



DWP Green Paper: A new deal for welfare: Empowering people to work

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Contents

Key point summary

Section One - Introduction

Section Two – helping ill or disabled people

Section Three - Helping Lone Parents

Section Four - Delivering welfare reform

Section Five - A radical new approach to Housing Benefit

Section Six - Long-term benefits reform

Section Seven – Conclusions

Key point summary

1. We welcome the chance to comment upon the Green Paper on welfare reform which recognises the barriers disabled people and lone parents face to employment and accepts the additional support they need to access jobs. We are pleased that the Government accepts the importance of providing more adequate financial support to those disabled adults people who are unable to work. Both elements are crucial to halving child poverty by 2010 and to eradicating it by 2020.
2. Poverty is a cause as well as a consequence of disability and levels of child poverty are high among workless lone parents. We believe that considerations of income adequacy – whether a person is on benefit or in paid employment – are essential to avoid the sort of inter-generational disadvantage that all too often is generated by disability and ill health. Addressing the inadequate level of benefits – including Income Support and Jobseeker's Allowance – is a crucial strategy to prevent ill-health and disability, Government needs to pay this much more attention.
3. CPAG welcomes the new package of support for lone parents but questions whether this will be successful in increasing employment rates amongst a group that is particularly vulnerable to poverty. Although the voluntary nature of the pilot schemes are to be welcomed, and the provision of additional financial support as part of an integrated service constitute a more holistic and supportive strategy, the Green Paper does not address the fact that many lone parents are sick or disabled, and many sick or disabled parents are lone parents. Nor does it address the fact that for many lone parents, employment may not provide a secure or sustainable route out of poverty.
4. We would like to emphasise that many disabled people are parents, and many lone parents are disabled, and both groups may have disabled children. These parents face particular barriers to employment and the welfare reform agenda needs to be better joined up. Parenting and caring responsibilities must be taken into consideration when assessing someone's ability to engage in work-focused activities and/or undertake paid employment.
5. CPAG strongly argues that the introduction of further conditionality and benefit sanctions is unjust and illogical. Parents should not be penalised if they decide that they are unable to engage in work-related activities. We are concerned that the introduction of conditionality and benefit sanctions will do little to change attitudes and may penalise some of Britain's most disadvantaged people. Subjecting disabled parents or lone parents to benefit sanctions is morally dangerous and may undermine further progress on child poverty.
6. Although we support the Government in assisting those who wish to work to do so, the Government's preoccupation with the merits of paid employment risks making people who are not in work feel worthless. Many disabled people - and indeed lone parents - work as volunteers, or carers, or run service user groups. More emphasis should be placed on the contribution and participation of disabled people and lone parents, irrespective of their ability to access paid employment. The Green Paper's focus on drawing people into employment and the lack of recognition for other forms of participation, may perpetuate entrenched stereotypes.

7. Given that over half of all poor children have a parent in work, moves to reduce child poverty will be compromised if welfare reform reduces the number of claimants without ensuring parents gain work which is well paid and sustainable. We are concerned that disabled people and lone parents, both of whom may be severely disadvantaged in the workplace, may be encouraged to access low skill, part-time, unrewarding and possibly unsustainable jobs which will not protect their children from poverty and may damage their health or disability.
8. Welfare reform should not force parents to engage in work-focused activities or access employment if they believe that this has a negative impact on themselves or their children. Disabled parents may find it difficult to balance paid employment alongside managing their disability or health problems and parenting responsibilities. They should receive the support they need to care for themselves and their children. Lone parents who need to look after their children - whatever age they are – must receive benefits that protect them and their children from poverty.
9. The Government has set some challenging aims and aspirations on the employment rates of lone parents and of disabled adults. Achieving these requires significant support. CPAG believes that appropriate medical, social, educational and employment services need to provide a seamless and accessible support for all disabled people to enable those who want and are able to work to do so. Improved and accessible service provision which has been so successful in the Pathways to Work pilots, should be available to all disabled people irrespective of their ability or willingness to undertake work-related activities.
10. We welcome the implementation of the Disability Discrimination Act, and the publication of *Improving the life chances of disabled people* - a joint report published by the Prime Minister's Strategy Unit with the DWP, the Department of Health, the Department for Education and Skills and the Office of the Deputy Prime Minister – illustrate the Government recognition of the fact that addressing the needs of disabled people is the responsibility of a wide range of Government departments. CPAG is concerned that the Green Paper does not reflect this inter-departmental perspective, and sometimes ignores a policies emanating from other departments.
11. Employers should have a greater responsibility to help disabled adults into paid work and ensuring that it is sustainable. More should be done to ensure that employers provide a safe and healthy working environment that is supportive for all disabled people and avoids the onset of sickness or ill-health. For the moment however, work routines and structures are often not sufficiently flexible to enable either lone parents or disabled people to work.
12. We are pleased that the Government recognises that inadequate housing compounds poverty and disadvantage, and is trying to redress underlying problems with administration of Housing Benefit. We urge the Government to ensure that the most disadvantaged groups of children have access to appropriate housing, and that their parent/carers receive adequate financial support to cover housing costs.
13. CPAG does not reject the more radical approaches to benefit reform suggested in the Green Paper– including the single working age benefit – but we are concerned about the effective implementation of such a scheme, particularly if it continues to be based on means testing. More importantly, improvements

should be implemented within the DWP and other Departments to improve the management and administration of the current system. The proposed reform of Incapacity Benefit adds an additional layer of complexity which is at odds with plans to simplify the system and may not be achievable given budgetary constraints.

Section One - Introduction

14. The publication of the Green Paper on welfare reform and of Households Below Average Income series (HBAI) has moved both disability and child poverty firmly up the political agenda. The Green Paper promises to reduce the number of incapacity claimants by a million in the next ten years, while the HBAI revealed – disappointingly – that the Government had failed in its pledge to reduce child poverty by a quarter by 2005.¹ Analysts calculate that to reach the 2010 target – to reduce child poverty by half – a million more children must be lifted out of poverty.²
15. One in three disabled adults of working age is a parent,³ and around a quarter of children living in poverty have a disabled parent.⁴ Two in five children (or 43 per cent) of children living in a lone parent household live in poverty.⁵ It is therefore important to make sure that welfare reform not only assists the Government initiatives to increase employment for disabled people and lone parents, but that it helps and does not hinder other initiatives to reduce child poverty.
16. This submission asks whether the proposals outlined Green Paper are likely to improve the life chances and economic well being of disabled people and lone parents and ponders whether the proposals in the Green Paper will improve or have a negative impact upon outcomes for children. It considers whether work is an effective route out of poverty for everyone. It outlines our concerns with imposing increased conditionality and benefit sanctions upon groups of people who are already vulnerable to poverty and questions whether welfare reform is possible without addressing benefit adequacy. Drawing on the experience of CPAG's welfare rights workers it considers whether the proposed changes will improve the administration and adequacy of the benefit system, or whether the increased complexity will impose an untenable burden on an already unwieldy and often unjust system. It emphasises that many disabled adults are also parents, and many lone parents are disabled and that both are affected by welfare delivery, housing policy and benefit simplification.
17. This submission assesses whether the proposals outlined in the Green Paper accord with the Government's strategy to reduce child poverty by a half by 2010, and to eradicate it by 2020. It considers whether the different sections within the Green Paper complement or impede each other, and whether they are informed by or undermine other policy initiatives instigated by the Government. For example, does the Green Paper reflect and reinforce the recommendations and policy initiatives outlined in *Every Child Matters*⁶, *The Child Poverty Review*⁷, and *Improving the life chances of disabled people*?⁸ Does it give due weight to parenting responsibilities, family needs and income adequacy? Does it reflect a holistic, 'joined up' approach to welfare reform? Do the proposals outlined in the different sections within Green Paper provide a coherent package of reform for families and children, or will welfare reform prove to be a costly and ineffective diversion?

Outline of submission

18. The submission begins with an outline of the Green Paper's principles of reform.
19. It is then divided into seven sections, each of which outlines the main proposals in the Green Paper and contains a number of queries and questions about the new system.
 - The first section provides an introduction and sets out the contextual framework. It looks at the link between disability and poverty and between lone parenthood and poverty – drawing out the overlaps - and considers the possible impact of the Green Paper on child poverty.
 - The second– and longest – section contains CPAG's response to the proposals on reform of incapacity benefits from a child poverty perspective.
 - The third part outlines the proposed reforms that affect lone parents along with CPAG's response to the proposed reforms.
 - The fourth part addresses delivery of welfare reform
 - The fifth part outlines the proposed changes to Housing Benefit
 - The sixth part considers long-term benefit reform.
 - The seventh and concluding section outlines areas that need further clarification and conclude with key points.
20. Where appropriate, this submission draws on the experiences and opinions of a small number of sick or disabled parents whom we have interviewed, some of whom are lone parents.

Context

21. This section presents a brief overview of the risks of poverty faced by the children of both lone parents and by disabled people which provides a contextual framework for the submission, which assesses whether the Green Paper complements or undermines the Government's broader commitment to eradicate child poverty.

Child poverty and disability

22. Disabled people are significantly more likely to live in poverty than non-disabled people because they are less likely to be in paid employment, are more likely to be in part-time or low-paid employment, are more likely to be reliant upon benefits, and they incur additional disability-related costs. People who are poor are also more likely to become sick or disabled. For example, the risk of developing a mental illness is around 25 per cent within the poorest fifth of the population – twice the rate for people on average incomes.⁹ High levels of poverty are caused and exacerbated by inadequate or unreliable financial support, discrimination and fragmented service provision. While income in disabled households is 20-30 per cent lower than for non-disabled adults, day-to-day living brings extra disability-related costs, for example extra heating, laundry and clothing, or special equipment. Furthermore, disabled people have

to pay for personal support, goods and services, and help with tasks that non-disabled people can do for themselves.¹⁰

23. Children with a disabled parent are disproportionately likely to be poor. The recently published Households Below Average Income statistics indicate that after housing costs have been accounted for 24 per cent of the 3.4 million poor children in Great Britain (around 816,000) lived with one or more disabled adult in 2004/05. The risk of income poverty for this group was two in five (against an average risk for all children of 27 per cent).¹¹
24. CPAG has recently published *At Greatest Risk: the children most likely to be poor*.¹² This report identifies groups of children who face the greatest risk of poverty – including children with disabled parents. The report emphasises that groups are not discrete, and more disadvantaged children span some or all of the groups discussed in the report.¹³ The following statistics are drawn from the report.
 - There are around 1.7 million disabled parents (some of whom live with other disabled parents), with around 2.2 million children in their care. Around 12 per cent of all parents are disabled, and 17 per cent of children have at least one disabled parent.¹⁴ Disability and lone parenthood are also linked. One quarter of lone parents have a long-standing illness or disability.¹⁵
 - Nearly 800,000 – or 38 per cent (After Housing Costs) of the 2.1 million children with disabled parents - are living in poverty.¹⁶
 - Like all disabled people, disabled parents face barriers to employment. While couples with children where neither is disabled have an employment rate of 97 per cent, this drops to 78 per cent when at least one of the couple is disabled. For non-disabled lone parents, the employment rate is almost 60 per cent, for disabled lone parents it is almost 40 per cent.¹⁷
25. Clearly meeting the needs of disabled parents is crucial if the Government is to meet its target to move one million people off incapacity benefits over the next 10 years, and to lift a further million children out of poverty by 2010. But is the Green Paper likely to draw disabled parents and their children out of poverty, or could increased conditionality and the threat of benefit sanctions have an adverse impact on the most vulnerable groups of parents, for example those with mental health problems, learning disabilities or fluctuating conditions?

