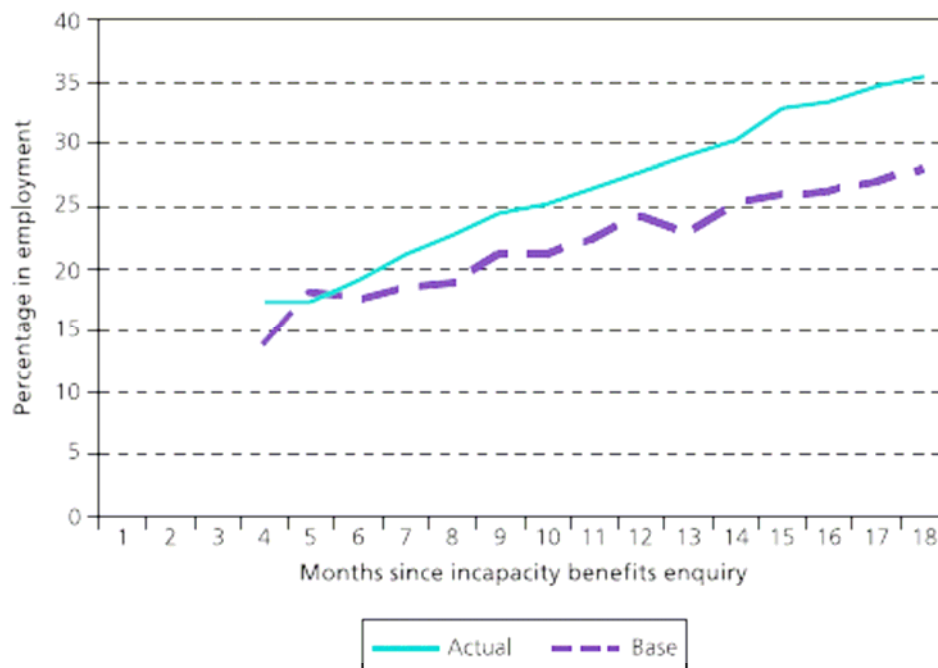
Figure 2 : The success of Pathways to Work

Pathways to Work is a ground-breaking programme that has been developed in partnership between Department for Work and Pensions (DWP), the Department of Health and the National Health Service. Customers have access to a wide range of support including Condition Management Programmes, employment support and financial information.

More than 64,000 people have now been helped into employment through Pathways to Work:

- 18 months after the start of a claim Pathways was found to:
 - increase the chance of a new claimant being in employment by around 25 per cent, as shown in chart below; and
 - reduce the probability of respondents reporting that they had a health condition or disability that limited their ability to carry out their everyday activities 'a great deal' by 11 percentage points.
- following attendance at Work Focused Interviews more than half (53 per cent) agreed to look for work or undertake research into jobs, while others agreed to undertake activities such as exploring training or other voluntary support elements; and
- almost all claimants (93 per cent) were happy to carry out the actions agreed with their adviser, and in the majority of cases (81 per cent) they did so.

Pathways to Work: impact on employment over time



c) Ongoing engagement beyond the initial Pathways period for new customers

Introduction and Policy Rationale

12. In order to support more people back to work the Government proposes to extend engagement with ESA customers beyond the initial Pathways to Work period in the first months of a claim with continuing quarterly Work Focused Interviews throughout the first two years of a claim. Underpinning this further engagement, the Government will introduce further requirements for customers to undertake work-related activity. The Welfare Reform Act 2007 has already provided powers to require ESA claimants to undertake general work-related activity. We will bring this requirement into force from 2010 for all ESA customers who are assessed as in the Work Related Activity Group.
13. We are also inviting views on what the expectations should be of people undertaking the personalised support we will now be offering to everyone in the Work Related Activity Group and whether this could include specific job search.

Estimating Costs and Benefits

<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits</i>	<i>Wider Benefits</i>
Administrative costs of giving more Work Focused Interviews and increasing requirements to undertake work-related activity.	Significant number of customers moving back into employment.	Reduced number of people claiming incapacity benefits/ ESA and increased tax and National Insurance Contributions.	Improvement in health and reduction in poverty.

14. We can draw some guide to the economic benefits of giving more Work Focused Interviews from evaluations of Pathways to Work for new claimants, which showed that the programme increased the proportion of new claimants in employment after 18 months by over seven percentage points.⁵
15. There is also evidence from the same study which shows that for new claimants, Pathways to Work did reduce the number who said their disability or health condition limited their ability to carry out everyday activities 'a great deal' by eleven percentage points.

⁵ DWP (2007), Research Report 435, *The Impact of Pathways to Work*, (London – CDO), p2

d) Smoothing the transition to the Employment and Support Allowance

Introduction and Policy Rationale

16. The Government has already announced that the Employment and Support Allowance (ESA) will be introduced for new claimants from October 2008. All existing claimants of incapacity benefits will be migrated to ESA when they receive the WCA. We propose to make this transition smoother by starting to align incapacity benefits rates with ESA.
17. ESA is a new benefit, with different rates and allowances from those on incapacity benefits. To smooth the transition from existing benefits to ESA, the Government will begin the process of aligning rates from April 2009 in advance of incapacity benefit claimants being moved to ESA. People in receipt of higher benefit rates because they started claiming at younger ages (Age Additions) will have their benefit rate gradually brought into line with the rate they are entitled to under ESA.
18. Age Additions have been abolished in the Employment and Support Allowance. We no longer presume that those on incapacity benefits will never work again. In future, most claimants who are out of work because of sickness or disability will receive the same rate of benefit.
19. These changes will be made in a way which ensures no existing customers lose out in cash terms. They will continue getting the higher cash payments until their entitlement under the ESA reaches the same rate. For those who could be getting a higher level of benefit once they move onto ESA, we will delay the start of alignment until we have confirmed their level of entitlement at the first Work Capability Assessment.
20. As part of these alignment measures, we will also change the basis on which incapacity benefits are uprated. Future uprating will be according to the Rossi index rather than RPI. In the first few years from April 2009, this measure will result in an increase in benefit payments overall, compared to uprating under the previous formula. Uprating both incapacity benefits and ESA by the same index will prevent differences in benefit rates widening over time. This will ensure that customers with similar circumstances are treated equally.

Estimating Costs and Benefits

<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits</i>	<i>Wider Benefits</i>
Costs arise from migrating existing customers to the ESA computer system.		Increased support for the most severely disabled and alignment of benefit rates.	Reduction in poverty for the most severely disabled.

21. The proposals to align incapacity benefits rates with ESA will mean that some claimants in receipt of higher benefit rates because they started claiming at younger ages will have their benefit rate gradually brought into line with the rate they are entitled to under ESA, but the most severely disabled who are placed in the Support Group will benefit from the improved support paid to this group.

e) Reforming the contribution conditions

Introduction and Policy Rationale

22. We want to strengthen the link between work and access to contributory working age benefits. This is to ensure that benefit received is linked to substantial periods of recent work. Access to the main national insurance based benefits in future – Employment and Support Allowance and Jobseeker’s Allowance – should be brought together and simplified to strengthen the link with recent employment for everyone. To do this we propose to:

- align the main ESA contribution condition with that for entitlement to Jobseeker’s Allowance. This would mean reducing the number of tax years used to qualify from three to two; and
- ensure that people have to work for around six months before they can qualify for benefit.

23. The Government will retain existing protections that allow disadvantaged groups such as carers and young disabled people to qualify for ESA. Other qualifying conditions for contributory ESA, for example, those that apply to the self-employed, will remain unchanged. People who no longer qualify for contributory benefit under the new arrangements will be able to apply instead for income-related ESA and JSA and so those on lowest incomes will continue to receive benefit.

Estimating Costs and Benefits

<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits</i>	<i>Wider Benefits</i>
Small administrative costs from implementing changes.	Possible increase in employment due to improved work incentives.	If more people move into work there will be reduced numbers of people claiming incapacity benefits/ ESA and JSA, and increased tax and National Insurance Contributions. There will be a reduction in benefit expenditure with a small offsetting rise in other benefits.	Improvement in health and reduction in poverty if more people move into work.

24. Evidence about the number of people who would be affected by this measure is limited; however it is likely that the net result will be that fewer people will start to claim ESA and JSA.

f) Increased support from Access to Work

Introduction and Policy Rationale

25. The Government will double the budget for Access to Work, expanding availability to more people who would be unable to work without it. The effect would be that greater numbers of disabled people would be provided with the support they need in order to take up, or retain, paid work. Access to Work, alone, provides the individually tailored support which targets customers' needs in order to move into and retain paid work.
26. In line with previous announcements the Government would look to target some of the additional funding to people with variable mental health conditions who could benefit from a modified version of Access to Work - making a contribution to the Government's commitment to increase the proportion of socially excluded adults in employment. As with all DWP employment programmes, Access to Work will be evaluated to ensure that the additional funding is delivering what is expected.

Estimating Costs and Benefits

<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits</i>	<i>Wider Benefits</i>
Programme and running costs, including additional Jobcentre Plus staffing.	Significant number of customers moving back into employment.	Reduced number of people claiming incapacity benefits/ ESA and increased tax and National Insurance Contributions.	Creates choice and control, supports independent living and prevents social and economic exclusion.

27. Administrative evidence has shown that for every pound the Government invests in Access to Work, there is a benefit of £1.67, from savings on benefit expenditure and increased tax revenue.

g) New specialist disability employment provision

Introduction and Policy Rationale

28. We recently consulted on proposals to improve the specialist disability services. The Government's proposal, which was widely supported by around 450 respondents, was to move away from the current separate programmes to a new more integrated programme that can be more easily tailored to the needs of individual customers, be easier to access and have a greater focus on supporting our customers achieve their full employment potential.
29. The Government's integrated programme has the potential to help a greater number of people and to make a reality of work as an option for people whose disability-related barriers to work are complex. Its proposals are for less prescriptive and more flexible provision with a greater focus on those who need specialist support. They will incorporate improved progression into unsupported employment and a greater focus on job entries for all customers. This will enable greater numbers of disabled people with more complex support needs to take up work, through the provision of support which is sufficiently flexible to meet their needs.
30. We will also expand the budget for this new service to help meet the aims of this Green Paper. This will enable us to help a much larger number of disabled people to get and keep a job.

Estimating Costs and Benefits

<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits</i>	<i>Wider Benefits</i>
Programme and running costs, including additional Jobcentre Plus staffing.	Significant number of customers moving back into employment.	Reduced number of people claiming incapacity benefits/ ESA and increased tax and National Insurance Contributions.	Creates choice and control, supports independent living and prevents social and economic exclusion. Reduction in poverty.

h) Mandatory Skills Training for ESA Claimants

Introduction and Policy Rationale

31. Through the national roll-out of Pathways to Work, completed in April 2008, and the forthcoming implementation of Employment and Support Allowance in October 2008, much will have been done to improve the offer the Government makes to people who are out of work because of a health condition or disability.
32. Many incapacity benefit claimants face a skills gap, which may in itself present a critical barrier to moving into work, in addition to any health barriers they may face. In the Green Paper the Government is consulting on how best they could encourage our customers to engage with skills-based support.

Estimating Costs and Benefits

<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits</i>	<i>Wider Benefits</i>
Costs of additional Skills Health Checks and additional sanctions incurred by DWP. Costs of additional training provision (incurred by DWP/DIUS). Cost of paying 'skills for work' premium.	Increased employment and growth through getting people into work. Higher productivity in work.	Reduced number of people claiming incapacity benefits/ ESA and increased tax and National Insurance Contributions	Improved employability skills and wider social and economic effects including the ability to undertake general social activities.

33. Whilst the proposals relate to Jobcentre Plus customers, additional provision of mandatory Skills Health Checks and job-focused training would be procured externally. Hence the costs would be borne by both the Department for Work and Pensions and the Department for Innovation Universities and Skills.
34. Qualitative and quantitative evidence from the evaluation of basic skills mandatory training pilot scheme⁶ indicates that, overall, the threat of sanctions is likely to be instrumental in encouraging and persuading customers to attend training. Hence the Government expect to incur further costs due to an increase in the number of Skills Health Checks, and referrals, starts and completion of training provision.
35. For every additional claimant who completes a Skills Health Check, addresses their skills need, and moves into employment, there would be additional fiscal benefits generated by movements off benefits, movements into work, and additional employment retention and progression.

⁶ Joyce, L., Kasparova, D. and Wilkinson, D., *Evaluation of basic skills mandatory training pilot: synthesis report*, DWP Research Report No 385.

Equality Impact Assessment

Race Equality

36. Although no administrative data on ethnicity of incapacity benefits claimants is available, survey evidence suggests that people from ethnic minorities, other than those of mixed ethnicity, are less likely than white people to claim incapacity benefits. Although, people of non-white ethnicity are unlikely to be disproportionately affected by reforms to incapacity benefits, measures that help claimants into work should also improve employment rates for ethnic minorities.

Figure 3. Proportion of the working age population of each ethnic group who claim incapacity benefits.

<i>Ethnic Group</i>	
White	8%
Mixed	16%
Asian or Asian British	4%
Black or Black British	5%
Other	6%
<i>Total Working Age Population</i>	7%

Source: Family Resources Survey 2006/07

37. Reforms to incapacity benefits will not apply differently to people of different races or cultures. Eligibility to the new benefit, ESA, the Work Capability Assessment, and conditionality, will apply equally to everyone who claims ESA irrespective of ethnicity. We believe that there will be no direct impact on customers in terms of their race, though we will ensure that the implementation of ESA reflects our race equality duties and is sensitive to the needs of customers of different races.
38. ATOS Healthcare, who are our contract holders for the provision of medical services, will be monitored to ensure that they continue to have in place policies to ensure that the healthcare professionals they employ are receptive to the needs of different ethnic or cultural groups when medical examinations are carried out.
39. Access to Work is available on equal terms to all who meet the eligibility conditions and can be helped by the support. Whilst Jobcentre Plus does not currently collect information about the ethnic profile of customers of Access to Work, Jobcentre Plus is aware of under-representation from some groups of customers, (e.g. Asian women) and is considering how it can redress this.
40. With 50 per cent of customers on WORKSTEP not being recorded within any ethnic group, management information is not completely representative. Of the half who have been recorded, 96 per cent are shown as 'white' compared with 89 per cent in the wider working age population.
41. As with gender, the likely current over-representation of the white population probably reflects past entry patterns, reinforced by low turnover. We expect that with additional resource and with greater emphasis on recruiting from a (diverse) incapacity benefit client group, the ethnic imbalance will be redressed. This will be assisted by the greater turnover which we expect as a direct consequence of incentivising providers to help far greater numbers of those who can to move off the programme and into unsupported work. However we will be monitoring whether more needs to be done to address the under-representation of ethnic minority groups on existing programmes to ensure that we promote race equality as these reforms roll out.

Gender Equality

42. Currently there are 1.5 million men claiming incapacity benefits, and 1.1 million women. This means that men make up around 58 per cent of the caseload, but this is lower than in 1997 when they accounted for around 62 per cent.
43. There is little evidence that indicates that Pathways to Work may affect male and female existing claimants differently⁷, although there is a possibility that it has marginally greater effect on the probability of women finding employment than men, for new applicants.⁸ We will continue to monitor and evaluate the impact of the national roll-out of Pathways, including by gender.
44. Whilst in general there will be no discrimination on grounds of gender in ESA, or indeed in the WCA process or conditionality regime, there are some ways in which customers may be treated differently because of their gender. In terms of the Work Capability Assessment, ATOS Healthcare will be monitored to ensure that gender equality is promoted, for example, by continuing to have in place policies to ensure that they comply with requests for medical examinations to be carried out by health care professionals of the same sex as the customer and the need for a third-party to be present if the customer so requires.
45. Of new incapacity benefits claimants who are women, 45 per cent claim contributory incapacity benefits. For new incapacity benefits claimants who are men, the proportion is 46 per cent. Changes in contribution conditions are therefore expected to have little differential impact by gender.
46. For a number of years now, Access to Work has helped greater numbers of women (56 per cent of all those helped in 06/07) than men. This is despite men comprising a majority (52 per cent) of people of working age. The reason why the programme has traditionally helped greater numbers of women is largely because the programme has tended to provide relatively more support to people working for large and public sector employers, with concentrations of female staff. Access to Work can operate as a job retention measure, and people working for large service sector employers are more likely to believe that they can remain in work with support than people doing physically more demanding work (e.g. construction, heavy manufacturing, driving) where men predominate.
47. Doubling the budget for Access to Work will help greater numbers of disabled people move off incapacity benefits, and we expect this to redress the current gender imbalance in use of Access to Work.
48. Historically, men have outnumbered women by more than two to one on WORKSTEP. This may be because some customers of WORKSTEP joined the programme when it was the former Supported Employment Programme, with a stronger emphasis, compared with WORKSTEP, for factory-based provision, which would have attracted relatively more men. However, with additional resources for a new programme with greater emphasis on progression, alongside better targeting of the provision for those who need it, the programme is expected to have an improved gender balance.

⁷ DWP (2008a) Research Report 488, *Evidence on the effect of Pathways to Work on existing claimants* (London – CDO), p51

⁸ DWP (2008b) Research Report 498, *A cost-benefit analysis of Pathways to Work for new and repeat incapacity benefits claimants*, (London – CDO), p97

Disability Equality

49. The reforms to incapacity benefits are designed to help disabled people and people with certain health conditions into work, with improved financial support for those for whom work would be unreasonable. As such the measures have been designed to have a positive impact on people with health conditions and disabilities and aim to promote equality of opportunity.
50. Most IB claimants are likely to be covered by the Disability Discrimination Act (DDA) and so these reforms have considerable significance for disabled people. The table below shows the distribution of IB claimants by medical condition, with mental and behavioural conditions being the most common.

Figure 4. Incapacity benefits claimants by medical condition (%)

	<i>Proportion of caseload</i>
Mental & Behavioural	41.7
Diseases of the nervous system	6.1
Circulatory & Respiratory	7.4
Musculoskeletal	17.4
Injury & Poisoning	5.7
Other	21.7
Total	100.0

Source: DWP Information Directorate: Work and Pensions Longitudinal Study, November 2007

51. Reforms to the WCA are not targeted on any particular group of disabled people in relation to their condition, although the new descriptors have been designed so as to reflect the impact of particular conditions in the workplace. The medical assessment is based on the severity of functional limitation caused by a condition; not on the basis of the condition itself, because different people may be affected in different ways by the same condition.
52. Evidence indicates that, for existing customers, Pathways may be more effective at increasing chances of moving into employment for people with mental health problems than those with other health conditions.⁹ However, for new customers, Pathways may be less effective at improving entry into employment for those with mental health problems. Pathways may be more effective for new customers with mental health problems at helping them leave incapacity benefits.¹⁰
53. In terms of operating the Work Focused Interview regime, we will take steps to make reasonable adjustments for disabled customers with particular needs. For example, in communication with profoundly deaf people who are not British Sign Language (BSL) users, we will endeavour to arrange an interview with communicator support – BSL signer, lip speaker or whatever communicator is appropriate – within one working day. Otherwise we will follow the lead of the individual – passing notes or with an advocate or friend in attendance.
54. The proposals to align incapacity benefit rates with ESA will mean that some claimants, in receipt of higher benefit rates because they started claiming at younger ages will have their benefit rate gradually brought into line with the rate they are entitled to under ESA, but the most severely

⁹ DWP (2008a) Research Report 488, *Evidence on the effect of Pathways to Work on existing claimants* (London – CDO), pp60-61

¹⁰ DWP (2007), Research Report 435, *The Impact of Pathways to Work*, (London – CDO), p76

disabled people who are placed in the Support Group will benefit from the improved financial support paid to this group

55. Access to Work makes an important contribution for disabled people by supporting them in paid work of their choice. Through the changes proposed in '*No one written off: reforming the welfare state to reward responsibility*', Jobcentre Plus can enable greater numbers of disabled people to achieve the choice, control and independent living which other groups take for granted, and so promote equality of opportunity for disabled people. Also, we will be able to ensure that the design of provision better helps groups which have previously lacked support, including customers with fluctuating mental health conditions for whom Access to Work currently is less well equipped to provide help. We will be able to help greater numbers of PSA16 customers – adults in contact with secondary mental health services and those with moderate to severe learning disabilities. This could in turn help to promote positive attitudes on the part of employers and the wider public towards disabled people, particularly those with mental health conditions and learning disabilities. For the first time, significant numbers of people will have the support they need to move off incapacity benefits.
56. Furthermore, the new, specialist disability employment programme will use a modular approach which will be less prescriptive and more flexible than current arrangements, and brings with it a better guarantee that each customer can receive the level of support they need. Although currently around 37 per cent of people on WORKSTEP have a learning disability, few of these have a moderate to severe condition, and many do not need the ongoing support which WORKSTEP provides. Existing provision is not well designed to help people with a moderate to severe learning disability or with a fluctuating mental health condition. A specific aim will be to use the enhanced flexibility to help greater numbers of people in these groups receive the support they need for as long as they need it, thus promoting equality of opportunity. This will also assist in the delivery of PSA16 – adults in contact with secondary mental health services and those with moderate to severe learning disabilities. Through incentivising providers to help far greater numbers of those who can to move off the programme and into unsupported work, we will help disabled people move forward whilst at the same time freeing up provision for greater numbers who need it.
57. Lower skilled groups are more likely to be disabled - over a third of those with no qualifications have a disability. People who have a disability are less likely to be in employment than non-disabled people, but even more markedly so if they are also unqualified (less than one in four are in employment). Disabled people are therefore likely to benefit from proposals to extend skills-based support to ESA customers, thus promoting equality of opportunity and wider participation in public life

Age Equality

58. Nearly half of customers claiming incapacity benefits are over 50. This is because older people are more likely to have a disability or health condition; however this doesn't mean that they don't want, or are unable to work. We are committed to promoting employment prospects for older people, indeed for people of all ages, with and without health conditions. The proposed measures to increase support to help new claimants back to work will contribute to this, and will work towards meeting the Government's aim of an additional one million older people in work.

Figure 5. Age of incapacity benefits claimants

<i>Age</i>	<i>Proportion of Caseload</i>
16-17	0.3%
18-24	6.1%
25-34	12.6%
35-44	21.7%
45-49	13.2%
50-54	14.6%
55-59	18.5%
60-64	12.0%

Source: DWP Information Directorate: Work and Pensions Longitudinal Study, November 2007

59. Bewley et al (2008) in their assessment of the impact of Pathways (for existing customers) have concluded that "the employment effects for the younger customers (under 50) are considerably greater than for older customers (over 50)." As well as entering employment, younger existing customers are also more likely to stop claiming IB as a result of Pathways¹¹. As a result of this evidence the Government will initially begin with a lighter touch approach for existing customers over 50 and continue to examine what is most effective for this age group, piloting a more intensive model in some districts.
60. The proposal to align benefit rates where Age Additions are in payment will impact on existing customers who started claiming contributory Incapacity Benefit when they were under the age of 45.
61. The Equality Impact Assessment for these measures is at an early stage. We are committed to developing these in more detail as the policy develops and would welcome any input from stakeholders during the consultation period as to how we could enhance our assessments.