Barriers to employment

26. Although the DWP accepts ‘the interconnectedness of low income, poor health and restricted work participation’¹⁸ the recently published *Monitoring poverty and social exclusion* provides a depressing overview of the disadvantages disabled people face in the labour market in the UK and demonstrates the challenge policy faces.¹⁹
 - One in three disabled adults of working age are below the income poverty line, a rate that is higher than it was a decade ago. It is double the rate for working age adults without a disability.
 - The numbers of disabled adults who ‘lack but want work’ is five times the number included in the official unemployment figures.²⁰ For any given level of qualification, a disabled person is between two and three times as likely as a

non-disabled person to be lacking but wanting work.²¹ Nearly half of all disabled people of working age are economically inactive compared to only 15 per cent of their non-disabled counterparts.²²

- Three-quarters of all working-age people who receive one of the key, out-of-work benefits for two years or more are sick or disabled. The number of sick or disabled people in this position has been rising slowly over the last decade and now stands at 2.1 million. One third are aged 55 to retirement, one third aged 45 to 54, and one third are aged under 45.²³
 - *Monitoring poverty and social exclusion* concludes that the fact that ‘at every level of qualifications, disabled people are both more likely to be low paid and more likely to be wanting but lacking work shows that the problem cannot lie solely with disabled people themselves...[this situation] can only arise if employers perceive disabled employees differently from non-disabled ones...this is evidence that the labour market effectively discriminates against disabled people.’²⁴
27. Although it is clear that disability spans household members, it is not known how many disabled parents also have disabled children. In *Improving life chances for disabled people*²⁵ the Government reports that ‘Some families will include disabled parents and disabled children although there is little specific data on this group’²⁶ Twenty six per cent of lone parents have a sick or disabled child.²⁷ The fact that employment is failing to provide a route out of poverty for families with disabled children is starkly illustrated by current statistics. Only 3 per cent of mothers with disabled children are in full time employment (compared with 22 per cent of mothers with non-disabled children) and only 13 per cent manage part time work (compared with 39 per cent of mothers with non-disabled children)²⁸

Child poverty in lone parent families

28. Children living in lone parents households – many of which are also affected by disability and ill health – also face a significant risk of living in poverty. The recently published Households Below Average Income (HBAI) figures indicate that the risk of children of lone parents being poor After Housing Costs (AHC) is 48 per cent, which is about 1.5 million children, compared with a typical risk for all children of 27 per cent. Although the risk is very much reduced for those with a parent working full time, one third of children with a parent working part time are income poor.
29. Recent findings from the 2004 Families and Children Study (FACS) revealed that:
- Lone parents, who account for around one quarter of families with dependent children, were consistently worse off than couple families. One-fifth of lone parent families working 16 or more hours per week were in the bottom income quintile, compared to one-tenth of couple families.²⁹ Lone parents were twice as likely to describe their health as ‘not good’ compared with mothers in couple families
 - Nearly nine out of ten (88 per cent) non-working mothers specified that something specific stopped them from working 16 or more hours per week. In

over half of cases 'wanting to be with their children' was identified as a barrier to work (53 per cent – five percentage points higher than 2003)

- Families that received child support payments were more likely to be working. 47 per cent of lone parents working 16 hours plus had maintenance order in place and received, while only 16 per cent of those working 0 to 15 hours were in the same situation.³⁰
- Just under half of lone parents worked no hours compared with just over one quarter of couple parents
- Lone parent families were over three times more likely than couple families to belong to the lowest income quintile – particularly in households where no parent worked, or worked less than 16 hours.

30. Additionally One Parent families report:³¹

- Lone parents not only experience higher levels of poor health than other family types, but 26 per cent have a sick or disabled child.
- Over 10 per cent of one parent families live on £100 a week or less, compared with just 4 per cent married couples and 3 per cent of cohabiting couples.
- Lone parents face many barriers to work, including lack of affordable, quality childcare.
- Maintenance can help lift lone parents out of poverty but problems with the Child Support Agency have impeded this as a route of poverty for many lone parents.

Work – a route out of poverty?

31. The Green Paper focuses on paid work as the primary route out of poverty. However, while paid work does reduce the likelihood of poverty, particularly among both disabled people and lone parents, it is not the secure route out of poverty rhetoric implies. Over half – or 54 per cent of poor children - live in a household in which a parent is in work. Twenty nine per cent of children living with a lone parent who works full time fall in the bottom two-fifths of the income distribution, and this rises to 58 per cent for lone parents who work part-time.³² Although in-work poverty is a problem for both disabled and non-disabled parents, CPAG's recently published book *At Greatest Risk: the children most likely to be poor* reveals higher rates of poverty among disabled parents who work compared to non-disabled parents who work, possibly due to 'the amount and/or type of work open to disabled parents [and] that disabled parents are more likely to find low-paid and/or part-time work compared to non-disabled parents.'³³

Benefit adequacy

32. The provision of financial support for people who cannot work is an integral part of Government policy. However, although financial support for children has increased significantly since 1997 resulting in a welcome reduction in child poverty, the adult rates of income support (IS) remain below the poverty line. As David Piachaud points out in *At Greatest Risk: the children most likely to be poor*

‘the ‘safety net’ provided by the State is still far below its own poverty level. Indeed, the relative levels of the safety net for most families remains lower in 2004/05 than it in 1994/95. All that can be said about this fact is that this situation is inconsistent, indefensible and shameful.’³⁴ CPAG estimates current poverty gaps to be 33.8 per cent for a couple both aged 30, and two children aged 5 and 11, and 20.4 per cent for a single person aged 25, with two children aged 5 and 11.³⁵

33. Low levels of IS sap overall household income and draw the most disadvantaged children into poverty. Given the many barriers that disabled parents and lone parents face to employment, many will continue to be dependent upon benefits. Adequate benefits not only protect workless households from poverty, but they provide a route into work. Benefit adequacy must be an integral part of welfare reform but it does not receive the attention it should within the Green Paper.

Support for parents?

34. The Government accepts that children with sick or disabled parents are vulnerable to living in poverty, that disabled parents are particularly disadvantaged in the labour market, and that children with disabled parents face a disproportionate risk of living in poverty.³⁶ The Government has focused on the provision of support for parents as an integral part of the strategy to reduce child poverty. The 2004 *Child Poverty Review*, reports that ‘Parenting support is especially important for poor parents in vulnerable groups such as disabled parents, who face a particular risk of being in poverty. Over two million children live in families with one or more disabled adults. These children have an above average risk of living in low income households.’³⁷
35. However– as is discussed in the following section – the Green Paper does not consider the parenting responsibilities of disabled adults. Lone parents also need to be supported in their parenting role. If the Government is to succeed in supporting families, the DWP must take these into consideration.

Impact of sanctions on children

36. Although there is much to welcome in the Green Paper, CPAG objects strongly to the increase in benefit compulsion (particularly around disability benefits). CPAG believes increased conditionality is neither just – since it risks disadvantaging the most vulnerable children and families - nor is it sensible. The Government argues that many people who are outside the labour market want to work. There is therefore no need to force them to do so. Furthermore, evidence from the US on the impact that benefit sanctions on parents have on children is a source of concern. Children in families who had been sanctioned, as opposed to those in receipt of social security payments who had not, experienced a 30 per cent higher incidence of past hospitalisations, 60 per cent greater risk of ‘food insecurity’ (including, for instance, being underweight) and a 90 per cent greater risk of being admitted to hospital on an accident and emergency basis.³⁸
Benefit sanctions have a negative impact on health outcomes for children, are directly at odds with the Government’s desire to implement preventative strategies and have the greatest impact on the poorest.

Section Two – helping ill or disabled people

37. This section deals with a number of policy questions over the reforms before raising some questions of detail. Issues relating to resources and to the role of the private and voluntary sectors are dealt with in Section Four.
38. The proposals outlined in the Green Paper on incapacity benefits (see below) are significant and complex. They have many ramifications, both at a wider policy level, and a more detailed administrative level, and not all of these have been made clear in the Green Paper. Though there are elements to be welcomed within the proposals CPAG has a number of comments and concerns on the proposals which we outline below. We accept that increased efforts are required to assist workless disabled adults who want to access employment to do so. However, we believe that one of the most successful way to do this would be to tackle benefit inadequacy - both to tackle poverty and to prevent ill-health - to offer supportive routes into work (such as the extended Pathways to Work scheme) and to overcome barriers to work and employer discrimination.
39. Perhaps more fundamentally, CPAG does not view Incapacity Benefit (IB) as quite the problem which recent policy debates imply. There have been alarmist messages about the number of people claiming IB. There are currently around 2.7 million IB claimants. However a distinction needs to be made between the 2.7 million people claiming IB, and the 1.7 million beneficiaries.³⁹ The remainder receive 'credits only' IB.⁴⁰ Although the number of people applying for IB has increased – in part because of an increase in the number of women accessing paid employment, and an ageing population - the number of people *receiving* IB has in fact been falling. Between 1995 and 2005, the total number of beneficiaries of IB fell from 2.2 million to 1.7 million.⁴¹ The DWP annual report, *Opportunity for all* reports 'The volume of people making a new claim for Incapacity Benefit has fallen by over a quarter since 1997; and after more than two decades of substantial growth the working age Incapacity Benefit caseload has fallen slightly to 2.74 million, a fall of around 41,000 over the year to May 2005.'⁴² If the overall trend is going in the right direction, why does the Government feel the need now to change the system? Furthermore, as the TUC points out, 'If IB hasn't caused the increase [in the number of claimants], then reforming it won't solve the problem.'⁴³
40. We are concerned about the preoccupation with fraud. Apart from the fact that this sends out a negative message about claimants, we do not accept the Green Paper's belief that more proactive and frequent engagement with disabled people will 'reduce risk of fraud and error creeping in' (para 113) and 'ensure that the level of benefit in payment remains correct over time'. We fear that the new system may increase levels of error (because of the increased workload at a time of staff cuts and reliance upon medical assessments) and this may imply an increase in benefit fraud. **In the light of high levels of administrative error, we have serious concerns about the DWP's ability to oversee and administer the introduction of complex new processes.**
41. Although the Government has made a welcome commitment to 'work with health professionals personal advisers and disability groups to 'ensure that the transformed assessment process is fair and equitable...' (p. 38, para 64) we would strongly urge the Government to consult with service users.

42. CPAG feels that more emphasis should be put on preventative measures which are needed to pre-empt the onset of ill-health or disability – both of which are closely linked with poverty and deprivation. Welfare reform must be an integral part of Government initiatives to address the underlying social, educational and financial problems that may increase the risk of disability, exacerbate health inequalities and undermine its ability to redress intergenerational cycles of deprivation.
43. Given significant problems with the current, more relatively more straightforward decision-making process, which simply has to assess the severity of disabled person's condition, we question whether decision makers will have the expertise, sensitivity and skills to effectively stream a wide spectrum of disabled people with a huge variety of impairments and conditions which have a different impact on different people, as 'capable' or 'incapable' of work on the basis of evidence from a number of different medical practitioners. We fear that the new system may generate an even higher level of appeals, which are costly for the state and individuals alike.