¹¹ DWP (2008a) Research Report 488, *Evidence on the effect of Pathways to Work on existing claimants* (London – CDO), p54

2) Proposals to Reform the Jobseeker's Allowance Regime

Introduction and Policy Rationale

62. Two key changes to the current Jobseeker's Allowance regime are proposed. These are as follows:

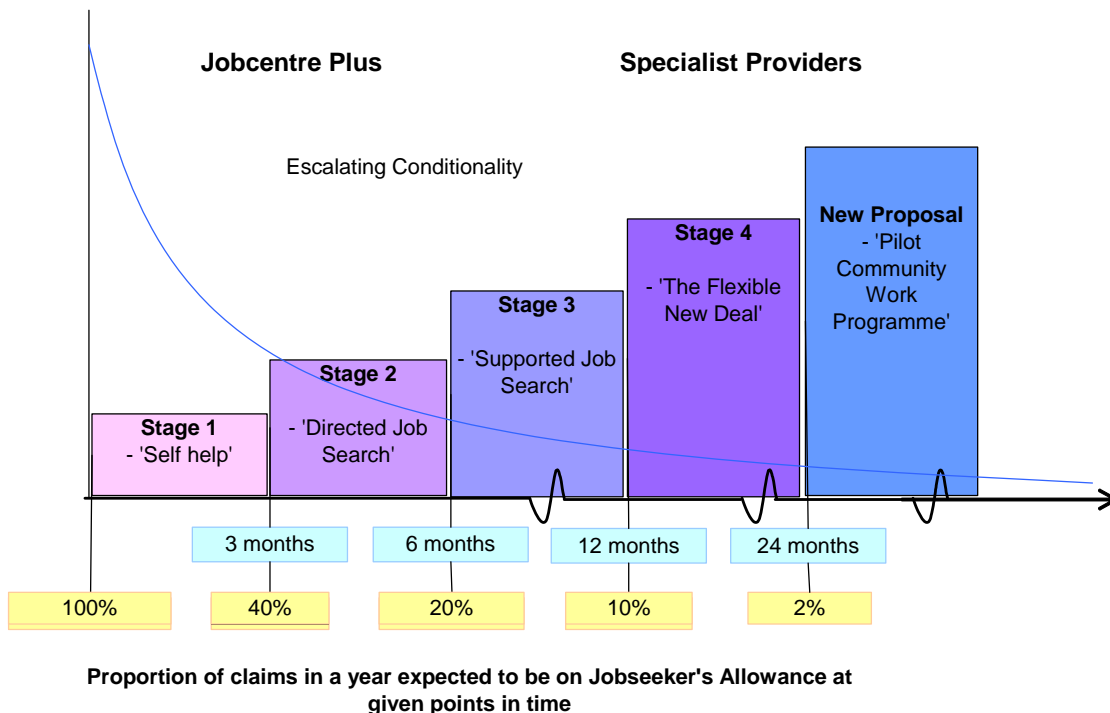
- a. Piloting stronger conditionality for people who are unemployed and receiving benefits continuously for long periods. 'Work for your benefit' will test mandatory, full time work experience based in the community after the first four stages of the Jobseeker's Allowance regime. As a comparison group we will also test an enhanced conditionality regime involving changes to signing frequency and other aspects of the current Jobseeker's Allowance requirements;
- b. Introduce an automatic sanction for jobseekers' Failure to Attend (FTA) a Fortnightly Jobseekers Review (FJR) or appointment without good cause. The exact design of the sanction is still being considered in particular whether it will escalate with the number of times a jobseeker fails to attend. We are also developing proposals for a similar sanction against customers who use actual violence or the threat of violence against Jobcentre Plus staff.

63. These proposals build on the revised Jobseeker's Allowance regime and Flexible New Deal (FND) as outlined in *Ready for work: full employment in our generation* to help jobseekers find and sustain employment.¹²

Work for your benefit

64. To understand the impact of piloting mandatory full time work experience after the first four stages of the revised Jobseeker's Allowance regime it is important to understand stages one to four and in particular the escalating conditionality. Figure 6 provides an outline of the first four stages of the regime.

Figure 6: The first four stages of the Jobseeker's Allowance regime



¹² DWP (2007) *Ready for work: full employment in our generation*, <http://www.dwp.gov.uk/welfare-reform/readyforwork/>

65. Most jobseekers claim for a short period. Around 60 per cent of jobseekers leave Jobseeker's Allowance (JSA) within the first three months and it is expected that less than 2 per cent of JSA claimants will remain unemployed at the end of the Flexible New Deal stage of the revised Jobseeker's Allowance regime. There is however a small group who do not take up the opportunities available or who have lost or never learned the basic habits of work. These jobseekers may stay on benefit for a long time or return repeatedly for prolonged spells without making reasonable headway in sustained work.
66. The rationale for mandatory full time work experience is to maintain the graduated conditionality of the Jobseeker's Allowance regime (the longer somebody spends on JSA the more they will be expected to do to find work and the more support they will be offered). Mandatory full time work experience will be designed to offer increased support by moving jobseekers closer to the labour market through re-establishing work habits. This is because jobseekers still on benefit at this stage are likely to face particular barriers due to the length of time they've been away from the labour market. The pilot is intended to test the effectiveness of requiring jobseekers leaving the Flexible New Deal to undertake a period of full-time work and work experience in the community.
67. Following the completion of Stage 4 there would be a segmentation or triage process, undertaken by Jobcentre Plus, to make sure that only those for whom the programme is appropriate are mandated to it. Such a segmentation approach could:
- Identify those whose progress during Stage 4 suggests they would be more suited to other programmes or whose circumstances indicate a claim for another benefit entirely;
 - Identify those who have made good progress with their Flexible New Deal provider but have not managed to make the move into sustained work – such jobseekers could remain with the provider on a voluntary basis for a limited period to build on that progress; and
 - Identify those who should move onto mandatory full time work experience.
68. This approach would build on current Flexible New Deal proposals, ensuring that support would continue to be flexible and personalised to the individual. At the conclusion of the full programme of Jobcentre Plus and contracted personalised support, access to further JSA would be conditional on completing a substantial amount of work experience in the community every day as part of the way back to work. As an alternative we are also exploring testing an enhanced conditionality regime involving changes to signing frequency and other aspects of the current Jobseeker's Allowance requirements.

Sanction for Failure to Attend (FTA)

69. Around 12,000 jobseekers each month fail to attend interviews or appointments with Jobcentre Plus without good cause, resulting in disqualification to Jobseeker's Allowance and therefore their benefit claim is closed. The vast majority of jobseekers whose claim is closed will then go on to apply for it to be reopened. This process is administratively burdensome and a poor deterrent to improving compliance with benefit rules - it typically leads to just two days of lost benefit. A simplification of policy (moving from a disqualification to an automatic sanction) and potentially escalating the sanction for repeated failure to attend will provide a clearer message and improved compliance and support to help more people into work.
70. In addition, the Government believes the use of actual violence or the threat of violence by a small, but very disruptive, number of jobseekers is unacceptable and undermines everyone's efforts to seek and enter sustained employment. We will also consider imposing a similar sanction in these instances. We are currently developing an Equality Impact Assessment for this and further information will be provided as the proposals develop.

Estimating Costs and Benefits

<i>Proposal</i>	<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits/Costs</i>	<i>Wider Social Benefits</i>
Piloting Community-Based Work Experience	The cost of the policy will depend on its (detailed) design and we are discussing with providers what costs might be.	Increased numbers of long-term unemployed customers moving into employment.	Mandatory community work experience is expected to increase job entries by reinforcing work habits and skills. This will reduce benefit payments and the Exchequer would also benefit from increased tax and National Insurance Contributions.	Helping long-term jobseekers into employment will provide further benefits that are difficult to quantify such as reduced poverty and social exclusion, improved child outcomes, improved intergenerational and social mobility, reduced crime and improved health.
Automatic sanction for Failure to Attend (FTA)	This proposal simplifies the sanctions process reducing administrative costs. These savings could be dampened by increased administration if there were more applications to the Social Fund.	An increase in the number of jobseekers moving into employment as increased conditionality improves their attachment to the labour market.	Reduced benefit payments. The Exchequer would also benefit from increased tax and National Insurance Contributions if more people move into work.	Encouraging greater compliance and improving communications should better drive behaviours and support more people into work. This would reduce poverty and social exclusion.

The benefits of full time work experience

71. Requiring jobseekers to undertake a period of full-time activity can help the long-term unemployed find employment and move off benefit. The Flexible New Deal Evidence Paper highlighted two key routes through which full-time activity can help jobseekers find and sustain employment:¹³

- First, by refreshing basic employability habits and skills. An evaluation of the New Deal for Young People (NDYP) found that through taking part in subsidised employment, they gained an insight into the job and the working environment.¹⁴
- Second, by boosting active job search. Many NDYP participants viewed taking part in the community work activities as temporary and transitional. High levels of job search were evident, especially amongst those who were unwilling referrals to this activity.

¹³ DWP (2007) "Flexible New Deal Evidence Paper," <http://www.dwp.gov.uk/welfarereform/readyforwork/>

¹⁴ White, M. and Riley, R. (2002) "Findings from the Macro Evaluation of the New Deal for Young People," DWP Research Report No. 166, <http://www.dwp.gov.uk/asd/asd5/168summ.asp>

72. Further evidence on the benefits of requiring the long-term unemployed to undertake a period of full-time activity comes from a pilot to make the full-time Intensive Activity Period (IAP) stage of New Deal 25 Plus (ND25+) ¹⁵ mandatory for jobseekers aged 50 years and over. The pilot tested the effect of mandating jobseekers who had been unemployed for approximately 22 months to participate in the IAP compared to allowing jobseekers to opt out of the IAP stage. The evaluation found that making the IAP stage mandatory had three key effects: ¹⁶

- The proportion of jobseekers finding employment increased by over 25 per cent (increasing from 23.4 per cent for those not mandated to 29.8 per cent for those mandated).
- The number of days spent on Jobseeker's Allowance reduced by 49 days over a two-year period.
- The number of days spent in employment increased by 25 days over a two-year period.

73. In summary, introducing a period of full-time activity is expected to benefit participants and help more jobseekers find employment. In developing this policy, we will learn from evidence from previous policies similar to community work based programmes, particularly those in the 1970s and 1980s ¹⁷, in order to develop a policy that improves jobseekers long-term job prospects and moves them into employment.

Equality Impact Assessment

74. As the proposals for introducing 'Work for your benefit' and reforming the sanction for jobseekers failing to attend appointments develop, this Equality Impact Assessment will continue to be reviewed and updated to ensure that their potential equality impacts are understood and negative impacts are mitigated.

Work for your benefit

75. In order to undertake this Equality Impact Assessment it has been assumed that jobseekers starting mandatory full time work experience will have the same characteristics as jobseekers who have experienced long-term unemployment under the current New Deal process. We will keep this assumption under review as the policy develops and the Flexible New Deal is introduced.

76. Three sources have been used to identify the characteristics of jobseekers who have experienced long-term unemployment:

- The characteristics of jobseekers who reach two years on Jobseeker's Allowance;
- The characteristics of jobseekers who reach the final (follow-through) stage of ND25+; and
- The characteristics of jobseekers identified in the research report *Repeat Jobseeker's Allowance spells* as having spent long periods of time on JSA or New Deal programmes. ¹⁸

¹⁵ New Deal 25+ Information Leaflet,

[Hhttp://www.jobcentreplus.gov.uk/JCP/stellent/groups/jcp/documents/sitestudio/dev_015303.pdf](http://www.jobcentreplus.gov.uk/JCP/stellent/groups/jcp/documents/sitestudio/dev_015303.pdf)

¹⁶ Dorsett, R. and Smeaton, D. (2008) "Mandating Intensive Activity Period for jobseekers aged 50+: final report of the quantitative evaluation," [Hhttp://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_500.asp](http://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_500.asp)

¹⁷ Haskel, J. Jackman, R. (1988) "Long-term unemployment in Britain and the effects of the community programme," Oxford bulletin of economics and statistics, 50,4 (1988).

¹⁸ Carpenter, H. (2006) "Repeat Jobseekers Allowance spells," DWP Research Report No 394, [Hhttp://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_394.asp](http://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_394.asp)

Gender Equality

77. Men are more likely to make a claim for JSA than women, and they are disproportionately more likely to reach long-term unemployment than women.

Figure 7: Gender breakdown (2006-07 cohorts)¹⁹

	Women	Men
JSA new claims 2006/07	30%	70%
Jobseekers reaching ND25+ follow-through stage	16%	84%

78. The table compares the gender breakdown of two different cohorts of jobseekers, those who started a claim in 2006/07 and those who reached the follow through stage of ND25+ in 2006/07.

79. The finding that males are disproportionately likely to reach long-term unemployment and therefore be affected by the introduction of mandatory full time work experience is confirmed by the research report *Repeat Jobseekers Allowance spells*²⁰. The report found that only 14 per cent of the jobseekers in group one (jobseekers who had spent significant periods on JSA or the New Deals) were women. However, introducing mandatory full time work experience is expected to benefit participants by helping them find and sustain employment so we do not expect any negative impacts on males.

Ethnicity Equality

80. Ethnic minorities are disproportionately more likely to be affected by this proposal because they are disproportionately more likely to reach long-term unemployment than white jobseekers. Figure 8 shows a small change between the ethnic breakdown of people making new claims for JSA and people who reach the follow-through stage of ND25+.

Figure 8: Ethnicity breakdown (2006/07 cohorts)²¹

	White	Ethnic Minority	Missing	Prefer not to say
JSA new claims in 2006/07	74%	16%	1%	8%
Jobseekers reaching ND25+ follow-through stage	74%	18%	0%	8%

81. The table compares the ethnicity breakdown of two different cohorts of jobseekers, those who started a claim in 2006/07 and those who reached the follow-through stage of ND25+ in 2006/07.

82. The *Repeat Jobseekers Allowance Spells*²² report also found that non-white ethnic groups were more likely than average to have spent long periods on JSA and New Deal programmes. We will continue to monitor and evaluate this as policy develops so that the equality impacts are fully understood.

¹⁹ Data taken from the Office for National Statistics, [Hhttps://www.nomisweb.co.uk/Default.asp](https://www.nomisweb.co.uk/Default.asp) and the New Deal Evaluation Database

²⁰ Carpenter, H. (2006) *Repeat Jobseekers Allowance spells*, DWP Research Report No 394, [Hhttp://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_394.asp](http://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_394.asp)

²¹ Data taken from [Hhttp://www.dwp.gov.uk/asd/tabtool.asp](http://www.dwp.gov.uk/asd/tabtool.asp) and the New Deal Evaluation Database

²² Carpenter, H. (2006) *Repeat Jobseekers Allowance spells*, DWP Research Report No 394, [Hhttp://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_394.asp](http://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_394.asp)

83. Introducing mandatory full time work experience is, however, expected to benefit participants by re-establishing basic work skills and habits, helping them find and sustain employment so a positive impact on ethnic minorities is expected.

Disability Equality

84. Within the population of jobseekers in 2006/07, 15 per cent are recorded as having a disability. This proportion increases to 25 per cent for jobseekers who reach the follow through stage of ND25+.

Figure 9: Disability (2006/07 cohorts)²³

	Disabled
JSA new claims in 2006/07	15%
Jobseekers reaching ND25+ follow-through stage	25%

85. The table compares the proportion of jobseekers recorded as having a disability of two different cohorts of jobseekers, those who started a claim in 2006/07 and those who reached the follow through stage of ND25+ in 2006/07. This comparison is useful to inform a broad view on likely impacts.
86. The *Repeat Jobseekers Allowance spells* report noted that respondents with experience of DWP programmes were more likely than average to report health problems. For jobseekers in this category, health is often the single greatest barrier to work, and can lead to a long absence from the labour market.²⁴
87. This policy proposal is expected to have a greater impact on people with a disability as they are more likely to reach the end of Flexible New Deal without having moved into employment. The support that the mandatory community based work experience offers would continue to be flexible and personalised to the individual in line with the principles of Flexible New Deal and therefore accommodate individuals’ needs, and we expect it will help more jobseekers with a disability find sustained employment, thereby promoting equality of opportunity.

Age Equality

88. Figure 10 below shows that the largest proportion of jobseekers who reach the end of two years on JSA without having moved into work are those aged 25 to 49. People aged 18 to 24 represent 38 per cent of JSA claimants but only 9 per cent of those whose claims reach two years. The age group 50 years and over shows the biggest increase proportionally and hence this policy is likely to have a significant effect on older jobseekers.

²³ Data taken from [Hhttp://www.dwp.gov.uk/asd/tabtool.asp](http://www.dwp.gov.uk/asd/tabtool.asp)H and the National Benefits Database and New Deal Evaluation Database

²⁴ Carpenter, H. (2006) "*Repeat Jobseekers Allowance spells*," DWP Research Report No 394, [Hhttp://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_394.asp](http://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_394.asp)

Figure 10: Age breakdown (2004/05 cohort)²⁵

	Under 18	18 to 24	25 to 49	50+
JSA claims in 2006/07	3%	38%	47%	12%
Jobseekers whose claim lasted one year or more	1%	14%	67%	17%
Jobseekers whose claim lasted two years or more	0%	9%	63%	28%

89. The *Repeat Jobseekers Allowance spells*²⁶ report found that, compared with the JSA population as a whole, repeat jobseekers were more likely to be male and in the 25-49 age band.

90. The policy is likely to have a disproportionate affect on people who are aged 25 and over as they are disproportionately more likely to have claims lasting more than two years. Introducing mandatory full time work experience to the Jobseeker's Allowance regime is expected to help reduce long-term jobseekers' barriers to finding employment, thereby having a positive impact on employment prospects.

Sanction for Failure to Attend (FTA)

91. The DWP review of sanctions undertaken in 2006 found there were no significant differences between sanctioned and non-sanctioned jobseekers in terms of gender, ethnicity and disability.²⁷

92. The review paper also noted that sanctions did not appear to discriminate against ethnic minority groups, women, or those with health problems or disabilities. However, younger jobseekers were found to be more likely to be sanctioned, especially participants of the New Deal for Young People (NDYP), although this may be the result of the increased support and conditionality introduced at the NDYP stage.

93. To identify the equality impact of this proposal it is important to identify if there are specific demographic groups who are more likely to be referred for failing to attend an appointment and whether, once they are referred, they are more likely to be sanctioned under these proposals.

94. The results below are drawn from analysis carried out using DWP's administrative databases.

Gender Equality

95. The majority of jobseekers that are referred as a Failure To Attend (FTA) and are disentitled as a result are male. However, of all those referred, women are more likely to be disentitled following a FTA referral than men. There does not therefore appear to be a significant and clear impact on the basis of gender, further analysis will be carried out as the proposals develop to ensure that we have a full understanding of the gender impact for a future detailed assessment.

²⁵ Data taken from the National Benefits Database

²⁶ Carpenter, H. (2006) "Repeat Jobseekers Allowance spells," DWP Research Report No 394, http://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_394.asp

²⁷ Peters, M. Joyce, L. (2006) "A review of the JSA sanctions regime: Summary research findings," DWP Research Report No 313, http://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_313.asp

Ethnicity Equality

96. Around 84 per cent of JSA claims being referred for FTA are from white jobseekers, and once referred, a white jobseeker is more likely to be disentitled than a jobseeker from an ethnic minority background.
97. This policy proposal is expected to have a greater impact on white jobseekers than ethnic minorities because white jobseekers are disproportionately more likely to be referred for failing to attend and are also more likely to be disentitled as a result. However, simplifying the sanctions process should improve compliance as it will provide a clearer framework that should be better understood by jobseekers and therefore have a positive effect on moving people closer to employment.

Disability Equality

98. Jobseekers with a disability are equally likely as jobseekers without a disability to be disentitled following a FTA referral. Hence, no disproportionate equality impacts are expected from this proposal.

Age Equality

99. Jobseekers who are referred for a FTA are more likely to become disentitled if they are aged 50 and over. However older jobseekers are no more likely to be referred than any other age group which reduces any differential impact of this proposal. Ongoing analysis and monitoring will be carried out as this proposal develops to ensure its equality impacts are fully understood.

Conclusion and Summary

100. Disadvantaged groups are disproportionately more likely to be affected by piloting 'Work for your benefit' because they are expected to be less likely to have found sustained employment during the first two years of their JSA claims. Based on evidence from the New Deals it is anticipated that mandatory work experience will re-enforce basic work habits and improve participants' likelihood of finding sustained employment
101. The sanctions policy proposal is expected to have a greater impact on white jobseekers and older jobseekers as they are disproportionately more likely to be referred for failing to attend and are also more likely to be disentitled as a result. However, simplifying the sanctions process is expected to improve compliance by providing a clearer framework that will be better understood by customers.
102. Jobseekers that would be affected by these changes could also have characteristics which mean that they could be impacted by wider welfare reforms, for example, lone parent conditionality and the introduction of the Employment and Support Allowance (ESA). These affects will need to be considered in more detail as the policies develop.
103. As the proposals for introducing 'Work for your benefit' and reforming the sanction for jobseekers failing to attend appointments develop, this Equality Impact Assessment will continue to be reviewed and updated to ensure that their potential equality impacts are understood, that negative impacts are mitigated and, where possible, opportunities are taken to positively promote equality. We welcome any input from stakeholders during the consultation period as to how we could enhance our assessments.

3) Proposals for Lone Parents and Partners of Inactive Benefit Claimants

Introduction and Policy Rationale

104. The Government has set the challenging aspiration of increasing the employment rate and reducing child poverty. The Government believes that work is the best route out of poverty; the risk of poverty of children in workless households is 63 per cent, over three times the rate for children in working households.
105. To achieve these ambitions, more needs to be done for lone parents with younger children – who have little incentive to enter work before their child turns 7 - and partners of benefit recipients - who receive financial support in the benefit system but are free from responsibilities. It is also committed to strengthening the framework of rights and responsibilities, meaning that benefit claimants have access to the necessary support, but also a clear responsibility to make the most of the opportunities that exist, to find a job and gain skills.
106. Therefore the objective of the proposals is to help workless lone parents with young children and workless couples (with and without children) move themselves closer to employment and out of poverty, as well as increasing employment retention and progression specifically among lone parents.

Modified JSA for Lone Parents

107. For lone parents specifically, the Government has made significant progress, through Tax Credits, mandatory Work Focused Interviews (WFIs), New Deal for Lone Parents (NDLP) and other financial and childcare support. This current approach, which includes advice on vacancies, financial support and childcare services as well as arranging work-focused training, has helped increase the lone parent employment rate by 12.5 percentage points and by 8.5 percentage points for those with a youngest child aged 0-6.
108. To build on the success achieved so far and improve parental employment, the Government has recently proposed that by 2010 lone parents with a youngest child aged 7 or over will be entitled to claim Jobseeker's Allowance (JSA) rather than Income Support (IS).
109. However, this will not affect the approximately 450,000 lone parents with younger children who will still receive Income Support. When resources allow, the Government therefore proposes to move lone parents with children under 7 onto JSA, where we will modify the conditions for benefit receipt until their child turns 7, when they would be expected to undertake the full JSA conditions.
110. Having JSA as the main benefit for all lone parents will also have the benefit of generating a much simpler system for lone parents, who will no longer have to move between IS and JSA when their youngest child turns 7
111. A single benefit is not a new idea. The concept of reducing the number of working-age benefits has gained momentum in recent times. The Institute for Public Policy Research (IPPR)²⁸, David Freud²⁹ and others have proposed models for a single benefit. We believe that the idea of reducing the number of benefits has great merit.
112. By abolishing IS and moving to a dual-benefit system of JSA and Employment and Support Allowance (ESA) we can achieve a major simplification of the benefit system, whilst at the same time modifying the JSA regime ensures that those currently claiming IS would continue to receive support appropriate to their needs. This would only be considered as resources allow.

²⁸ *One for all: active welfare and the single working-age benefit*, IPPR 2007

²⁹ Freud D (2007), *Reducing dependency, increasing opportunity: options for the future of welfare to work*

113. Moving all lone parents with a youngest child under 7 from IS to JSA, only when resources allow, but with the conditions under which lone parents receive benefit only being modified as their children get closer to 7, will strengthen the message that work is the best route out of poverty for all lone parents.

Skills Training for Lone Parents

114. The Government also recognises the need to increase the level of back to work support received by lone parents with younger children however, particularly around skills. Currently almost 35 per cent of lone parents with children under the age of 7 do not have GCSEs, and around 20 per cent have no qualifications.
115. Therefore the proposals that the Government is putting forward for consultation would make attendance at the Skills Health Check mandatory for those who have not previously engaged with the Adult Advancement and Careers Service, two years in advance of the point where they would be required to undertake the full conditions of the JSA regime. Where the advisor identifies a skills need, a further proposal would see the introduction of pilots to mandate job-focused training
116. The objective is to strengthen the responsibility of this customer group to ensure that they take advantage of the training on offer. This should, in turn, ensure that these customers are more work- ready, and thus able to find sustainable employment with opportunities for progression. For those with children under 5 the Government proposes to encourage engagement with skills on a voluntary basis by piloting the provision of a premium on top of existing benefit entitlement, conditional on undertaking skills related activity.