Benefits

Adequacy

Much is made in the Green Paper about the role - and the inadequacies - of the benefit system. It reports that the 'welfare state has never been more important for economic success and social justice' (para 19) It argues that the new system will remove 'perverse incentives, balance rights and responsibilities and combine back-to-work help for those who can work with support for those who can't, while respecting rights of disabled people.' (p.19, para 17)

44. However, the Government is sending out very mixed message on the benefit system:
 - On the one hand it reports that many people who move onto incapacity benefits 'will never return to the workplace, with a devastating impact on themselves [and], their family.' (para 34)
 - On the other hand it implies that the generosity of the benefit system prevents people from working 'by offering more money the longer someone is on benefits...' (para. 1)
45. If moving onto incapacity benefits has 'a devastating impact' upon sick or disabled people's lives, then clearly the benefit system is not currently providing security for those who cannot work. CPAG does not believe that the 'generosity' of benefits is a deterrent to employment.
46. Although the Government is committed to providing 'security' (recently changed to 'financial support' ⁴⁴) for people who are unable to work ⁴⁵ we are concerned that the benefit system is not only failing to provide adequate levels of support for adults, but would emphasise that **placing income support and jobseeker's allowance (JSA) below the poverty line saps household income, and has a detrimental impact on children.**
47. The high levels of poverty among disabled people indicate that benefits are not providing an adequate financial safety net. It is hardly surprising that IB - which

is currently a meagre £76.45 – is failing to safeguard disabled people from living in poverty. Although it is an ‘earnings’ replacement’ benefit, rates are between 16 per cent and 30 per cent of *average* earnings. ⁴⁶ **If the incomes of people who are sick or disabled are to be protected, the levels of IB need to be increased significantly.**

48. Although the long term rate of IB is more generous than JSA, 57 per cent of children in workless couple households with at least one disabled parent – many of whom are in receipt of incapacity benefits - are in poverty. The longer-term nature of reliance upon these benefits means that children may experience longer, and in some case much longer, spells of being poor. ⁴⁷
49. The Government emphasises the importance of prevention. However, while the Government accepts that disability is a cause of poverty much less is made of the fact that living on a low income *increases* the risk of disability – although this is startlingly borne out by extensive research on health inequalities. ⁴⁸ **Improving the benefit adequacy must be an integral part of any preventative strategy designed to improve the health of the nation.**

Take up

50. The Government argue that IB is just one part of a financial package of support for disabled people (which includes Disability Living Allowance (DLA) and disability premiums within tax credits, Housing Benefit and income support). Although additional support for disabled people is triggered by an award of DLA, the DWP acknowledges, ‘Increasing levels of benefits will not help people unless the benefits that are claimed.’ ⁴⁹
51. Although the Green Paper focuses on getting people off benefits and into employment, if child poverty is to be further reduced it is essential that disabled parents – particularly lone parents – and parents with disabled children receive their full benefit entitlement.
52. The 2004 Family and Children Study (FACS) reports that some lone parents, particularly those with mental health problems on income support, did not realise that they might be eligible for incapacity benefits and therefore did not claim them. This group which is particularly vulnerable to poverty, and likely to experience severe barriers to employment, must have access to financial security via the benefit system. **Ensuring that people are in receipt of all the benefits to which they are entitled is essential to safeguarding parental health and keeping children out of poverty.**
53. It is important, at a time when the system is becoming increasingly complex, that funding for local authority welfare rights units is adequate. **The need for independent benefit advice has been increased significantly by the introduction of the greater sophistication and complexity introduced by the Green Paper and funding must be made available to ensure that informed and independent advice is provided.**
54. Furthermore although the Green Paper reports that ‘Members of the medical profession, and GPs in particular, are often seen as ‘gatekeepers’ to sick pay and benefits’ p 33, para 40 and research indicates that the provision of welfare benefits advice in primary care settings leads to an improvement in health ⁵⁰ this

is not mentioned in the Green Paper. **A more joined-up approach is needed to the provision and adequacy of benefits generally.**

Administration

55. The administration of disability benefits generates high costs for the Government and significant stress for claimants. CPAG's experience is that error is common in the administrative process.
56. The overall inadequacy of the administrative system exacerbates the difficulties people suffering from sickness and disability face. We recently spoke to a parenting support group for people with learning disabilities. Although the group was set up to provide support for people as parents, parents report that an enormous amount of time is spent trying to sort out their benefit claims, access emergency funds when their benefits don't come through, and discussing their needs with a huge array of officials who do not always display much understanding or sensitivity about learning disabilities. Parents report that it is a full-time job keeping on top of things: 'It's a constant battle – especially when you don't understand the forms.' Two families in the group report that their benefits were stopped 'just before Christmas'. 'We had no food for the children – we had soup on Christmas day'. 'I had to get some emergency support. I applied for £50 – they gave me £25.' **The poor administration of disability benefits renders disabled parents susceptible to poverty and undermines the time and energy people have to look for jobs.**
57. Although the DWP will provide the 'initial' investment to set up services, and the Jobcentre Plus will 'administer' the system, the Government intends to 'use private and voluntary sector expertise to provide personal advice and support for individuals to help them back to work.' (p. 42, para 84). We have grave concerns about using other sectors to administer aspects of the benefits system, and impose conditionality and sanctions on a vulnerable client group. We also emphasize the high level of training necessary to deliver an effective and non-stigmatizing service to a vulnerable client group. (This is discussed in more detail below.)

Compulsion, sanctions, penalties

58. Imposing conditions upon benefit claimants is accompanied by an increase in sanctions and penalties. We do not feel that the Government has made a compelling case for increased compulsion and/or benefit penalties and have a number of concerns about a tendency that may plunge the most disadvantaged groups further into poverty which we outline below.
 - If the Government believes that 'one million disabled people are willing and able to work' why are they targeting a larger group of non-working disabled people who may not be able to seek out paid employment? Given the many barriers that disabled people continue to face we feel that attempts to compel people who are not ready to work - or are only too aware that they are unlikely to find adequately paid jobs that would suit their capabilities – to seek paid employment is not only questionable and inhumane, but it is illogical and counter-productive.
 - We are extremely concerned by the statement that '... if individuals do not participate, as in Pathways to Work, their benefit will be reduced in a series of slices. Ultimately if people continue not to comply, the benefit will return to the

level seen during the assessment period.’ (p. 44, para 87) We are worried that particularly vulnerable groups of people may be wrongly designated as ready to engage in work-focused activities. If they are not able to do so they will then incur benefit sanctions which will plunge them further into poverty.

- We have particular concerns about disabled people, many of whom may have been seriously disadvantaged by the educational system and continue to be disadvantaged in the labour market, being ‘encouraged’ – or pushed - to participate in paid employment that may be part-time, low-paid, or stressful and unrewarding. We fear that this may be exactly the kind of employment that disabled people are likely to access if compelled to seek work. Encouraging people to access poorly paid employment may reduce the direct cost of IB to the Government in the short term, but it will not significantly increase the incomes of some of the UK’s most disadvantaged groups and may generate increased costs in the long term – to both individuals and to society - due to worsening health.
- Requiring claimants to attend a series of WFI and undertake annual PCAs will impose a significant increase in the workload of Jobcentre Plus and other service providers administering the system. This seems illogical at a time of staff cuts within Jobcentre Plus and budgetary restrictions within the DWP.
- Compulsion also carries an attendant stigma with employers. Employers are likely to treat people who are encouraged to access work in a mechanistic way as part of employment programmes quite differently from those who actively seek it out. Utilising sanctions and penalties to force people into work irrespective of their readiness or ability to do so, is not only likely to have a negative impact on their health, but may inflame discrimination and exacerbate rather than reduce an underlying reluctance amongst employers to employ them.
- The need for compulsion was not indicated by the Pathways to Work Pilots. Around eight per cent of participants on Pathways to Work were volunteers from existing claimants, and accounted for one in five of the people who moved into work.⁵¹ If the Government removed the element of sanction and penalties, and disabled people were given the opportunity to engage in the new programme of support and rehabilitation, it would obviate the need either to impose sanctions or exclude current claimants. This would reduce the risk of poverty.
- The Green Paper indicates that the Government will ‘base our reforms on the best possible evidence [and will] build up increased conditionality on the basis of what evidence tells us is most effective...’ (p. 50, para 126) For the moment however, it seems that the Government is proposing to increase conditionality for disabled people without a robust evidence base of its efficacy.

Employers and employment

59. The Government reports that there has been an overall fall of around 1 million in the number of jobless people on benefits, and that the biggest improvement has been the fall of 700,000 in the number of people claiming unemployment benefit. Such figures are encouraging but it is hard to know how the Government will move one million disabled people off incapacity benefit at a time when

unemployment is starting to go up and is, indeed, 'likely to hit one million by the summer after the latest sharp rise in joblessness took the total to its highest level in two and a half years'.⁵² **The Green Paper categorically states 'the problem is not a lack of jobs' (p. 18, para 14), however those disabled people CPAG has spoken to disagree.**

60. Some disabled parents raise concerns about the quality and appropriateness of jobs that are available to them, and about the difficulties of retaining employment even if they succeed in getting a job. A 23 year old lone parent with mental health problems, observes:

'All they're interested in is targets, they don't care about what sort of a dead end job they put you into... You see these posters announcing 'We've got x amounts of people into employment' and you think whoa, but how many of them left a job a day later?... They say 'We'll stay with you for two months' but what happens when you relapse?'

61. The Pathways to Work Pilots increased the number of disabled people leaving incapacity benefits by 8 per cent.⁵³ However, there is little evidence of the kind of jobs people are accessing via Pathways to Work. People need to be reassured that they will be supported to progress at work, that there are flexible and well paid jobs available, that they will be helped to build up their skills and progress at work. **It is imperative that the Government monitors the number of disabled people moving into employment, the sort of jobs different groups of disabled people are accessing, and whether the jobs are sustainable and are drawing people out of poverty.**
62. The Green Paper argues that work is 'good for individuals, good for families, good for communities and good for Britain' (para 23). However, some disabled parents report that balancing paid work alongside their health needs and family responsibilities damages their health, and has an impact on their ability to parent.

'I was always exhausted, I hadn't got the energy to work and be a parent, it was either/or...'

'... if my mum hadn't had the pressure of work... she wouldn't have been as ill as she was and she wouldn't have needed to be hospitalised...'

In work poverty

63. As CPAG discussed in *At Greatest Risk: the children most likely to be poor*, work is by no means a route out of poverty for everybody, particularly in households in which there is only one earner. Researchers argue that 'more accurate than the slogan 'work is the best route out of poverty' is the following statement: having a job and living with other people with jobs is the most likely way of avoiding poverty.'⁵⁴ It is therefore hardly surprising that 54 per cent of children living in poverty are in a household with at least one working adult.⁵⁵
64. The Green Paper reports that 'A significant proportion of new claimants come onto incapacity benefits from employment.' (p. 25, para 7) This is a worrying trend, given that the Government argues that work is good for people. We are concerned that disabled people who the Government accepts are severely disadvantaged in the workplace may be encouraged to access low skill, part-

time, unrewarding and possibly unsustainable jobs which will not protect them from poverty, and may damage their health or disability. Some disabled parents emphasise that being in low paid work, working shorter hours and incurring additional costs might leave them worse off in work.

Barriers to employment

65. The Green Paper outlines the many barriers disabled people experience when looking for work – ‘discrimination, policy design and delivery, physical and environmental barriers and a lack of empowerment’ and focuses on the need ‘to change the current culture and raise the expectations of employers, health professionals and disabled people themselves ...’ (para 117)
66. The Green Paper argues that ‘The current system fails to engage with employers or to use them to channel more and better jobs towards disadvantaged people.’ (para 17) However, there is little evidence that employers are always prepared to give well remunerated, rewarding jobs to sick and disabled people – particularly people with mental problems or learning disabilities. According to the Chartered Institute of Personnel and Development, one in five employers will not employ someone with mental health problems, including depression.⁵⁶ **It is unjust and inappropriate to expect disabled people to engage in endless work-focused activities if these are unlikely to lead to employment.**
67. For the moment however, the fact that employers – who like many other people in society, may feel unsure about working with disabled people, and lack the confidence and know-how to do so – continue to discriminate against disabled people is borne out by the statistics reported in *Monitoring poverty and social exclusion* (discussed above). **Employers must accept more responsibility for low levels of employment among disabled people. There should be stronger requirements for employers to make appropriate adjustments to assist employment.**
68. The Government recognises that people with mental health illness face significant barriers accessing paid employment. The Social Exclusion Unit (SEU) report on *Mental Health and Social Exclusion* reports that ‘Adults with long-term mental health problems are one of the most excluded groups in society. According to the SEU 900,000 plus people claim sickness and disability benefits for mental health conditions. This is the largest group of disabled people accounting for 40 per cent of all disabled people, and is ‘now larger than the total number of unemployed people claiming Jobseeker’s Allowance in England.’⁵⁷
69. Employers may find it difficult to employ someone with mental health problems, or to rehabilitate employees who experience the onset of problems. A lone parent with mental health problems whose employers did keep her job open despite repeated admissions to psychiatric hospitals finally gave up trying to work:

[my employers] never really understood my illness ... when I’ve gone back each time after a bleak time of illness I thought that I needed more support than than at any time... but it wasn’t like that ...’
70. Although many of the disabled parents we spoke to recognise that paid employment can bring significant financial and psychological benefits, their experience of, and attitude to, working reveal ongoing problems with

discrimination and highlight the failure of the Government to communicate its message effectively or sensitively. They highlight the fact that, despite the introduction of the Disability Discrimination Act, prejudice is rife in society as a whole. A severely disabled mother with four children, observes:

'Before the Government starts saying they'll get disabled people into work, they should make ordinary areas accessible for disabled people, once they've sorted that out...'