Partners of Benefit Recipients

117. Assessments of entitlement to key welfare benefits such as IS and income-based JSA are calculated on a family basis, which ensures financial support for both adults in a couple. However, it is generally the case that only the person who makes the claim on behalf of the family is required to undertake any significant steps towards work. Therefore, partners of people receiving income related benefits currently get support via the benefit system but do not have any clear and sustained obligations to look for work themselves.
118. Currently, partners of customers with children claiming JSA³⁰ are required to take part in compulsory Work Focused Interviews for Partners (WFIP) every 6 months (since April 2008). Couples without children, claiming JSA, are required to make a joint claim.
119. Partners of main benefit claimants claiming IS or Incapacity Benefit (IB) are only required to attend a single Work Focused Interview six months into their partners claim period (since April 2004). Exclusions apply to IB credits only cases, where Carer's Allowance is the only benefit received, and JSA joint claimants.³¹ The purpose of the WFIP is to discuss the possibility of working and to encourage partners to join New Deal for Partners (NDP). If a partner does not attend or participate in the WFIP, a sanction may be placed on the claimant's benefit. Any action beyond participation in the interview is voluntary.
120. However, it has long been recognised that we need to help the partners of benefit recipients to move into work if the Government is to meet its employment and child poverty targets as previous attempts to assist them have, so far, produced only limited results. This is because:

³⁰ who have been in receipt of JSA for at least 26 weeks, with a dependant child or young person in their household aged less than 20 (in full time education and child benefit in payment),

³¹ where there are no dependent children in the household and the main claimant claims JSA, the partner is required to make a joint claim for JSA and must meet the same labour market conditions for claiming JSA as the main benefit claimant.

- partners are not a homogeneous group but there is only a single policy response;
- the existing intervention regime is less intensive than for any other group;
- some partners have significant, deep-seated barriers to labour-market participation.

121. Evaluation evidence³² of the existing policy of mandatory one off WFIPs has found little evidence of them helping to change actual behaviour, by increasing the number of partners in work or looking for work. Although WFIPs and NDP had made some partners consider increasing their hours, there was no evidence of this happening other than in isolated instances. Very few couples were moving off benefit and not all those leaving benefit had moved into work. WFIPs were most effective for those partners seeking full-time work or self employment by increasing their awareness of job opportunities, encouraging them to consider jobs they might not have done beforehand, and increasing motivation. However, many partners need support over a long timeframe, and are also often not in a position to benefit greatly at the time of their initial WFIP. The proposal for increased conditionality for partners will address this by ensuring that partners receive regular support to help them back into work. In addition, support needs to have a family focus, providing integrated support for the couple and family as a whole, rather than individuals.

122. The Government is proposing that partners of benefits recipients receiving income related benefits who are able to work, should be subject to conditions under the JSA regime to receive benefit, bringing them in line with the forthcoming changes to lone parent obligations:

- To require couples who are claiming JSA and who have a youngest child aged 7 or over to make a joint claim to the benefit. Where the partner in a couple who are already claiming JSA is unable to work, for example for health reasons, there are already existing flexibilities and exemptions.
- That people claiming IS, IB and ESA will no longer receive an automatic uplift in their benefit if their partner is capable of work. Instead it is proposed that the couple should be required to make a claim to JSA. The original claimant would still be entitled to their personal IB or ESA but the uplift for the partner would be dependant on that partner fulfilling the JSA conditionality regime.

123. This requirement would not be placed on partners who are incapable of work due to sickness or disability or who have substantial caring responsibilities for which they receive Carer's Allowance. Neither will it apply to couples with children under the age of 7. For these couples the current arrangements will remain in place. Partners receiving Carer's Allowance who want a Work Focused Interview will be able to volunteer for one.

³² Coleman N, Seeds K and Edwards G; '*Work Focused Interviews for Partners and Enhanced New Deal for Partners: Quantitative Survey Research*', 2006, DWP research report number 335.

124. The following table summarises the arrangements that could apply to partners of different benefit payments.

Figure 11

Main claimant	Partner capable of work?	Children?	Current conditionality for partner	Proposed conditionality for partner
Jobseeker's Allowance	Yes	Yes – youngest 7 or over	WFI every six months + access to NDP	Full JSA conditionality
Income Support and Employment and Support Allowance	Yes	No	WFI at six-month point only + access to NDP	Partner becomes part of a new JSA joint-claim
Income Support and Employment and Support Allowance	Yes	Yes – youngest 7 or over	WFI at six-month point only + access to NDP	Partner becomes part of a new JSA joint-claim

125. Partners of benefit recipients claiming contributory JSA and IB who do not claim an income based top up are not covered by the proposals.
126. The provision of flexible support to help partners move into, and stay in, employment is essential. Therefore, these partners would get improved support through the Flexible New Deal.
127. For partners with children and lone parents the Government recognises that they may need support in accessing suitable and affordable childcare provision. The Childcare Act³³ gives Local Authorities a statutory responsibility to ensure that the local childcare market meets the needs of working parents, including those on a low income or with children who are disabled or from minority ethnic groups.
128. In addition, Jobcentre Plus recognises that childcare is a key enabler to work for parents and that all Advisers, not just Lone Parent Advisers, have a key role to play in promoting the benefits of formal childcare and encourage its take up. Advisers already play a positive role at the point that parents need to synchronise practical decisions around work and childcare. They have regular contact with parents and as such are best placed to promote the benefits of formal care and to encourage its take-up by those moving into employment, as well as providing advice and assistance with claiming financial assistance related to formal childcare, for example, the childcare element of Working Tax Credits.
129. Furthermore, in light of the changes to lone parent obligations, Jobseeker's Allowance is being amended to take into account the specific needs of being a parent. This includes a range of flexibilities so that no parent, for example, will be penalised if they are unable to access appropriate and affordable childcare, including during school holidays.
130. Introducing obligations for partners of benefit claimants should reduce the number of workless couples and help these families out of poverty.

³³ England and Wales only. In Scotland the Childcare Partnerships in conjunction with the local authority are responsible for identifying local childcare needs, developing plans and generating proposals for the development of services to meet this need.

Estimating Costs and Benefits

131. There are around 750,000 lone parents with a youngest child under the age of 7, and approximately 450,000 on Income Support.
132. The proposal to move lone parents with younger children onto JSA and create a single benefit for lone parents, will make administration considerably easier and be a significant simplification for all these lone parents who would no longer have to move between IS and JSA (either when their youngest child turns 7 or when they want to look for work). This will only be considered as resources allow.
133. Previous evaluation³⁴ of Government programmes aimed at helping lone parents into work (specifically, NDLP and WFIs) has shown that such programmes are effective and efficient, with favourable cost-benefit ratios. The most recent review of analyses of lone parent WFI impacts notes that lone parent WFIs were particularly effective for existing claimants but also for new claimants with very young children.³⁵
134. Lone parents will continue to receive the same amount of benefit on JSA as they do under IS, so there will be no impacts on benefit payments.
135. Around 35 per cent of these lone parents with younger children do not have GCSEs, and 20 per cent have no qualifications. The employment rate of lone parents with children under 7 without GCSEs is particularly low at just 20 per cent (15 per cent for those without qualifications). This is compared to around 40 per cent for those with GCSEs. Providing more lone parents with the skills they need to enter the labour market should help reduce this shortfall and increase the number of lone parents in employment.
136. The 'skills for work' pilot will be re-emphasizing and re-advertising the offer made by the Department for Innovation Universities and Skills, through the Local Skills Council and other providers, to provide a range of free training to everyone in the population who meets eligibility criteria.
137. To better understand how the employment outcomes for lone parents could be improved by engaging them with skills and training provision, the Government is going to pilot a range of approaches. Evaluation of 12 basic skills mandatory training pilot sites³⁶, introduced between April 2004 and March 2005, did not find evidence of significant employment impacts from mandated skills training. However this could be because the data did not provide an adequate follow-up period (12 months) to see whether they had moved into work after completing their training. Evidence on the outcomes of Work Based Learning for Adults (WBLA)^{37 38} found significant and positive long term outcomes, which suggest there may be positive employment effects from the skills proposals over time. The Government will use the forthcoming pilots to develop its evidence base in this area further.

³⁴ 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.

³⁵ Cebulla, A. and G. Flore (2008) *The New Deal for Lone Parents, Lone Parent Work Focused Interviews and Working Families' Tax Credit: a review of impacts*, DWP Research Report 484: 3.

³⁶ Joyce, L., Kasparova, D. and Wilkinson, D., *Evaluation of basic skills mandatory training pilot: synthesis report*, DWP Research Report No 385.

³⁷ Joyce, L., Kasparova, D. and Wilkinson, D., *Evaluation of basic skills mandatory training pilot: synthesis report*, DWP Research Report No 385.

³⁸ Speckesser, S. and Bewley, H., *The longer-term outcomes of Work-Based Learning for Adults: Evidence from administrative data*, DWP Research Report No 390.

138. There are around 200,000³⁹ partners in scope of the proposals (see table below). This figure therefore excludes those out of scope of the proposals: partners on JSA without children, as they are already subject to joint claims, and partners on IB/ESA/IS/JSA with children under 7.

Figure 12

All couples in receipt of JSA or IS	342,800
In Scope (of which:)	197,600
All partners in receipt of IS without children	112,200
All partners in receipt of IS or JSA with youngest children aged 7 and over	85,400
Out of scope (of which:)	145,200
All partners in receipt of IS and JSA with a youngest child aged under 7	122,200
All partners in receipt of JSA without children	23,000

Source: DWP Information Directorate 5% sample August 2007

139. However at least 75,000⁴⁰ will be exempt from the proposals because they are claiming IB/ESA/DLA, Carer's Allowance or both and therefore not able to work. As not all individuals claim the benefits they are entitled to it is likely that increasing partners engagement with Jobcentre Plus may highlight those who are not currently taking up the disability or carers benefits that they are actually entitled. Therefore we estimate around 100,000 partners would actually be in scope of the proposals.
140. Current estimates suggest that after five years around 35,000 partners could be helped off benefits and into work. These estimates are based on our current assumptions around how many partners would be eligible for JSA and how effective the regime would be for this group - which in practice are particularly uncertain.
141. Increasing conditionality and providing more intensive employment support for partners who can work should help workless couples make the transition from benefits into work to lift their family out of poverty and make a contribution to society more generally. It should also reduce the number of children in poverty living in workless couple households.
142. Evaluation of joint claims for partners of JSA customers without children shows that individual conditionality without individual payment had a positive impact on exits from benefit. However, it only appeared to be successful for more motivated customers. The evaluation generated considerations for improving the joint claims process.

³⁹ DWP Information Directorate 5% sample August 2007

⁴⁰ DWP Information Directorate 5% sample August 2007

143. The table below presents likely indicative impacts of the proposals:

<i>Proposal</i>	<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits/Costs</i>	<i>Wider Social Benefits</i>
To move lone parents with children under 7 onto JSA (as resources allow)	One-off costs associated with the implementation of moving lone parents with younger children from IS to JSA.		Savings from reduced administration as a result of having one benefit for lone parents. The Exchequer would also benefit from increased tax and National Insurance Contributions if people move into work.	
Mandatory Skills Health Checks and piloting mandatory skills training for Lone Parents	Costs of additional Skill Health Checks and additional sanctions incurred by DWP. Costs of additional training provision (incurred by DWP/DIUS). Cost of paying 'skills for work' premium pilot.	Possible increase in numbers of customers moving into employment. Possible higher productivity in work.	Potential savings from reduced benefit payments. The Exchequer would also benefit from increased tax and National Insurance Contributions if people move into work.	Improved employability skills, wider social and economic effects.
Extending joint claims to certain groups of partners of people receiving IS, IB and JSA	Annual running costs of JSA regime and Flexible New Deal for partners of benefit claimants.	Possible increase in numbers of customers moving into employment.	Potential savings from reduced benefit payments to couples who are helped into work. The Exchequer would also benefit from increased tax and National Insurance Contributions if people move into work.	Increased employment, as well as greater inclusion in the labour market for some of the most disadvantaged people, reductions in child poverty

Equality Impact Assessment

Gender Equality

144. The proposals for lone parents and partners of benefit recipients will apply both to men and women.
145. As with lone parents more generally, the vast majority of lone parents with children under the age of seven are female. As a result a very large proportion of lone parents with children under the age of 7 on Income Support are also female (over 95 per cent). The proposals above will therefore have a disproportionate impact on women, even though they will apply equally to men and women.
146. Given that women make up such a considerable proportion of lone parents with younger children on IS, they would also disproportionately benefit from the move of all lone parents over to JSA which will make it easier for lone parents to interact with the benefit system, and remove

the number of movements they have to make between two different benefits (it is estimated that around 20,000 lone parents will move from IS to JSA each year when their youngest child turns 7). Therefore in light of the current changes to lone parent obligations, JSA has been improved to take into account the specific needs of being a parent. This includes a range of flexibilities so that no parent, for example, will be penalised if they are unable to access appropriate and affordable childcare, including during school holidays. This will also apply to lone parents and partners affected by the new proposals outlined in this paper.