71. Balancing employment alongside caring for children is difficult for all parents, but it is significantly more demanding for sick or disabled parents. Although many disabled parents would welcome the opportunity to undertake some form of paid employment it is problematic balancing employment alongside their caring responsibilities and health conditions. They fear that they would have to work long hours to make work pay, and that the additional stress could damage their health, undermine their ability to parent their children, and put a strain on relationships.
72. Poor administrative processes within the benefit system act as a barrier to employment. Although we welcome the extension of the linking rules, which allow people who move into employment to return to their previous benefit levels for up to two years, we are concerned that these may not be implemented correctly. Given that different components are administered by different parts of the system – for example Housing Benefit and Council Tax Benefits are administered by local authorities, tax credits are administered by HM Treasury and income support is administered by the DWP – it may prove difficult to re-activate all benefits if employment does not work out. A welfare rights worker who helps disabled people access work writes:

The response I have had from carers and parents after a client has tried work and then had to reclaim benefits is that because of the ordeal in getting benefits back, the ongoing issues of completing DLA reviews, getting sick notes and attending interviews and medicals is that they under no circumstances want to consider ... paid work. "We had to fight to get x benefits back and we do not want to go through that ordeal again." They in effect feel punished for trying employment out.

73. The Government recognises that lack of skills and qualifications act as a barrier to employment. The Social Exclusion Unit report that 'Evidence shows that low incomes, non-employment, and low education all independently increase the probability of someone becoming disabled. Many of these risk factors are amenable to policy intervention. Often the onset of ill health or disability deepens pre-existing disadvantage.'⁵⁸ Shockingly, a recent report reveals that having no educational qualifications raises the odds of disability onset by over 55 per cent which greatly increases the risk of being out of work or in low paid employment.⁵⁹
74. Research indicates that disabled young people are particularly disadvantaged both in education and employment. Although much is made in the Green Paper about increasing the expectations of disabled people, a recent report highlights the fact that while the aspirations of disabled 16 year olds is similar to those of their non-disabled counterparts, by the time they are 18 48 per cent of disabled young people had received the equivalent of NVQ level 1 or below (GCSE D-G or below). By the time they are 26 they are nearly four times as likely to be

unemployed or involuntarily out of work than non-disabled people.⁶⁰

Improvements in education and training are an essential pre-requisite for improving employment levels among disabled people.

Costs of employment

75. The Government recognises that employing disabled people may sometimes (but by no means always) generate additional costs for employers. The Access to Work scheme provides vital financial assistance for employers who need to make adjustments to the workplace. However, the Access to Work Scheme is poorly publicised, and is not always efficiently administered. A disabled parent who struggled to keep her job after developing a secondary impairment comments: 'I've had a bad time with Access to Work throughout - endless endless fights... I call it "Access to Stress", or "Access to Nothing".... Either they have it and fund it properly or they stop pretending...'
76. Some of the disabled parents we spoke to emphasise that going to work generates additional disability-related costs for them as individuals, as well as for employers. They point out that childcare costs will be higher for disabled parents, who may take longer to get to and from work, may have problems transporting their child to and from the childminder, nursery or school, and may need to finance additional support at the beginning and the end of the day, as well as paying for childcare while they are at work. If they have a disabled child, childcare costs will be even higher. As one disabled parent comments. 'The costs go up if you're disabled, but they're higher if you're working. You either need additional income or additional help ...' The current system does not recognise additional childcare costs.
77. A disabled person's care and mobility needs may go up when they move into paid employment. A disabled parent observes 'You need the DLA mobility component to get you to work – without DLA or it's equivalent I wouldn't have got into work in the first place ...'
78. Although the DWP has assured CPAG that 'There is no legal requirement for a DLA recipient to notify a return to or commencement of working'⁶¹ anecdotal evidence indicates that moving into employment sometimes triggers a reassessment of Disability Living Allowance (DLA), which is designed to help with the extra costs of disability which may actually increase as a result of moving into employment. This may leave disabled people actually being worse off if they access work. Substantial demands for repayment can plunge a family into financial crisis. An employment advisor for people with physical and/or sensory impairments writes

'unfortunately I have been heavily involved with some 'so called' fraud cases where service users have been accused of fraudulently claiming DLA using their job as evidence of their mobility... I have two service users who have lost all their DLA/Motability Vehicles etc as a result of these investigations...'

79. A benefit adviser based at an organisation that supports people with disabilities and health problems into employment reports:

'When our clients try employment out, they find that their entitlement to Disability Living Allowance is often reviewed... if the award of DLA is reduced or cancelled the client will be financially worse off than prior

to considering employment. Additionally there is considerable work for clients and their parents and carers.'

80. Another welfare rights worker writes:

I am currently assisting a client who was in receipt of high rate care and low rate mobility because of severe mental ill health. With the support of Job Linkage, his consultant psychiatrist, mental health team and specifically his wife our client was taken on by an agency who found him supported employment with our Local Authority as a gardener. This has been a tremendous help with his self esteem and with lots of support and supervision is starting to lead a more settled way of life with some purpose. However he has now had all of his DLA superseded and benefit has ceased. More than that the DLA decision maker has deemed that there was a relevant change of circumstances from 2004 and has decided that there is a recoverable overpayment... it appears at this stage that the decision maker has simply decided that if a person is in employment then they cannot be entitled to this benefit, there does not appear to be any consideration of whether this constitutes a significant or relevant change of circumstances... As you can imagine not only has the removal of his DLA causing distress but the added burden of an alleged recoverable overpayment is causing both the client and his wife severe difficulties... we [are concerned] for other people who may find themselves in similar circumstances under the Governments Welfare to Work programme.

81. Another welfare rights worker has told us about two of his customers who have experienced similar problems. The first one – a customer with severe and enduring mental health problems 'sought work via an agency and has been moved around when employers have realised the extent of her difficulties. Jobcentre Plus got wind of this and now she is liable for an overpayment of approx £4K...' A second customer had a similar experience. 'Jobcentre caught wind of his working and he is liable for an overpayment, again they believe that he no longer satisfies the criteria for DLA...' This is an extremely worrying trend, given that accessing employment is a costly process for disabled people. **We are concerned that some disabled people who are willing and able to enter employment will be unable to do so because of the costs involved are untenable, that DLA is being removed when they try out employment, and that recovery of 'overpayments' is placing disabled people under considerable stress.**

Support Services

82. The Pathways Pilots and the Green Paper on welfare reform recognise the importance of putting appropriate services in place to help disabled people access paid employment, and this is very welcome.
83. A number of helpful Government documents and policy initiatives outline the way in which parenting and additional caring responsibilities impact upon disabled people's care needs and ability to undertake employment. For example, *Improving life chances for disabled people* emphasises that 'recognising the particular needs and circumstances of disabled parents will be vital to the achievement of policy objectives of increasing employment rates and tackling child poverty.'⁶² Despite these initiatives **the Green Paper does not refer to**

the importance of including parental responsibilities when assessing a disabled person's ability to engage in work-focused activities, and/or seek employment.

84. Nor does the section on reform of incapacity benefits refer to the way in which higher transport and childcare costs may undermine a disabled person's ability to undertake employment. We would recommend that the assessment process and job-search activities take note of the availability of work, transport, childcare, care needs, and educational opportunities. **The link between employment opportunities and the availability of childcare, transport, and suitable jobs must be monitored by the DWP.**
85. Some of the disabled parents we spoke to report ongoing difficulties accessing support for themselves and their families and are sceptical about the availability of the sort of reliable 'joined-up' services that they need to enable them to engage in work-focused activities, or access paid employment.

'It's hard enough getting care in the home, how are they going to get care in the workplace... I had to fight tooth and nail [to get my care needs met]...'

86. The ability to engage in work-focused activities and access employment is directly linked with the availability of appropriate and accessible transport and childcare. Both issues have been largely ignored in the reform proposals.
87. In the Section on Lone Parents, the Green Paper reports that the OECD has said that "once employment and childcare support is available on a comprehensive basis, it would be reasonable to oblige sole parents on IS to make use of it". (p. 57, para 23) However, the section on disabled people does not refer to disabled parent's need for childcare. As it happens, despite significant improvements to childcare provision, it is not necessarily available, accessible, affordable or – in some cases – very good. **Concerns about the quality and cost of the childcare available, and/or decisions about whether they wish to spend more time with their children should be supported for all parents.**
88. Some disabled parents feel that services do not address the complexity of their lives, and ignore parenting responsibilities, even though many are lone parents.

'The professionals around us don't see me as a mother... They see me as a 23 year old Asian adult with mental health problems ... they don't see the impact it has on my daughter ...'

89. They emphasise that they want to spend time with their children.

'I'm not happy about leaving her [in an inner city] school club until 6.30 in the evening... I want to see my daughter...'

Rights and responsibilities

90. Much is made in the Green Paper about rights and responsibilities, and many Government initiatives emphasise the importance of choice. However, we are concerned that the increase in responsibilities for some of the most vulnerable groups saps both their choice and their rights. Furthermore, there is nothing to ensure that the new contract for welfare will be enforced on both sides.

Claimants will be expected to go through all the steps but nothing is being done to ensure – for example – that employers take on a larger number of workers who have been on the ESA, or to require health trusts to provide counselling or other mental health support services. More evidence is needed on the implementation of the Disability Discrimination Act.

Prevention

91. The Green Paper focuses on healthier workplaces as a way of reducing the number of people moving onto incapacity benefits. The Government argues that ‘early intervention is crucial to ensure that people do not become dependent on benefits’ (p. 26). However, the Green Paper focuses more on early intervention to prevent people leaving work, than on providing the sort of support they need to stop them becoming disabled in the first place. CPAG believes that inadequate benefits are themselves bad for people’s health, and that the stigmatising rhetoric around being on benefits is bad for self esteem. Both detract from an individual’s long term prospect of employment. Safeguarding income adequacy and support – irrespective of a person’s employment status – is an essential part of early intervention and is crucial to safeguard children from living in poverty. **Preventative measures must include a review of benefit adequacy.**

Green Paper – a summary of proposals

92. Incapacity Benefit (IB) and the disability premium within income support (IS) will be replaced with ‘an entirely new Employment and Support Allowance’ (ESA) which ‘focuses on how we can help people into work and does not automatically assume that because a person has a significant health condition or disability they are incapable of work...’ p. 41, para 76, 77)
93. People will need to satisfy a revised Personal Capability Assessment (PCA) before they become eligible for the additional Employment Support or Support component of the new allowance.
94. Until a decision has been made about the severity of a person’s disability and their ability to undertake work-related activities, they will be placed on the basic allowance – set at Jobseeker’s Allowance of around £55 a week.
95. A 12 week assessment process – including going through a revised personal capability assessment (PCA) - will not focus on the ‘nature of the specific illness or disability the individual has, but on the severity of the impact on that condition on the individual’s ability to function.’ (para 67)
96. People who are designated as able to undertake work-focused activities, will be placed on the ‘Employment’ component of the ESA. These claimants will be able to increase the basic allowance by attending work focused interviews (WFI), and ‘taking steps to get them back in the market.’
97. The Green Paper states that ‘for people with the most severe functional limitations, it would be unreasonable to expect that they engage in work-related activity.’ (p. 39, para 66) They will be placed on the ‘Support’ component of ESA. They will not be expected to engage in work-focused activities or to seek employment, although they may choose to do so. (However, they will have to

attend the initial compulsory work focused interview eight weeks after claiming as they do now in the Pathways to Work Pilots). The new benefit will provide a higher level of financial support than is currently available via IB.

98. Claimants will, as now, have a right of appeal at appropriate points in the decision making process. (p. 44, para 88)

Assessment process

99. The Green Paper specifies that, in the first instance, no judgements will be made about 'the most appropriate benefit for that individual'. However, all claimants will be asked to undertake a work focused interview after eight week (as is the case at present) so that the Government 'can offer individuals the opportunity to access all the help that is available through Jobcentre Plus, for example, existing employment programmes. In this way, we can ensure that the support is available before benefit assessment is finally determined' (p. 42, para 80) We welcome the fact that people will be provided with a detailed overview of the sort of support that will be available during the assessment process, but are concerned that disabled people's parenting responsibilities do not appear to be an integral part of the assessment process.
100. The Government intends to 'transform the current assessment process ... so that it provides a professional assessment of an individual's eligibility for financial support, identifies those people who are capable of taking part in work-related activity identifies people who are so limited by their illness or disability that it would be unreasonable to require them to undertake any form of work-related activity in the foreseeable future.' (p. 38, para 63) This is a sensitive and subjective decision, which will extremely difficult for Decision Makers to make (see below).
101. Research recently published by the DWP highlights the problems of dividing disabled people into two groups: less severely disabled people who are 'capable of work'; and more severely disabled people who are 'incapable' of work.' The author, Richard Berthoud, reports that 'in practice there are bound to be some people whose employment prospects are not affected by their impairments, and others with virtually no chance of getting a job...If there were a clear polarity between opposite ends of the spectrum, that would... offer an opportunity to identify individuals who were incapable of work. But if most disabled people turned out to be in the middle of the spectrum...the aim of distinguishing between individuals according to whether they were 'capable' or 'incapable' would become both difficult or pointless.'⁶³ Furthermore, it is not clear how will the assessment process differentiate between people who, with right support, may be able to work in the future, and those who can work now - in this case mechanisms to transfer between the two elements need to be devised.

A revised Personal Capability Assessment

102. The Green Paper accepts that the Personal Capability Assessment (PCA) is 'one of the toughest in the world', but is concerned that it focuses on incapacity rather than capability. (p. 38. para 62) We welcome the focus on a disabled person's capacity rather than their incapacity, but we would emphasise that many disabled people view themselves as very capable – as parents, carers and volunteers – yet they may not be able to undertake paid employment. Equating the ability to do paid work with capability risks devaluing people who are unable to work – but contribute to society in many other ways.

103. We are pleased that the Government will ‘continue to look for further ideas to help people take opportunities without fear of their benefits being removed’ (p. 46, para 107).
104. Disabled people often feel that if they undertake any activity – even if these are therapeutic – they will lose their benefits.

‘The stupid thing is you’ve only got to do something on a regular basis, they think you’re doing something you shouldn’t be doing...’

105. The Green Paper argues that the name ‘incapacity benefit’ sends out a negative message to disabled people, and accepts that the PCA is viewed in a very negative light by many disabled people. CPAG agrees that the PCA is viewed as a negative, sometimes painful process. Given the high number of successful appeals, the PCA is also often viewed as an ineffective and seemingly arbitrary way of assessing an individual’s capability for work as Decision Makers are often reliant upon poor medical assessments, as opposed to properly taking account of all of the available evidence from not only the assessment but also from the claimant.
106. We are concerned that the PCA examination will take longer if the intention is for the examining practitioner to look at both what the claimant can and cannot do. The DWP will need to ensure that the PCA examinations are given adequate time to ensure a proper assessment.

Medical assessments

107. Eligibility for both components of the new benefit will be determined ‘on the basis of evidence provided by medical practitioners...[and] could be assessed by other health professionals as well.’ (para 65) The medical assessment will not be based on ‘nature of the specific illness or disability the individual has, but on the severity of the impact on that condition on the individual’s ability to function.’ New medical procedures and additional training will be necessary to support practitioners to make appropriate, informed and much more complex assessments.
108. The Government intends ‘to reward primary care staff who take active steps to support individuals to remain in or return to work.’ (p. 34, para 43). We fear that the focus on employment and systems of incentives may have a negative impact upon the attitude of medical practitioners towards people seeking disability benefits, and on the quality of the supporting medical evidence they provide for people applying for disability benefits. Currently medical evidence can be extremely flimsy, and results in many people being wrongly turned down for disability living allowance (DLA) and incapacity benefit (IB). We assume that decision makers will continue to make decisions on the basis of all this evidence. However, current performance does not bode well for new system. Nearly 58 per cent of oral hearings (and 74 per cent with a representative) of appeals against IB PCA decision are successful.⁶⁴ Using GPs both as ‘gatekeepers’ to sick pay and benefits (p. 33, para 40) and rewarding health professionals who persuade sick or disabled people to access work may deter people from seeking medical support and/or claiming benefits. It may have a negative impact upon doctors’ attitude to benefit claimants, and may further reduce the quality of medical evidence.

109. We would also like to highlight that benefit advice in a health setting may off-set such a trend. For the moment however, although research indicates that the provision of welfare benefits advice in primary care settings leads to an improvement in health⁶⁵ the importance of independent benefit advice is not being emphasised sufficiently.

Decision makers

110. Even under the current – much more straightforward - system there is a clear need to improve the very poor standard of Decision Making. Statistics show that incapacity benefit (IB) appeals account for the second highest number of appeals (after DLA) and there is a very high success rate on appeal: nearly 75 per cent of IB appeals were found in favour of the claimant - where they had a representative.⁶⁶

111. The assessment process requires a decision to be made about entitlement, yet we have serious doubts about whether Decision Makers currently have the expertise, sensitivity and skills necessary to effectively designate a wide spectrum of disabled people with a huge variety of impairments and conditions which have a different impact on different people, as either 'capable' or 'incapable' of work on the basis of evidence from a number of different medical practitioners. Much better training will be needed for Decision Makers to enable them to take account of all relevant evidence in deciding entitlement. Without this we fear that the new system may generate a higher level of appeals, which are costly for the state and individuals alike. Although the system needs to be improved for existing claimants, we fear that the new system renders inappropriate or incorrect Decision Making even more punitive, because someone who is wrongly placed onto the Employment Allowance when they should be on the Support Allowance could face benefit sanctions. This increases risk of poverty and could exacerbate their health condition.

112. Although the Green Paper accepts the need for 'a system that can be flexible to the claimant's changing conditions' (p. 44, para 89) we are concerned that people with fluctuating conditions or mental health problems will find the requirements of the new system onerous. Although Personal Advisors have a good reputation, the resources and time allocated to training is unlikely to generate specialist advisers with expertise and understanding of – for example - fluctuating conditions, mental health problems or learning disabilities, and/or the way in which these impact on an individual's ability to work. We are not convinced that Personal Advisors have the necessary skills and expertise to make complex decision about an individual's ability to engage in work-focused activities. Disabled people themselves are best placed to assess whether or not they are capable of work, and their views and opinions should be taken into consideration.

113. People may want to work but be unable to do so because of lack of support services generally or because going out to work generates additional care needs at home (if they also have caring responsibilities) along with additional childcare needs during the day and in the evening when they may need to recover their energies. Furthermore, people may be deemed to be capable of work, but not be able to get a job because of the lack of often expensive specialist equipment in the workplace – for example for people with sensory impairments. The availability of support both at home and in the workplace should be part of an

assessment process that gauges an individual's ability to undertake employment.

The basic allowance

114. We are particularly concerned about placing sick or disabled people on a 'basic allowance' set at JSA rates whilst claims are assessed. Four out of every five children in a family receiving JSA are currently left in poverty by a benefit that is supposed to provide a financial 'safety' net.⁶⁷ If JSA does not protect non-disabled claimants from poverty, the impact upon sick or disabled claimants – who incur significant additional costs – is likely to be much worse. The relationship between ill-health and poverty indicates that a dramatic reduction in income at the onset of disability or ill health, is likely to exacerbate underlying health problems, and may undermine rehabilitation attempts during the early months⁶⁸ - the very time when individuals are most likely to come off the benefit. Placing sick or disabled people on JSA rates will actively plunge a particularly vulnerable group of people into poverty. This is likely to have an adverse impact upon their health and undermine their ability to engage in work-focused activities or access paid employment.
115. The Green Paper suggests that young disabled people will receive an even lower level of the basic allowance set at JSA rates as young people do currently on JSA. Even if they are awarded the Employment or Support component their overall income will be lower than disabled adults because they are starting from a lower basic level (the current JSA levels). We feel this is just not likely to prove effective at getting young people into work, it will place a marginalised group (in which care-leavers and those who would have been not in education, training or employment feature disproportionately) at an additional disadvantage at a point at which for the long term Government should be seeking to stabilise their conditions. It is a particular source of concern as many care leavers are disproportionately likely to be disabled.⁶⁹ **Placing disabled young people who face significant barriers to employment at a financial disadvantage is a profoundly disturbing aspect of the Green Paper which runs counter to Government policies on prevention, child poverty, and support for families.**

Employment component

116. Claimants who are awarded the employment component of the new allowance will be expected to draw up an Action Plan - which will include activities such as work tasters, managing health in work; improving employability; jobsearch assistance and stabilising life. We welcome the fact that voluntary work will be possible within ESA.
117. Although 'childcare options' and 'managing financial situation' and 'stabilising housing situation' are included, there is little or no recognition of disabled people's parenting or caring responsibilities. This is worrying, especially since Government has – on other occasions - emphasised that parental responsibilities must be taken into consideration when assessing a disabled adult's care needs.⁷⁰
118. We are concerned about the length of time an individual will be expected to engage in work focused activities if paid employment is not forthcoming. An evaluation of the Pathways to Work Pilot indicates that some participants felt

disappointed and frustrated at the lack of support and the difficulties they experienced finding appropriate jobs - perhaps because their expectations were unrealistic, or because their health had deteriorated.⁷¹ We fear that the new system may arouse false expectations about employment opportunities, which may lead to disappointment and disengagement. Engaging in perpetual work-focused activities which do not result in employment are likely to be demoralising and possibly have a negative impact on people's health.

119. We have concerns about the concept of a dual benefit which risks dividing disabled people into 'worthy' and 'unworthy' benefit recipients. Furthermore, having a dual benefit adds a degree of complexity to the assessment process at the very time that the DWP is investigating benefit simplification. The introduction of an Employment and Support Component alongside IB for existing claimants means that there will be a three-tiered system in operation.

Support Component

120. The Green Paper argues that 'for people with the most severe functional limitations, it would be unreasonable to expect that they engage in work-related activity.' (p. 39, para 66) They will be placed on the 'Support' component of ESA. They will not be expected to engage in work-focused activities or to seek employment, although they may choose to do so.

Employment and Support Allowance links with other benefits

121. The implications of the changes for other entitlements are under-explored, CPAG will continue to raise questions on these and clarifying the relationships with other benefits will be crucial as legislation is prepared for example:

- **Working Tax Credit (WTC)** - people may potentially become eligible for WTC if income goes down sufficiently if they have recently stopped work. This provision is vital in keeping claimants close to the labour market, CPAG would want ESA to count in the same way as short-term low rate IB and IS (in the first 28 weeks) do, in terms of treating people as being in full time work for entitlement to WTC. Since becoming sick may actually increase WTC entitlement this may also lead to underpayments of tax credits.
- **WTC – childcare element.** We also suggest that, as exists currently, parents where one is in receipt of WTC and the other claiming ESA should have access to the childcare element of WTC as this recognises the childcare support they may need. We note that currently if one of two parents is claiming IB and the other Working Tax Credit, childcare support may be payable recognising the child care needs of children when the non-working parent is sick or disabled - we urge the same principle be applied to the new benefit. The levels of childcare support should be reviewed for disabled parents and families with disabled children, both of whom need access to childcare irrespective of their work status.
- **Income Support (IS)** – the Green Paper indicates that the enhanced disability premium and severe disability premium will be retained, but that 'for those receiving the new means-tested part of the Employment and Support Allowance, we propose that the current basic Disability Premium in IS be replaced by the new Employment Support and Support component. This will provide a 'something for something' contract recognising 'an individual's right to support and responsibility to act within their capabilities'. Is this proposed to

be more than the income support element? The Green Paper also anticipates ‘that some people on the income-related strand of the Employment and Support Allowance who meet the relevant criteria will continue to get the additional help currently provided through these premiums.’ (p. 45, para 93) The disability premium in IS acts as a passport to other benefits (for example, it is part of the definition of ‘disabled person’ when considering eligible housing costs for IS and is one of the ways of satisfying the benefit condition for WTC and for cold weather payments). We would like to see that these links are not lost. Also, will the disability premium still be available for those on IS for reasons other than incapacity for work – for example lone parents, students and carers?