147. Both male and female lone parents with younger children have low employment rates, though the latter do slightly worse – at around 45 per cent and 40 per cent respectively.
148. However, in accordance with the numbers on IS, a large proportion of NDLP participants with children below 7 are female (again over 95 per cent). Women participating in NDLP also actually have slightly better outcomes than men, with over 60 per cent leaving to enter employment compared to less than 60 per cent of men. An increase in conditions under JSA therefore could increase the female lone parent employment rate in particular and help reduce the gap between them and men. If this policy results in raising the employment rate, it could help promote equality of opportunity; potentially also contributing towards closing the gender pay gap if female lone parents are enabled to enter suitable paid work.
149. Women are also slightly more likely to have skills needs; female lone parents with younger children are more likely to have no qualifications. The employment rate of those without qualifications is also lower for females. Given this, helping to increase the skills of lone parents with younger children should also have a particularly positive impact on female lone parents, also helping to promote equality of opportunity.
150. Similarly, it is true that women currently make up by far the largest proportion of partners of benefit recipients and so any changes will therefore have a much greater impact on women. Overall, 70 per cent of partners are female, ranging from 85 per cent of JSA 'non-joint' claims to 62 per cent of Income Support claims.
151. It is also known that women are more likely to be the primary carer for children and that this may mean that they have to consider childcare provision if their partner is unable to become the primary carer. However evidence from a large scale survey of partners of benefit claimants carried out in 2004/05⁴¹ found that almost all JSA partners stated that they would be happy to leave their children with the JSA claimant should they start work.
152. Figures show that 53 per cent of partners have children with 19 per cent having three or more children (37 per cent of those with a JSA 'non-joint' claim). Ten per cent of partners have a youngest child of less than 1 year and a third have a child who is two or under (46 per cent of those with a JSA 'non-joint' claim). Forty-one per cent of those with dependent children are aged between 25 and 34 years old, with a similar proportion (38 per cent) being aged between 35 and 49 years old.
153. Since April 2004, partners of benefit recipients have been required to take part in a Work Focused Interview (WFI) six months into their claim period⁴². Since then the vast majority (92 per cent) of those identified for a WFI have been female, accounting for nearly 68,000 partners. Nearly half (44 per cent) of all those partners identified for a WFI had a youngest child who was under 2 years old.
154. When invited to a WFI, 64 per cent of partners said that they currently spent their time looking after their children and the home. Since leaving school almost a half had spent most of their time looking after their family.
155. The numbers who move on to the New Deal for Partners (NDP) following a WFIP (or through a self-referral) are small compared to the number of partners there are of benefit claimants overall, and in line with the breakdown of partners generally most (88 per cent) have been

⁴¹ Coleman N, Seeds K and Edwards G; '*Work Focused Interviews for Partners and Enhanced New Deal for Partners: Quantitative Survey Research*', 2006, DWP research report number 335.

⁴² This has now been increased to every 6 months for partners of Jobseeker's Allowance claimants.

women (accounting for just under 1,000 participants to NDP). Around a fifth of those subsequently go on to find work.

156. Overall, women appear to have weaker links to the labour market than men, shown in the terms of greater propensity to work part-time by mothers and to give up work to undertake caring roles. The Government already has in place a number of measures to support parents who work and have dependent children, through our Childcare Strategy, which will ensure that childcare is available for those who need it.
157. The proposed changes provide an opportunity to promote gender equality by helping more women back into the labour market.

Ethnicity Equality

158. The proposed changes would apply to all lone parents with younger children and partners of benefit recipients, regardless of race or culture. However, since ethnic minority lone parents are more likely to have younger children than white lone parents overall, the proposals will disproportionately impact on non-white lone parents.
159. Whereas non-white ethnic groups make up only 11 per cent of the overall Great Britain working age population, they represent almost 20 per cent of lone parents with younger children.
160. More specifically, lone parents with young children are disproportionately likely to be of black origin; compared to just 2.6 per cent of the overall population, they represent close to 10 per cent of lone parents with young children. In contrast, the Asian population is less likely to be a lone parent with a young child.
161. The employment rate of black lone parents with younger children is actually similar to that of white lone parents, and above the average for the group as a whole. Other ethnic groups have lower employment rates however.
162. However, statistics show that 15 per cent of lone parents with younger children on NDLP are from an ethnic minority group (slightly lower than the proportion of lone parents with younger children overall who are from an ethnic minority), and they have poorer outcomes with only 50 per cent moving into employment as opposed to over 60 per cent of lone parents with younger children overall.
163. Furthermore, recent research looking at the extent to which a Jobcentre Plus customer's ethnicity influences their probability of gaining employment⁴³ found that 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 NDLP programme start date.
164. However, for ND25plus 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.
165. 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, the Government needs to ensure that it engages properly with these groups, and understands the issues they face, to ensure they realise these benefits.
166. There are also significant numbers of ethnic minority lone parents with younger children who have skills needs, and they are more likely to have no GCSEs or other qualifications than are white lone parents – almost half (44 per cent) of ethnic minority lone parents with younger children do not have GCSEs, and over 20 per cent have no qualifications (this compares to just over 30 per cent and just under 20 per cent respectively for white lone parents).

⁴³Crawford, 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

167. The employment rate for those without qualifications is also lower for ethnic minority lone parents. However, importantly the same is generally not true for those with qualifications (for those with GCSEs or A-levels it is actually higher). Improving the skills of ethnic minorities therefore has the potential to have a particularly positive impact on ethnic minority lone parents and their employment rate, and so promote equality of opportunity.
168. Overall there are more partners of IB, IS and JSA customers who are white⁴⁴. Table 13 shows the ethnicity breakdown of partners of customers claiming JSA, IB and IS compared to the working age population as a whole. According to the Family Resources Survey (FRS), 14 per cent of partners on benefits are of non white ethnicity. However it is not known how many will be directly affected by the proposal as the data includes partners with younger children and those who have a disability or caring responsibilities. The table also shows that the proportion of partners who are Asian is higher than the proportion of Asian ethnicity in the working age population as a whole.

Figure 13: Ethnicity breakdown of partners of IB/IS/JSA claimants compared to the working age population as a whole

Family Resources Survey 2006/07	White	Mixed	Asian	Black	Chinese	Other	All non-white
GB working age population	89.1%	0.9%	5.3%	2.6%	0.5%	1.5%	11%
Partners on IB/IS/JSA	85.7%	0.5%	9.2%	3.1%	0.0%	1.4%	14%

169. Partners of IS claimants make up the largest proportion of Asian and Black partners, whereas, those of IB claimants make up the largest proportion of all other ethnic groups.
170. Research⁴⁵ into ethnic parity in outcomes from Jobcentre Plus services found that the characteristics of different ethnic minority groups and white customers accessing the range of Jobcentre Plus programmes and services were fundamentally different⁴⁶. However the findings show that the services received by IB customers who have a Work Focused Interview (WFI) are just as likely to be successful regardless of ethnic group. For IS customers there were largely positive results with ethnic minorities being more likely to be in work in the 12 months following their WFI date. In particular Pakistani and Bangladeshi females on IS were less likely to be on benefits than the White comparison group in the 12 months following the WFI date.
171. In addition, evaluation evidence⁴⁷ shows that 17 per cent of partners who participated in the enhanced New Deal for partners and WFIPs were from a minority ethnic background. 88 per cent of this group said that English was not their first language. Those whose first language was not English were less likely than average to be looking for work at the time of WFIP, and more likely than average to have never worked. Lack of qualification and experience were cited as a barrier to work.

⁴⁴ Family Resources Survey (FRS) 06/07

⁴⁵ 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

⁴⁶ For example, ethnic minority customers tend to have spent less time in employment and more time on benefits in the three years prior to accessing Jobcentre Plus services than white customers.

⁴⁷ Coleman N, Seeds K and Edwards G; 'Work Focused Interviews for Partners and Enhanced New Deal for Partners: Quantitative Survey Research', 2006, DWP research report 335.

172. There are indications from previous research that a high proportion of partners from a minority ethnic background may not have English as their first language. This indicates that the impact of conditionality on this group needs to be carefully managed. In order to mitigate any risk of negative impact we will ensure that the design of the conditionality and sanctions regime enables people from all ethnic groups to fully understand their responsibilities and provides them with culturally sensitive support. For example the Government is currently running Partner's Outreach for Ethnic Minorities (POEM) pilots. This delivers support through private, voluntary and community sector organisations, who have the trust of the communities they work with. The pilots target Pakistani, Bangladeshi and Somali partners from low-income households who neither work nor claim benefits. POEM, which runs until March 2009, has 10 programmes operating in London, Birmingham, Manchester, Bradford, Leeds and Leicester.
173. They provide help tailored to the individuals client that might include: jobsearch support, help to find culturally sensitive childcare, English for Speakers of Other Languages (ESOL), soft skills for work, skills training and mentoring to help the target customers move nearer to the labour market and ultimately into work.

Health and Disability Equality

174. Around 18 per cent of lone parents with young children have a disability – similar to the overall Great Britain population with a disability (although lone parents overall are more likely to have a disability). As with others, the move of lone parents with younger children onto JSA will mean those with disabilities will benefit from not having to change between benefits.
175. However, lone parents with children under 7 with disabilities have much poorer outcomes in the labour market (lower than lone parents generally and disabled people generally) with an employment rate of just 25 per cent. In turn there are around 10,000 lone parents with children under 7 who are in receipt of a disability premium. They also have slightly worse outcomes from NDLP.
176. However, existing evaluation analysis of the operation of Work Focused Interviews (WFIs) for lone parents has shown that, for a number of customers with disabilities or health problems, the WFI plays an important role in increasing self-confidence and raising the optimism with regard to their perceived limitations.
177. 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 in the future'. These findings and the fact that a small number had moved into work over the period of the research suggests that moving to JSA could further challenge and influence customers' attitudes towards their own situation and possibilities relating to employment.
178. Improving the skills should also provide additional support to help those with disabilities achieve their ambitions, particularly since those with disabilities are more likely to have low or no qualifications.
179. Therefore these proposed changes promote equality of opportunity by enabling lone parents with disabilities to develop their skills and ultimately helping them back into the labour market
180. In contrast, partners are disproportionately likely to report that they are sick or disabled. Thirty-nine per cent⁴⁸ of partners of IB, IS and JSA customers stated that they are sick or disabled compared to 16 per cent of the overall working age population. Of partners who said that they were sick or disabled three in ten (29 per cent) said that it affected the type or amount of work they could do. This includes one in eight (13 per cent) partners who said that they were too ill to work again.
181. Partners of Income Support claimants were more likely to report that they were sick or disabled (46 per cent) than JSA claimants (22 percent)⁴⁹. As is often the case, there is a link between

⁴⁸ *ibid*

⁴⁹ Family Resources Survey (FRS) 06/07

age and health problems/ disabilities, with older partners much more likely to have a health problem or disability (62 per cent of those aged 50 or above compared with 17 per cent of those aged under 25)⁵⁰.