- **Carer’s Allowance (CA).** Although many disabled people are also carers, carer’s allowance is considered to be an overlapping benefit, and so people who are currently on incapacity benefit are not entitled to CA. We believe that this is inappropriate, and would suggest that either ESA should have a carer component, or that successful claimants should also be allowed to claim Carer’s Allowance. We would like to emphasise that Carer’s Allowance is woefully inadequate.
- **Disability Living Allowance (DLA):** Although the Green Paper specifies that ‘We do not intend to make changes to DLA as part of these reforms.’ (p. 45, para 92) we are concerned that being deemed ‘ready’ to work may have an impact on a DLA award. In particular we are concerned that DLA might be reassessed (and downrated) at the same time causing a cliff edge in lost benefits (discussed above).
- **Statutory Sick Pay (SSP).** There is a complex relationship between current IB and SSP – we are unsure what will happen to those current SSP claimants who would previously have moved onto the short term higher rate of IB they will lose out if the holding rate is pegged at JSA rates, which is significantly less than SSP. We note the proposed changes to linking rules (para. 58) but urge that the desire to simplify for employers should not result in claimants losing out.
- If adult additions currently available in Incapacity Benefit are scrapped, will poorer claimants then claim IS? This may be positive in terms of individual rights to support (and might be more generous) but will there be losers? Moreover this replaces a contributory right with means tested provision.
- JSA and holding rate – the intention seems to be to keep unemployed potential claimants on JSA for as long as possible (such as through linking periods of sickness). We would like the period of sickness on JSA to count towards the 12 week holding period, otherwise it would take people who fall sick on JSA longer to qualify for the ESA.
- What is the maximum period someone could be on the holding rate/ JSA for? We are concerned that the assessment process should be conducted as quickly as possible and are concerned for the possibility of a postcode lottery developing. We would also like to see backdating of entitlements if somebody moves onto ESA and feel this would help to support stabilising health conditions.
- What are provisions for cross flow within the ESA elements – will the periodic review give option for re-assessing if appropriate?

- At the moment people may opt to move onto a lower rate IS rather than full rate JSA because there will be fewer obligations to undertake work-focused activities. They may feel safer on IS but this is unlikely to improve their health conditions and will not support the Government's work focused objectives – increasing conditionality risks proving counter productive to supporting people back into work.

Winners and losers

122. Given the complexity of the new system, it is difficult to assess which claimants will be better off, and which ones will be worse off. However, the new system is likely to generate a drop in income when a claimant moves from work or from Statutory Sick Pay onto the basic allowance, and a rise in income if they are awarded ESA. Downwards financial fluctuations of this kind may exacerbate underlying health problems, and are particularly worrying for sick or disabled parents who need continuity of support to safeguard them and their children from poverty.
123. The DWP report that income support (IS) is not being changed, and that the disability premium that is there for other groups – for example claimants on IS for reasons other than incapacity for work, Housing Benefit (HB) and Council Tax Benefit (CTB) will be treated the same. However, although the DWP also report that nobody's income will fall below income support levels, these are not sufficient to safeguard families from poverty, particularly if they incur additional disability-related costs.
124. Although current claimants will be protected, future claimants may have different entitlements to now, in terms of winners and losers, specifically we have concerns about the following groups:
- How will people who are obviously incapable of work be dealt with? We believe there should be a light touch equivalent for some groups, indeed we argue that there should be an equivalent to the current groups who are 'deemed incapable' and 'exceptional circumstances' groups in order to safeguard those undergoing certain medical treatment and those with life-threatening or terminal conditions.
 - New claimants with no National Insurance contribution's record, who currently receive income support with a disability premium, may lose out under the new system. It is possible that current claimants who receive means-tested JSA and a disability premium will get more than new claimants on ESA and so, although the DWP reports that these claimants will benefit because the new premium will be paid a year earlier than under the current system, it is a source of concern if people on means-tested benefits might end up worse off on the new system than they would have been on the old system.
 - Those currently entitled to age additions in IB, although the Green Paper reports that the 'Rate could be set higher than longer term rate now', on the current system people with age additions get more. They may lose out under the new system.
 - Under the current system DLA recipients would get a disability premium straightaway. Under the new system will they have to wait 12 weeks during which time they will move onto basic allowance? Once they have completed the assessment process, if they are awarded the ESA, their money will

increase again. The new system risks generating greater fluctuations in income. This is of particular concern for disabled people with children in the household who need continuity of support.

- It seems that young disabled people – will qualify for contributory ESA without making any NI contributions (as they do now) but they will be placed on the lower rate of JSA - as other young people are on JSA. Those aged under 18 will be on an even lower rate. If they are awarded ESA on top of their basic JSA, their income will go up, but it will be lower than it is for disabled adults on ESA. We do not believe this is just or sensible, younger disabled people may be particularly vulnerable (both in social and health terms) and do not have lower costs than older adults.
- Under the new system there will be single rate within the new ESA, but no couple rates. Basic allowance will reflect the fact that somebody is in a couple but ESA only has an individual component so family income may fall.
- The DWP reports that all claims for ESA will be back-dated to the end of the 12 week assessment period – not to the beginning of the claim, and that awards for claimants who complete their assessment before 12 weeks will not be put in place until the end of the 12 week period. However, we believe that awards should be back-dated to the date at which the initial claim is made. This will partially compensate people who have been living on an unacceptably low income – set at JSA – at a time that they may well have incurred increased costs.
- There are many issues to be resolved about claimants moving between the 'Employment' and the 'Support' component. The DWP report that it will not be necessary for a claimant to go through another PCA, they can simply request a review. The DWP also reports that fluctuating conditions will be taken into account moving from one element to another and at discretion of the Personal Advisor. Although further guidance will be issued, we are concerned that PAs may not have the skills or knowledge necessary to make such decision. This situation needs to be clarified to avoid people having to go to a stressful, costly and time-consuming appeals process.
- The DWP is hoping to introduce annual PCAs where possible. There are no exempt groups at the moment, and further guidance is clearly needed. While the DWP has indicated that people with deteriorating conditions may not have to undergo the PCA, further guidance will be needed.
- Although the DWP emphasise that the initial WFI will not be focused so much on work but on making sure people are getting the right benefits which is welcome, this must be made clear in the letters send to claimants. Although the DWP has indicated that the situation with regard to deferrals will be refined but will basically remain the same as the current system (which leaves it to the 'discretion of PAs', it seems likely that it will generate the same sort of problems that are currently in evidence).
- Claimants who are subject to penalties will see a proportion of the 'Employment' component removed 'in a series of slices' (para 87, p.44) Although the DWP indicate that the benefit will never fall below JSA levels, this itself is not sufficient to protect non-disabled claimants from poverty, let alone people who are sick or disabled.

- CPAG is concerned about how long people will have to go on job searching if they can't find appropriate employment. The DWP indicates that after 'a period of time' helping people to participate, the requirements will be 'less stringent' if somebody is in 'self managing the situation'. However, they will not be transferred to the 'Support' component if their condition doesn't change. This means that recipients of the 'Employment' component will have different requirements.
- Under the proposals claimants cannot transfer to the new benefit until they have used up their JSA sick rate. This means that they may have to wait beyond 12 weeks, CPAG argues previous time on spent sick on JSA should count towards the 12 week holding period.

Existing claimants

125. The Green Paper reports that 'The benefit structure and conditionality requirements ... will only apply to new claimants. Existing claimants will remain on their current benefit level....' However, the Green Paper reports that 'existing claimants will have more manageable conditions, which may have changed or improved while they have been benefits' and Government proposes 'to work more proactively with this group.' (para 109) We have a number of concerns about existing claimants. On the one hand, if the new allowances are set at a higher rate than IB, then existing claimants – who may be long-term recipients of benefit and may have more intractable health conditions – could be financially worse off than new claimants. On the other hand, given that there will be winners and losers under the new system, some disabled people with more severe conditions may end up worse off than existing claimants. This is an inequitable situation.

Key recommendations

126. Although the Green Paper reports that 'anyone already on incapacity benefits may volunteer for the support we offer' (para 110) **it is not clear that the resources are available to provide additional support to existing claimants.**
127. The provision of better quality, better paid jobs is a crucial part of reducing work-related ill health, and yet it is not known what sort of jobs disabled people who participated in the Pathways Pilots moved into. **The Government must monitor the quality and sustainability of jobs that disabled people are accessing, and ensure that good quality jobs are available to ensure disabled people to fulfil their potential and reflects their skill levels. Employers too should have greater responsibility to employ and support disabled people.**
128. For those disabled adults who cannot work, state benefits are the only route out of poverty. If tackling child poverty is to be successful, and health inequalities reduced, the current inadequacy of benefits for this group must be addressed. We believe that a significant investment in support – not benefit sanctions – is a prerequisite of success.
129. CPAG is concerned at the failure of the proposed measures on welfare reform to take a holistic approach to disability and to address the particular needs of disabled people as parents. We fear that the failure to take family responsibilities into consideration may disadvantage a particularly vulnerable group of children, which could undermine the Government's strategy on the eradication of child

poverty. **A disabled person's family, caring and parental responsibilities must be taken into consideration when assessing their ability to undertake work-focused activities to ensure that these do not have a negative impact on their children.**

130. The Green Paper does not reflect a number of Government recommendations and regulations on assessing the care needs of disabled adults, even though this is an integral part of the strategy to help more disabled people access paid employment. **Joined up policy which reflects and reinforces policies and recommendations on child poverty issued by a range of Government departments must be incorporated within welfare reform. The *Every child matters* agenda should be put at the forefront of welfare reform.**
131. Disabled people feel discriminated against both because of their disability, and because of their reliance upon benefits. Although the Green Paper argues that 'We need to change the current culture and raise the expectations of employers, health professionals and disabled people themselves ...' (para 117). **Policy initiatives are unlikely to improve employment opportunities for disabled people unless they are accompanied by more positive messages.**
132. Disabled children and young people continue to be disadvantaged within the educational system, and disability is not discussed in an open and informed manner within schools and colleges. **Much more work needs to be done to overcome discrimination in society at large and among employers in particular.**
133. The Green Paper proposes that young people aged 16 to 25 will receive a lower level of the basic allowance of JSA. Even if they are awarded the top up of the 'Employment' or 'Support' component, their incomes will be lower than other disabled people. The Government accepts that disabled young people – amongst whom care leavers are over-represented - are some of the most disadvantaged groups in the UK. **Young disabled people – who incur the same sort of disability-related costs incurred by disabled adults – must receive an equivalent level of financial support as disabled adults.**
134. Research on health inequalities indicates that living on a low income significantly increases the risk of disability or ill health. People who already out of work and are reliant on benefits, are more likely to become disabled. The Green Paper reports that 'of new claimants ... 43 per cent have received an out-of-work benefit during the previous two years' (para 6, p. 24). **Whilst supporting more claimants to move off benefits and back into work more quickly is an essential part of the welfare reform proposals, a financial safety net must be provided for disabled people who are unable to work, or are severely disadvantaged in the labour market. Reviewing benefit adequacy and take up must be an integral part of reform of incapacity benefits.**
135. People who have become sick or developed a disability need additional financial support to help them and their families adjust. Setting the basic allowance at JSA levels may compound underlying health problems, and could plunge parents and children into poverty. **The level of financial support within the new system – including the basic allowance, the Employment component and the Support component – must be sufficient to keep disabled people and their children out of poverty.**

136. Although DLA is not an integral part of welfare reform of incapacity benefits, disabled parents report that their mobility and care needs go up when they move into work. Ensuring that disabled people receive the benefits to which they are entitled, and that those benefits cover their additional costs (for the moment DLA does not take parenting tasks and roles into consideration) must be an integral part of welfare reform. **The additional costs of being a disabled person with parenting responsibilities, and the additional costs of employment must be recognised and addressed.**
137. Although the Green Paper is designed to be part and parcel of the Government's programme of benefit simplification promising 'a much simpler benefits system. The next stage of benefits reform will further incentivise work and ease transitions in and out of work, while ensuring effective support for those who cannot work' (para 20, p. 19) **we are concerned that having a dual benefit will add a layer of complexity which will increase the potential for administrative error and may leave disabled people without the support the need.**
138. The introduction of sanctions and penalties may disadvantage the most vulnerable groups – including people with mental health problems, learning disabilities and fluctuating conditions. **The efficacy of increased conditionality, compulsion and sanctions must be reviewed in the light of its potential impact on child poverty.**
139. Inadequate, fragmented services consolidate financial difficulties on a daily basis. We urge the Government to implement recommendations outlined in Improving the life chances of disabled people - 'It will be the collective responsibility of all Government departments to ensure that the recommendations in the report are taken forward.'⁷² **The Government must improve service delivery for all disabled people, irrespective of whether they are in employment or not. Services must take disabled people's parenting responsibilities into consideration.**
140. Disabled people are the experts on their condition, capabilities and ability to undertake employment. It is crucial that service-users be consulted at every level during the consultative process on welfare reform.
141. CPAG feels that more emphasis should be put on preventative measures which are needed to pre-empt the onset of ill-health or disability – both of which are closely linked with poverty and deprivation. **Welfare reform must be an integral part of Government initiatives to address the underlying social, educational and financial problems that may increase the risk of disability, exacerbate health inequalities and undermine its ability to redress intergenerational cycles of deprivation.**