182. Over and above this age pattern, non-JSA and partners of long-term benefit claimants were more likely to have a health problem, with long-term benefit partners being particularly likely. Sixteen per cent of partners are in receipt of disability benefits⁵¹ in their own right. These people are likely to be unaffected by the proposed changes, as they will remain subject to the conditionality regime of IS/IB/ESA. In addition, a further 13 per cent are eligible for just Carer's Allowance and again these will not be subject to the proposed new JSA rules. Slightly fewer partners with children older than 7 years old are in receipt of disability benefits (11 per cent) with more being in receipt of just Carer's Allowance (16 per cent).
183. Overall, those with a health problem or disability were less likely than average to be looking for work at the time of attending a WFIP, and tended to have spent a longer time than average out of the labour market.
184. However, evidence confirms that there are a number of partners who state that they are sick or disabled who would be able to or would like to move into work. The Government realises that disabled people (along with those from other groups such as lone parents and ethnic minorities) are much less likely to be in work than the working age population as a whole. Therefore, the Government has a number of tailored employment schemes aimed at helping disabled people, including Access to Work, New Deal for Disabled People, WORKSTEP and Work Preparation. The Government's proposals for partners will further support those who are able to work.
185. Partners who are receiving DLA on behalf of their child will be exempt from the proposals. Due to the complexity of the administrative databases it is currently not possible to extract the number of partners who receiving DLA for their child. We will be exploring ways of extracting this data for the more detailed impact assessment at a later stage. However survey evidence⁵² indicates that 5 per cent of workless families in receipt of IB, IS or JSA care for a child with a disability.
186. Further support is offered under the provisions of the Childcare Act to parents who are looking for work and have caring responsibilities for a disabled child. Among other things the Childcare Act will:
 - Ensure that parents of disabled children have access to reliable information on childcare options; and
 - Secure child level data on outcomes of children with SEN/ disabilities from minority ethnic backgrounds.
187. Future provision to improve access to formal childcare for disabled children was also announced in *Aiming High for Disabled Children*, published in May 2007⁵³. 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. It said that this 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.
188. As the proposals develop further, this Equality Impact Assessment will continue to be reviewed and updated to ensure that due regard is given to equality in the development of proposals. We

⁵⁰ Coleman N, Seeds K and Edwards G; 'Work Focused Interviews for Partners and Enhanced New Deal for Partners: Quantitative Survey Research', 2006, DWP research report number 335.

⁵¹ This includes Incapacity Benefit and Disability Living Allowance. In addition, some of these people may also receive Carers Allowance.

⁵² Families and Children Study 2006

⁵³ *Aiming High For Disabled Children: Better Support For Families* HMT/DfES May 2007

welcome any input from stakeholders during the consultation period as to how we could enhance our assessments.

4) Proposal to Support Problem Drug Users in the Benefit System

Introduction and Policy Rationale

189. The Government proposes:

- To improve signposting into drug treatment for people on benefits
- To help people in treatment to overcome their dependency and move into work
- To prevent people maintaining a drug-dependent lifestyle on benefits

190. The aim is to develop a new regime that uses the benefit system to move people into treatment in a similar way to how we use the criminal justice system. The intended outcome would be to stabilise people in treatment and to enable them to then make the transition into employment.

191. The Government's goal is to create a society where everyone has the chance to realise their ambition, wherever they come from and whatever barriers they face. In order to achieve this, individuals must take responsibility for their own future and make the effort to improve their lives.

192. The ten year drugs strategy (2008-2018) aims to reduce demand for drugs by targeting the drug-misusing offenders causing the highest level of crime and developing a package of support to help people in drug treatment to complete treatment to re-establish their lives. One of the levers available to the Government is the benefit system.

193. Targeting problem drug users would contribute to the Government's aims of reducing the number of people on benefit, increasing the employment rate and improving social cohesion.

194. There are an estimated 330,000 problem drug users in England, of whom we estimate that around 240,000 are on out-of-work benefits (meaning Income Support, Incapacity Benefit or Jobseeker's Allowance). Of those 240,000, we estimate that over half are already in contact with treatment services.

195. Subject to the consultation, the Government's intention is that the new regime will apply to problem drug users - defined as individuals dependent on opiates or crack cocaine. Powers may also be taken to widen this method, if and when successful, to people whose dependency on other harmful drugs affects their employability. The Government intends to test and evaluate these proposals before full rollout.

196. Problem drug use would be identified through data sharing between the Police, probation services, prisons and Jobcentre Plus. This is necessary as it provides an objective basis for identifying individuals who have used heroin or crack cocaine, and may therefore require further treatment and support. In addition, individuals would be identified through the benefit system (through the assessment process for Employment and Support Allowance (ESA) and the conditionality regime in Jobseeker's Allowance (JSA)).

197. Individuals would be expected to attend an initial interview with a treatment provider, engage with specialist employment support and to agree a rehabilitation plan. Failure to attend this interview or to take agreed steps in the plan would result in referral to a decision maker and possibly a benefit sanction.

198. The benefit system applies across Great Britain. However, health services are devolved in Scotland and Wales, while criminal justice is also devolved in Scotland. Many of these proposals would therefore only apply in England. We will explore the most appropriate way to extend those measures that relate to the benefit system and specialist employment support within Scotland and Wales, in consultation with the Scottish Executive and the Welsh Assembly Government.

Estimating Costs and Benefits

Costs

Identification through data sharing – Drug Rehabilitation Requirements (DRRs)

199. Individuals can agree to a Drug Rehabilitation Requirement (DRR) as part of a community sentence. This requirement includes access to drug treatment and regular drug testing. We are proposing that individuals who agree to a DRR would be referred to Jobcentre Plus, and those who are on benefit would be routed to the new regime for problem drug users.

200. 16,000 individuals agreed DRRs last year. Assuming this number in each year and that 74 per cent are on benefits⁵⁴ there would be a caseload of 11,900 per year.

Identification through data sharing – those who test positive on arrest

201. In certain areas, individuals who are arrested by the Police are also tested for heroin or cocaine. Those that test positive are referred for assessment by a drug treatment provider (but may not enter drug treatment). We propose that Jobcentre Plus be told about those attending or refusing to attend their Required Assessment, and those who are on benefit will be routed to the new regime for problem drug users.

202. The assumption is that there could be 30,000-80,000 referrals from this route. Assuming that 74 per cent are on benefits, this would lead to a caseload of 22,500-60,000.

Identification through data sharing – ex-offenders leaving prison

203. We will also explore how we can share data with the Prison Service in order to identify problem drug users leaving prison. Those identified would be routed to the new regime for problem drug users.

204. It is estimated that 100,000 people leave prison and claim a benefit every year. There is no current administrative data on the number of individuals leaving prison with problem drug use.

⁵⁴ Gordon Hay and Linda Bauld (2008), *Population estimates of problematic drug users in England who access DWP benefits: A feasibility report*, DWP Working Paper No 46

Drug users who claim JSA or ESA identified through the benefit system

205. For those claiming JSA, the Government will explore how problem drug use can be identified through the application process and intervention regime. For ESA, problem drug use would be identified in the application process through the self-assessment and Work Capability Assessment.

206. There are no robust figures for numbers of problem drug users who start to claim benefit. Population estimates⁵⁵ were used to create an annual estimate that 8,000 individuals would be identified as problem drug users through the benefit system.

Data Sharing

207. We are currently working with the Ministry of Justice and the Home Office to estimate the administrative and IT costs of sharing information on those testing positive on arrest, those leaving prison and those subject to Drug Rehabilitation Requirements.

Other Costs

208. We would incur a cost for referring individuals to treatment and employment support. An expansion of employment support would lead to an increase in administrative and programme costs. Any increase in sanctions as a result of non-compliance with the new regime would also impact on the appeals volumes for tribunals.

209. There would be costs to the Department of Health for additional treatment places for problem drug users, if any additional treatment demand exceeds future supply.

210. The conditionality regime will be designed to mitigate the risk of any potential increase in acquisitive crime resulting from sanctioning benefits. Some potential costs to a rise in crime could include use of police time on the ground, administrative costs, court time and places in prison.

Benefits

211. Achieving Government objectives would lead to more people stabilising in treatment, moving towards employment and, ultimately, addressing their drug dependency. There would therefore be positive impacts on crime and social integration.

212. There would be savings to the criminal justice system if the measures reduce the number of problem drug users not in treatment. For every pound spent on treating drug addiction there is a return of at least nine pounds in the cost savings associated with lower levels of victim costs of crime and reduced demands on the criminal justice system. Stabilisation of problem drug users and movement towards employment also has physical and mental health benefits for the individual as well as wider benefits such as increasing the employment rate and improving social cohesion.

⁵⁵ *ibid*

213. There would also be benefit savings from moving problem drug users into employment through specialist labour market support. Employers would also benefit from an increase in the labour supply.

<i>Proposal</i>	<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits/Costs</i>	<i>Wider Social Benefits</i>
Supporting Problem Drug Users in the Benefit System	Employment support, identification at new claim stage, administering referrals to treatment and sanctions for non-compliance, data sharing, additional places for treatment	Potential increase in numbers of customers moving into employment. Potential savings to criminal justice system as a result from potential reduction in crime.	Reduction in benefit payments The Exchequer would also benefit from increased tax and National Insurance Contributions if people move into work.	Reduction in crime, improved health of problem drug users, improved social cohesion

Equality Impact Assessment

214. The proposals aim to improve access to drug treatment for, and the employment prospects of, problem drug users on benefit. The proposals are intended to target specific groups - those arrested by the police who test positive for heroin or crack cocaine attending or refusing to attend their Required Assessment, former prisoners and those agreeing Drug Rehabilitation Requirements. In addition, the Government will more systematically build identification of problem drug use into the new claim process for ESA, and in JSA will strengthen guidance for advisers in order to help them to identify claimants who may be dependent on heroin or crack cocaine. All problem drug users would be able to identify themselves in this way – including problem drug users from ethnic minority backgrounds, disabled people and men and women. As we test these proposals we will gather evidence on whether and how they may affect different groups, in order to ensure that they are consistent with our equalities duties.

Ethnicity Equality

215. There is no administrative data on the ethnic profile of problem drug users claiming benefit. The measures proposed will not be applied differently to people of different races or cultures and the Government will seek to ensure that the implementation of the new regime is consistent with our Race Equality Duty – and in particular that it is not directly or indirectly discriminatory.

Disability Equality

216. The Government does not have specific information on the disability status of problem drug users on benefit. However a large number of problem drug users are on incapacity benefits and are therefore likely to be covered by the Disability Discrimination Act.

217. Improving access to treatment and improving the employment prospects of problem drug users should promote equality of opportunity, participation in public life and positive attitudes to disability. The government will test approaches in order to gather evidence on these impacts and other equality duties. For example, if the proposals led to an increased risk of sanction for those with health conditions or disabilities, then this would require mitigation actions in order to eliminate direct or indirect discrimination, eliminate the potential for disability related harassment, and take account of individuals' disabilities.

Gender Equality

218. DWP research estimates that 76 per cent of problem drug users on benefit are male, therefore these proposals would be likely to disproportionately impact on men. However, both genders will have equal access to employment support and the intention would be that any conditions would be applied to men and women in the same way.

Equality Summary

219. As the proposals are tested, information would be gathered from evaluation of the pilots on the potential positive and negative impacts on equality duties, and mitigation actions, to inform decisions prior to full implementation and to make sure that these proposals are consistent with the Government's equality duties for all groups that they affect. This will also include considering the potential impact on different age groups, religions or faiths, and sexual orientations. This Equality Impact Assessment is at an early stage and the Government is committed to looking at equality issues relating to these proposals in more detail and welcomes any input from stakeholders during the consultation period as to how we can improve our assessment.

Other Specific Impact Tests

220. Below is a list of the other specific impact tests that have been considered.

Legal Aid

221. Any sanctioned problem drug user who takes the case to tribunal would be entitled to advice on preparing their appeal. This would have a small cost impact on the Ministry of Justice.

Health Impact Assessment

222. There would be additional costs to the Department of Health from extra places in drug treatment.

223. There are also individual health benefits from moving individuals off opiates and crack such as a reduction in the number of infections passed through needle use.