Section Three - Helping Lone Parents

Introduction

142. The Green Paper reports that there are 1.8 million lone parents of working age of whom 787,000 lone parents are on income Support – 230,000 fewer than in 1997. The Government has long been concerned by high levels of child poverty and of worklessness among lone parents. The DWP reports that 'Around half of non-working lone parent families are classified as living on a low income on the

before housing cost measure and lone parent families are more likely to experience persistent poverty and deprivation than other family types.⁷³ Lone parents are 'the most likely group to experience repeated or prolonged spells in poverty.'⁷⁴

143. Since 1997 the Government has introduced a number of initiatives aimed at increasing the number of lone parents in paid employment. The DWP's annual poverty report – Opportunity for all – indicates that 'lone parent employment rate has increased at a higher rate than that of the rest of the population, with a 45 per cent increase in the number of lone parents in employment.'⁷⁵ Although Government policies have already helped 300,000 lone parents into work, resulting in an employment rate of 56.6 per cent, it is still 'lagging behind those of partnered mothers.' (p. 52, para 1)
144. Central to the Government's welfare to work strategy has been the New Deal for Lone Parents (NDLP), 'a national voluntary programme aimed at helping parents into work, improving their job readiness and supporting them in employment. The key feature of the programme is a network of Personal Advisers (PAs) who offer work-related guidance through a series of interviews and contacts with participants.'⁷⁶ According to the DWP NDLP ⁷⁷ has been 'popular with participants [and] been a successful and cost effective programme that significantly increased the chances of participants to enter work.'⁷⁸
145. The Government has also introduced tax credits 'which ensure that employed lone parents are, in the majority of cases, financially better off in work than out of work.'⁷⁹ NDLP and tax credits have been complemented by other measures to help more lone parents access paid employment, including the National Childcare Strategy, the National Minimum Wage and introduction of flexible family-friendly policies in workplace. An integral part of the Government's strategy to increase the employment rate for lone parents has been the roll out of Work Focused Interviews (WFIs). Although attending the WFI is mandatory, activity beyond this is voluntary.⁸⁰
146. The Government's strategy has in large part been very successful, not just despite the voluntary nature of NDLP but, we believe in part because of it. This has allowed Personal Advisers to support lone parents, not to be forced to police their behaviour. Research indicates that the introduction of 'a more substantial package of support for working single parents introduced in 1998 had a marked effect on employment, and this is in spite of increased support for those lone parents who choose to stay at home.'(p. 54, para 7)
147. The DWP is determined to fulfil its long-term target of a lone parent employment rate of 70 per cent which it argues would lift a further 300,000 children out of poverty. (p. 54, para 7) However, this is clearly an extremely ambitious target which requires lone parent employment to rise over the next five years 'three times as fast as it did in the last five.'⁸¹ This seems an unlikely aspiration because increasing the employment rate further is likely to become more difficult because lone parents who remain outside employment are 'increasingly less well skilled and concentrated in rented housing, and are a group for whom work incentives remain weak.'⁸² This group is more likely to access part-time, low paid employment, and currently work may not prove an effective route out of poverty for them.

Green paper – main proposals for lone parents

148. In this section we outline the Government's main proposals contained in the Green Paper and respond to the specific policy initiatives. The Green Paper builds on the DWP's Five Year Strategy. The Government argues that the roll out of compulsory annual WFI for lone parents on income support has shown that they 'help lone parents think about work'. (p. 56, para 21) To further this the Government proposes - 'as resources allow' (p. 56, para 21) to introduce:

- Mandatory WFIs every three months for lone parents who have been claiming IS for at least a year and youngest child 11;
- Introduce 6 monthly interviews (twice as frequent as now) for all parents who have been on benefit at least a year and who are not required to take part in more frequent WFI;
- Pilot providing more intensive support for lone parents during the first year of claim.

149. The Green Paper adopts a somewhat more flexible approach to lone parents than it does to disabled people. It reports that the nature of work related activity would vary according to needs of each individual, and that parents who have been on benefits for some time 'will need to move forward more gradually.' (para 27, p. 58)

150. It accepts that for those with additional caring responsibilities engaging in work-related activity may not be an immediate option, and that participation will therefore be voluntary, and their entitlement to income support (IS) will not be affected. This family friendly approach is very welcome, but is sadly lacking in the section on disabled people.

151. It remains to be seen whether the new package of support for lone parents will be successful in increasing employment rates amongst a group that is particularly vulnerable to poverty. While the voluntary nature of the pilot schemes are to be welcomed, and the provision of additional financial support as part of an integrated service will provide a more holistic and supportive strategy, the new financial incentives fail to address the inadequate financial support via the benefit system and which contributes to high levels of ill health amongst lone parents who may not be able to engage in work-focused activities, or access employment. Nor does the Green Paper address the problem of low qualifications and skills amongst a group of parents who may well end up in low paid jobs that increase stress levels, may have an adverse impact on their children, and do nothing to reduce poverty. We are concerned at the level and quality of support available to lone parents. The concepts articulated in the Building On New Deal proposals⁸³ need to be fully implemented.

Benefit adequacy

152. Children who live in a workless, lone parent household experience a 72 per cent risk of living in the bottom income quintile.⁸⁴ High levels of poverty among workless households are disgraceful, and clearly indicate that 'safety net' benefits are not sufficient to safeguard children from living in poverty. Reviewing levels of income support must be an integral part of welfare reform for lone parents.

Employment

Barriers to employment

153. The Green Paper emphasises that 'Lone parents will need to identify their barriers to work and the steps that will be necessary to manage or remove them.' (para 27, p. 58) However, given that many barriers are structural - to do with the labour market or to do with access to childcare and are beyond lone parents' personal control. To succeed reform needs to engage more with these structural issues.
154. As with disabled people, lone parents experience multiple barriers to employment. First and foremost, a lower typical level of qualification and skills renders them susceptible to poorly paid, part-time, and often unsustainable employment. Just over half (51 per cent) of lone parent on income support have neither academic nor technical qualification, and half mention concerns about skills or experience as a reason for not being in paid work.⁸⁵ This suggests both the need for greater investment in adult skills and that the benefits and tax credit system should be better designed to support this.
155. In their report on lone parents cycling between work and benefits undertaken for the DWP, Evans, Harkness and Ortiz⁸⁶ report that, while the employment rate for lone parents has increased, and the number of lone parents leaving jobs has fallen, the rate of job exit is considerably higher for lone parents than for other groups even after personal and job characteristics are controlled for. Lone parents who leave employment are less qualified overall, fewer have degrees and A levels, and more are unqualified. The authors predict that, 'if lone parents had the same job exit rates as the rest of the population, then the target of 70 per cent employment of lone parents could be met without raising job entry rates further.' This would indicate that supporting lone parents to access sustainable, well paid jobs is more important than compelling lone parents who are furthest from the labour market to attend work focused interviews. Moving in and out of employment, and on and off benefits renders lone parents and their children vulnerable to severe and persistent poverty.⁸⁷

In work poverty

156. The Government believes that moving into work can improve the quality of life for lone parents and their children – but this depends on the quality and sustainability of the jobs. Fifty four per cent of poor children live in a household in with one or more parent in work.⁸⁸ Poorly paid work is not a route out of poverty. Considerations of benefit adequacy for workless families is an essential prerequisite of safeguarding the most disadvantaged children from living in poverty.
157. Research undertaken for the DWP argues that 'If the goal of policymakers is both to promote employment and reduce child poverty, there is a need to do far more than the US has done to date in addressing skill-building, employment retention and advancement, and in broadening the availability of work supports for low-earning families.'⁸⁹ Greater consideration is needed of what creates sustained employment for lone parents - policies which increase the 'churn rate' will undermine both the target to increase lone parent employment and to reduce child poverty.

158. In the US, 'time limit and work requirement provisions prompted a shift from an on going cash assistance system to one focused on moving parents into permanent jobs' under the Temporary Assistance for Needy Family (TANF) programme. This approach has been described 'as a shift from a focus on income maintenance to a focus on job placement and employment preparation. Stated less favourably, it is described as a shift to a system whose principal goal became caseload reduction.'⁹⁰ Evidence about the impact of TANF upon families' lives and child poverty in the USA has been mixed. Although TANF resulted in 'in a significant growth in employment among lone parent families' – growing from 57 per cent in 1994 to 70 per cent in 2000'⁹¹ data suggests that 'earnings remained low for most of the affected families...[and] annual earnings did not come close to the poverty line for a family of three'. If welfare reform in the UK is driven by a desire to reduce caseload, over that to improve the quality of jobs it will do nothing to tackle child poverty.

Childcare

159. The Green Paper considers why the employment rates of lone parents in the UK compares unfavourably with other countries (p. 53) and concludes that high employment is directly linked with 'the availability of good-quality, affordable childcare, and strong requirements to seek work combined with financial incentives to do so.' It reports that the OECD has said that "once employment and childcare support is available on a comprehensive basis, it would be reasonable to oblige sole parents on IS to make use of it'. (p. 57, para 23)

160. However, levels of investment in childcare in the UK mean that it is not available on a comprehensive basis. Even if the Government doubled its current commitment of £6.5 billion (0.54 per cent of GDP)⁹² a year to finance childcare – which would bring it up to 1 per cent of the Gross National Product – it would still be half the rate of some other countries. Opportunity for all reports that 'Sweden and Finland invest heavily in childcare, spending 1.4 per cent and 0.9 of Gross Domestic Produce respectively.' (p. 124, para 47.)

161. Despite the increase to 80 per cent of covered costs in April 2006, the childcare element of Working Tax Credit has significant limitations. Take up is low, the levels of support do not cover the often prohibitive costs – particularly in London and/or for disabled children - and more disadvantaged families are least likely to access.⁹³ Lone parents are more likely to rely upon informal childminders and relatives and are not entitled to claim the childcare element of Working Tax Credit for this informal care. Although the Government accepts that lone parents want their children looked after when they are young, and after school and during holidays when they're older, concerns about the quality and cost of childcare act as a major and understandable deterrent to employment. After school, half-term and holiday provision remain an issue.

162. The restrictive nature of current childcare support does not reflect family needs.

- Lone parents often need access to childcare for some time before starting work, to recoup the energies and confidence they need to access employment.
- Continuity of childcare is in the best interest of the child if employment breaks down, the tax credit system does not support this.

- Furthermore, although Government research indicates that children from disadvantaged backgrounds derive most benefit from high quality childcare provision, CPAG is concerned that such children – who are more likely to be in workless households and whose parents therefore do not qualify for WTC – are likely to be excluded from childcare provision.

163. The current system of childcare support is not well targeted on the most disadvantaged children and families, who would benefit most from access to high quality childcare provision and we urge DWP to address this. It is regrettable that the Green Paper is not being used as a vehicle to address the shortcomings of childcare support, we urge DWP, the Treasury and the Department for Education and Skills to ensure these agendas are joined up to support each other.

Older children

164. The Government will be targeting lone parents with older children, in the belief that they have fewer childcare needs than those with younger children. Yet the Government emphasises the importance of parents being involved with their children's schools, helping them with homework, and managing their behaviour. Support for parents: the best start for children emphasises the importance of providing appropriate secure parental support for teenagers, who are coping with the demands of an increasingly stressful school system. Lone parents may be concerned about their older children – who are more likely to get into trouble - being left unsupervised after school and during the holidays and half-terms. Effective parenting may not be compatible with working the long hours that may be necessary if employment is to be financially beneficial. Not only is this an apparent failure to join up the approaches of the Treasury, DfES and DWP, but it should not be assumed that it will necessarily be easier for lone parents with older children to sustain employment.