5) Proposals for a Full Child Maintenance Disregard in Income Related Benefits

Introduction and Policy Rationale

224. Currently there is a £10 a week child maintenance disregard for parents with care claiming benefit on the 2003 (new) Child Support Agency (CSA) scheme. Parents with care on the old (pre 2003) scheme currently do not benefit from a disregard.
225. The Government has announced that by the end of 2008 a £20 a week disregard in Income Support (IS), income-based Jobseeker's Allowance (JSA) and income-based Employment Support Allowance will be implemented for parents with care on both new and old CSA schemes (with a full disregard in Housing Benefit (HB) and Council Tax Benefit (CTB)). Plans were for this to double to £40 a week from April 2010.
226. It is proposed that a full child maintenance disregard is introduced from April 2010 rather than the previously proposed £40 a week.
227. Child poverty doubled in the 20 years from the late 1970s to the mid 1990s. Since 1998/99 600,000 children have been lifted out of relative poverty but there is still a long way to go if the Government is to reach its target to eradicate child poverty by 2020.
228. Work is the most sustainable route out of poverty and progress depends on a dynamic labour market, so alongside this sits an aspiration to raise the employment rate to 80 per cent. Today the employment rate is close to its historic high. But realising the Government's employment ambition requires that, among other groups, 300,000 more lone parents are in work. But increasing the employment rate alone will not be enough.
229. Therefore the Government propose that out of work parents receive all the money due to their children where maintenance is paid, through a full disregard of child maintenance in income related benefits.
230. When the proposals for the reform of child maintenance were developed, the principal objective was to ensure that the maintenance system did much more to tackle child poverty. A higher disregard is a key component in delivering that objective because it would allow more money to flow into low income families. The introduction of a £20 a week disregard followed by an increase to a £40 disregard as well as a full disregard in Housing Benefit and Council Tax Benefit would lift a total of 50,000 children out of poverty, benefiting 350,000 children in total. However, by going further and implementing a full disregard the Government would ensure that the child maintenance system would have a greater impact tackling child poverty and be simple for parents to understand.
231. Many stakeholders welcomed the commitment to significantly increase the maintenance disregard during the Child Maintenance White Paper consultation exercise⁵⁶ in May 2007 with some organisations recommending the introduction of a full disregard.

⁵⁶ <http://www.dwp.gov.uk/childmaintenance/pdfs/cmr-response-summary.pdf>

232. Implementing a full disregard of child maintenance in out of work benefits would also lift around 70,000 children out of poverty, rather than 50,000 on current plans and bring significant administrative benefits for Jobcentre Plus which would include:

- a positive effect on fraud and error; and
- a simpler scheme for staff and parents to understand.

233. The Government estimate that Jobcentre Plus could receive an additional 2 million customer contacts in 2010/11 due to their responsibility for administering the child maintenance disregard. This contact will occur as it is necessary for clients to report any change in their maintenance payments and subsequently could also result in additional fraud and error as clients forget to inform Jobcentre Plus of any changes to their maintenance arrangements. A full child maintenance disregard would result in the customer not having to contact Jobcentre Plus should the payments change therefore delivering administrative benefits. It would also result in a positive impact on fraud and error as failing to report a change in your maintenance would no longer be a requirement.

Estimating Costs and Benefits

<i>Proposal</i>	<i>Economic Costs</i>	<i>Economic Benefits</i>	<i>Fiscal Benefits/Costs</i>	<i>Wider Social Benefits</i>
Introduction of a full child maintenance disregard in out of work benefits.	Negative impact on work incentives but evidence suggests unlikely to have a significant negative effect on employment.	Reduced administration burden in Jobcentre Plus.	Cost of the disregard. Evidence suggests unlikely to have a significant impact on work incentives	Reduction in child poverty. Increase incentives for parents to arrange and pay child maintenance. Better customer service as: clients would no longer be required to report amount of maintenance received. Lower risk of fraud and error in benefits service.

234. A full disregard would improve the customer experience and remove the need for parents to deal with many Government agencies in relation to their maintenance payments. It would also help improve the understanding of the scheme amongst parents and simplify what is a complicated system.

Work Incentives

235. A full disregard would increase out-of-work income for many parents with care on benefit which, in theory at least, would have a negative impact on financial incentives to work. We commissioned research from Frontier Economics⁵⁷ to examine what might be the likely effect of a higher maintenance disregard on work incentives. The research was published in June 2008 and suggests that there may be a theoretical impact on flows onto Income Support from a £40 disregard. Overall, the evidence would suggest that the combined impact of the disregard and a full disregard in Housing Benefit and Council Tax Benefit would have a small impact on Income Support numbers. Moving from the commitment made in the Pre Budget Report 2007 of a £40 disregard to a full disregard would only have a very small extra impact.

236. We have also published research which asks parents with care how they would respond to a full maintenance disregard. Almost three quarters of parents with care on benefit said it would make no difference to whether they stayed on benefits or looked for paid work and twice as many parents with care stated they would be *more* likely to look for work than said they would be more likely to stay on benefits⁵⁸.

237. Research which has looked at the impact that a full maintenance disregard in out-of-work benefits might have on work incentives - which itself would suggest the absence of a significant effect when considered alongside the full disregard in Housing and Council Tax Benefits - has not generally taken into account wider policy changes that might also affect lone parents. For example, to support more lone parents into employment, they will be required to fulfil the conditions for Jobseeker's Allowance where the youngest child is aged 12 or over from October 2008, where the youngest child is aged 10 or over from October 2009 and where the youngest child is aged 7 or over from October 2010.

Equality Impact Assessment

Gender Equality

238. The Child Support Agency March 2008 Quarterly Summary of Statistics⁵⁹ show that 94 per cent of non resident parents are male while 95 per cent of parents with care are female. The implementation of a full disregard will have no gender impact as the measure is intended to improve income flows and support for children while at the same time encouraging greater parental responsibility. It will be available to both male and female parents with care and the risk of negative impact on gender is likely to be minimal. However, as the majority of parents with care are female, and this measure will increase their income, it will help to promote gender equality.

Ethnicity Equality

239. Research shows that lone parents from black and ethnic minority groups are likely to have low awareness about the role of the Child Support Agency (CSA). The poor perceptions and expectations towards the CSA mean that people from black and minority ethnic groups are less likely to seek maintenance through it.

⁵⁷ DWP Research Report 493: *Child support and work incentives: Prospective effects of a larger disregard in the Income Support system*

⁵⁸ DWP Research Report 468: *Survey of relationship breakdown and child maintenance: Interim report (2007)*

⁵⁹ [Http://www.dwp.gov.uk/asd/csa.asp](http://www.dwp.gov.uk/asd/csa.asp)

240. Therefore, a measure that allows a parent with care to keep all of the maintenance paid by a non resident parent via a private arrangement should result in more people, including those of black and minority ethnic origin, receiving maintenance. Research shows that children of some particular ethnic groups are more likely to be in relative poverty. Therefore, implementing a full disregard should boost the incomes of parents with care in certain ethnic groups who are at a higher risk of poverty.

Disability Equality

241. One parent with care in twenty claims a Disability Premium within Income Support. A full disregard which will result in a system that is simple and transparent for parents to understand would help to ensure that these disabled parents with care can make effective maintenance arrangements. This measure should help to promote disability equality as nearly a quarter of those eligible for child maintenance report having a long standing disability or illness and this measure is expected to increase the income of disabled parents with care in receipt of child maintenance. The risk of negative impact on disability equality is likely to be minimal as the measure will increase the income of parents with care in receipt of child maintenance who are in receipt of a disability premium.

242. This proposal will be reviewed as part of any evaluation of the redesign of the overall child maintenance system.

243. This Equality Impact Assessment is at an early stage and as the proposal is developed further it will continue to be reviewed and updated to ensure that due regard is given to equality in the development of policy. We would welcome any input from stakeholders during the consultation period as to how this impact assessment could be enhanced.

6) Individual Budgets

244. *'No one written off: reforming the welfare state to reward responsibility'* has set out some very high level thinking about Individual Budgets. There is no impact assessment due to the open nature of this consultation but, given the potential equality considerations we have included an initial Equality Impact Assessment.

Equality Impact Assessment

245. The Government has committed to achieving equality for disabled people by 2025. Public services are often standardised and delivery is fragmented which means that some disabled people do not receive the support they need to contribute as autonomous and equal members of society. Every person is different and so their barriers and support package required are equally diverse. The Green Paper consultation will focus on the possible features of a system to give disabled people choice and control over the services they need to contribute as equal citizens in society.

246. We are still in the process of considering policy options and will use the *'No one written off: reforming the welfare state to reward responsibility'* consultation to gather views on the right direction of travel for the Government. Specifically, we will set out possible features of a system to give disabled people a right to more choice and control over the services they need. We will consult in the Green Paper on potential principles for choosing what funding streams should be included.

Scope

247. The policy is in the early stages of development and the risks and opportunities for promoting equality will be largely dependent on its eventual scope. Specifically, impacts will vary depending on which funding streams and people the legislation could apply to and how any new policy will be implemented to enable eligible people to have access to it.

248. Policy makers are currently analysing two possible methods:

- a right to request control to those covered by the Disability Discrimination Act (DDA) who are eligible for selected funding streams;
- greater power to request control to those eligible for selected funding streams or services.

249. We will be working with economists and policy makers to develop robust tools to assess cost and benefit impacts of the proposals and set firm criteria for the scope of the project. At present, proposals that fall inside the scope include funding streams where:

- Outcomes will be positively influenced by greater choice and control;
- A right to control will not expand the eligibility criteria; and
- The demand for services can be controlled and will not be adversely affected by a right to control

250. Policy makers will consider impacts on cost, outcomes, implementation risks, financial pressures, and unintended consequences for minority groups and opportunities to promote equality. Consideration will also be given to the need for clarity about why certain groups or funding streams should or should not be included.

251. The following text outlines the early stage of an Equality Impact Assessment but more detail about potential equality impacts will be gathered as the policy progresses.

Disability Equality

252. 18 per cent of the population have a long term health condition or disability. 60 per cent have said that their disability prevents them from participating in everyday social activities. Additionally, disabled people tend to rely disproportionately on public services which often play a critical role in improving their quality of life. For example, disabled people make up one third of all NHS users.

253. The features of a proposed system outlined in the Green Paper could offer a suite of positive opportunities for disabled people to achieve greater choice and control and be given the autonomy to participate in society as equal citizens.

254. When people understand the resources that the State is prepared to spend to support them, and are able to have an effective say in how those resources are spent, it can lead to a more satisfactory outcome for the citizen. It moves people from being under control, to in control, as active citizens. Evaluation of *In Control*, which has seen the implementation of self-directed support for social care in 100 local authorities, found that almost three quarters of those taking part believed they now had more choice and control over their own lives. These benefits give this policy the potential to positively impact on equality of opportunity for disabled people and promote their participation in public life.

255. Risks of a negative impact on equality of opportunity are unlikely but consideration would be given to this as funding streams are selected and when the policy progresses.

Ethnicity and Gender Equality

256. There is limited data on race and gender but we will be looking for ways to collect this information as the policy progresses.

257. There are many ways to deliver choice and control through individual budgets. Policy makers will analyse the different models and implementation techniques, including building markets, from around the world and the UK pilots to ensure that any model we may design reduces the risk of negative impact and which also promotes equality of opportunity on race and gender grounds. In particular, policy makers will consider the equality dimensions of the eligibility profile of funding streams that will be included and the support mechanisms available to them. This includes take up by people from different ethnic minority communities. The outcome of this analysis will inform future Equality Impact Assessments for this policy.

258. In relation to gender, two-thirds of workless families include a parent with an impairment or long term health condition. We will analyse whether this policy could have positive impacts for mothers to remove the barriers to work by making choices that better meet their own or their families' needs and which could also promote equality of opportunity.

Age Equality

259. Individual budgets could give young people and older people the independence required to participate as active citizens.

260. Careful consideration will be given to any new legislation to increase disabled peoples' ability to control funds and the message it sends to young people and older people. In particular ensuring that that any new system is voluntary to reduce the risk that it would be imposed upon them.

261. Support systems available from participating funding streams will also be analysed for their appropriateness for younger and older people.

262. We anticipate that a comprehensive monitoring system will need to be put in place and this will need to include equality data. We will be developing a more detailed Equality Impact Assessment as the policy develops and we would welcome any input on this assessment during the Green Paper consultation period.

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	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
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	No	No