165. Evidence from the US flags up this issue as a source of concern. Researchers report that 'Even when programmes (to raise the rate of lone parent employment) have raised family incomes, there are concerns that welfare to work programmes have negative effects on adolescents' and that 'adolescent children of parents enrolled in welfare to work programmes showed increased behavioural problems and lower academic achievement'. Those who had younger siblings 'experienced increased rates of school dropout, school suspensions, grade repetitions, and poorer school performance.'⁹⁴

Disability and lone parents

166. Research on lone parents, ill-health, and employment patterns⁹⁵ indicate that the stress and strain of coping with disability without adequate support not only takes its toll on a parent or carer's health but on relationships too. Lone parenthood is associated with poorer health. The link between poverty and disability renders lone parents susceptible to ill-health, which poses a major barrier to employment. This needs to be recognised and addressed in the proposals on welfare reform.

167. The US experience highlights the fact that the imposition of sanctions and conditionality has a particularly adverse impact on parents with disabilities. This client group – many of whom are lone parents with mental health problems or learning disabilities - is experiencing high levels of poverty in the US.⁹⁶

168. As was discussed in the previous section, ensuring that disabled adults and children receive the disability benefits to which they are entitled is essential to safeguard families from poverty, and may result in an improvement in health. To improve both child and parental employment outcomes, lone parents – and their children – should be supported irrespective of their work status. The Green Paper creates the impression that the Government is tending to help those who can help themselves. The Government's refusal to accede to repeated calls for a review of the adult rates of the safety net benefit – income support and jobseeker's allowance – and for a general review of benefit adequacy, is generating considerable disquiet among poverty commentators.⁹⁷

Multiple disadvantages

169. The Government has identified a number of disadvantages that place children at risk of poor outcomes – including poor housing, poor schools and poor services. The Government has also identified a number of groups as being at particular risk of poverty – including some families from black and minority ethnic backgrounds, families with three or more children, and families with disabled children. However the Green Paper does not address the fact that many lone parents fall into some – or all – of the groups identified by the Government as being disadvantaged.

170. Support for parents: the best start for children⁹⁸ has identified disabled children and children with special educational needs as being at particular risk. Many children who fall into these groups live in lone parent families. It is imperative that welfare reform does not work against other initiatives to support these groups of children and young people.

Increased conditionality

171. Although an element of compulsion has been introduced via mandatory work focused interviews, the DWP is keen to avoid the impression that lone parents will be forced into employment – and CPAG welcomes this approach. The DWP argues that it wants to help more lone parents access work by 'providing accessible, tailored employment advice and giving them the opportunities they need to get the skills they need to move off benefits and into work.' The Five Year Strategy stressed that Government policy is, and will continue to be, based on 'incremental, evidence-based approach, piloting wherever possible.' It categorically states that the Government will not introduce 'an unrestricted requirement to search for work'. Lone parents will not be moved from income support onto jobseeker's allowance – an approach the Government dismisses as 'expensive, unfair and ineffectual.'⁹⁹

172. However, the Green Paper reports that 'international evidence shows that stricter conditionality can have a very limited benefit if it is applied without childcare support and incentives to work. Stronger requirements can be crucial in getting lone parents off benefits, but the macroeconomic environment is a key determinant of their participation on the labour market.' (p. 53) A recent increase in unemployment – which has disproportionately affected women workers – raises concerns about the labour market.¹⁰⁰

173. We are concerned that lone parents who are most likely to be sanctioned, may be the most vulnerable. Millar and Evans research on the role of sanctions and time limits in the US, established that 'compared with other welfare recipients,

sanctioned individuals have lower levels of education, less work experience, a high prevalence of health-related barriers to employment, and are more likely to experience several barriers at once.’ They are likely to have ‘lower household income, are more likely to return to welfare, less likely to be employed and ‘are more likely than non-sanctioned recipients to have personal characteristics, human capital deficits, transportation barriers or personal and family challenges that make them harder to employ.’¹⁰¹

174. We are also concerned about the financial and moral efficacy of increased compulsion at the same time as implementing staff cuts and budgetary restrictions at the DWP, given that increasing compulsion and sanctions and introducing more mandatory work-focused interviews (WFI) is likely to be costly in budgetary terms and on staff time. Even with existing staff levels DWP employees are struggling to cope.¹⁰² Quoting the DWP’s evaluation of the New Deal for Lone Parents¹⁰³ One Parent Families (OPF) note that advisers said that six monthly review meetings contribute to ‘an increasingly pressurised workload, and some reported that this was having a detrimental effect on their ability to devote the required amount of time to their case loaded customers.’ Staff cuts will inevitably have an impact on front-line staff in Pathways to Work areas. We question whether it is likely to be implemented effectively given the proposed cut-backs within Jobcentre Plus, along with further budgetary restrictions imposed on the DWP. The introduction of additional Work Focused Interviews is likely to be extremely costly, difficult to administer and not necessarily effective in drawing more lone parents into work.

Rights and responsibilities

175. The Green Paper reports that most non-working lone parent families are poor, and likely to experience ‘persistent poverty and deprivation’ and emphasises that ‘it is right that Government should provide support to help them return to work, but ‘in return we believe that lone parents have a responsibility to make serious efforts to return to work, especially once their youngest child has reached 11. This will improve their lives and lives of their children too.’ However, **CPAG believes the Government has a responsibility to safeguard lone parents children from living in poverty, irrespective of their parents’ work status and that it will be impossible to eradicate child poverty without this.**

176. As discussed above, lone parents may end up in poorly paid, unsustainable employment because of low qualifications and skills. **The Government should improve the level of qualifications and skills among lone parents and their children. Employers have the responsibility to provide well remunerated, sustainable, family-friendly job opportunities for lone parents.**

177. Although the Green Paper and Opportunity for all report that receiving maintenance protects lone parents and their children from poverty, the Child Support Agency has failed to fulfil expectations. It seems unjust that lone parents are being required to access employment – which may, or may not draw them out of poverty – while the Government is failing to fulfil its responsibility to ensure that absent parents provide maintenance. Effective delivery of maintenance is crucial in ensuring that lone parents access and retain employment. It is important that the review of the Child Support Agency complements any changes to the welfare system. **The Government should provide lone parents with the maintenance to which they are entitled. It is**

the Government's responsibility to recoup maintenance from absence parents, via the tax system.

Section Four - Delivering welfare reform

178. The Green Paper reports that delivering a radical programme of reform requires more than just legislative and policy change – 'it requires a delivery network that is effective, accessible and flexible.' (p. 74) It argues that 'In taking forward our reforms we need to ensure that we provide the best possible service for our clients, the best possible recruits for employers, and the best possible value for the taxpayer.' (para 5, p. 75). CPAG believes that what is being proposed will prove challenging to deliver. In this section we consider the role of the resources needed to deliver and the role of the voluntary and private sectors in delivery.

Resources

179. An ambitious welfare reform programme is being planned as reports emerge of Jobcentre Plus being stretched, the Gershon review job cuts bite, as the 2006 budget announces year on year budget cuts of 5 per cent and as the Government heads towards what is expected to be a tight financial round with the 2007 comprehensive spending review. The DWP is setting a series of ambitious proposals within the reform programme. CPAG has yet to be convinced that it is in a position to deliver effectively on these. Without this delivery policy the Government will not deliver the increases in the employment rate or reductions in child poverty Government seeks.

180. An additional £360m has been announced to fund the Green Paper proposals to roll out Pathways to Work. It is not clear where this resource is coming from (beyond that this is to be funded from existing DWP budgets). The DWP argue that these resources are sufficient to deliver the Pathways scheme. However, although roll out of Pathways is welcome it cannot be achieved on the cheap: the £360m does not appear to include setting up costs (for providers) or return to work credit and to apply Pathways to a wider (stock) pool of incapacity benefit claimants may be more costly to achieve the same results as have been achieved in the pilots.

The role of voluntary and private sector providers.

181. The Government wishes to 'draw on the wealth of experience of those working in other sectors' and will be 'looking for greater involvement on the part of voluntary sector and private providers in the future reform agenda' – especially working with disabled people. (para 7) The Government's objective is to 'focus providers on improving job entry and retention, rather than simply asking them to replicate existing Pathways to Work provision', and that such contracts will be in place from 2007. CPAG is concerned about the capacity of the voluntary sector and private sector to deliver welfare reform effectively across the country and we are even more concerned at the possibility of non-state actors being involved in decisions about entitlement or benefit sanctions.

182. Although the DWP will provide the 'initial' investment, and the Jobcentre Plus will 'administer' system, the Government intends to 'use private and voluntary sector expertise to provide personal advice and support for individuals to help them back to work.' (p. 42, para 84). Though it makes sense to draw on the

experience and expertise of both sectors, CPAG has a number of key concerns about this proposal, which certainly imply DWP should tread warily in this area:

- The risk of a postcode lottery. Neither private nor voluntary sector providers exist in all areas at a similar quality or with similar capacity. Jobcentre Plus does. Reliance on the non-state sectors risks results varying by geography.
- We believe that the proper role of voluntary sector is to innovate to fill the gaps, not build the wall in the first place. If the voluntary sector is the primary provider this scope for innovation may be lost and the underpinning infrastructure may be weakened if non-state provision proves less sustainable.
- There are significant implications for accountability if provision is to be diversified as implied, not least because of difficult administrative task that DWP will have in maintaining multiple contracts with local providers. Inspection and monitoring would require significant DWP efforts.
 - We are concerned that contracts will influence provider behaviour to meet contract outcomes and thus these must be drawn with great care. If the specified outcomes do not include the provision of sustainable jobs (such as being in work for more than a year), this risks increasing cycling in and out of work.
 - Similarly we are concerned over both the appropriateness of the non-statutory sector in deciding benefit entitlement or imposing sanctions and emphasise that this may create conflicts of interest for providers keen to meet contract targets and be detrimental to the supportive relationship providers may have with individuals.
 - The difficulty of monitoring what is going on in multiple organisations and, equally, the ability of citizens to challenge decisions and seek redress if appropriate

Section Five - A radical new approach to Housing Benefit

183. The Green Paper reports that ‘Housing Benefit has long been criticised as an extremely complex benefit that does little to promote personal responsibility...[and] can act as a barrier to work.’ (para 1, p. 82) The central element of Housing Benefit reform is the introduction of Local Housing Allowance (LHA), which is currently being tested in 18 local authority areas. Local Housing Allowance bases housing support payments on a system of standard maximum allowances, varying according to the size of the household and location of the property. Benefit will be paid to the tenant rather than to the landlord in most cases. (para 14)

184. The Government intends building on this experience to develop a scheme suitable for national roll-out across the deregulated private rented sector. The Green Paper proposes changes for national roll-out that will, overall, tend to reduce the potential cost of the scheme. It is also proposed to make changes to the method of calculating the LHA, including basing the size criteria solely on the number of bedrooms deemed to be needed. More controversial is the proposal to phase in the LHA by applying it to new claims only. Getting rid of the multiple

schemes was a selling point for the LHA, but it now looks as if they will be added to instead.

185. The Green Paper is silent on the question of rent levels. The LHA might be expected to cause low rents to rise towards it, while any tendency for higher rents to be moderated would depend on the extent to which landlords had alternatives. The Department for Work and Pensions reports that “there is some evidence that rents are rising, but it is not clear yet whether this is attributable to the LHA”.
186. CPAG’s views on rent restrictions and direct payments were set out in our response to the Consultation by the Social Security Advisory Committee on the draft regulations setting up the LHA pilots, which we summarise below.

CPAG’s views on rent restrictions and direct payments

Rent Restrictions

187. The problem of excessive rents is a housing problem and should be addressed through housing policy and not through the benefit system.
188. An administrative “rent stop” is necessary within the housing benefit scheme to avoid inappropriate public subsidy of housing which is clearly unreasonably large or luxurious. Built-in shortfalls are not acceptable in the context of the current state of housing supply, quality, affordability and distribution. Rent restrictions should be reviewed by the DWP in consultation with the Office of the Deputy Prime Minister and the Local Authority associations and organisations representing the interests of claimants in the context of current housing policy.
189. The single room rent restriction for those aged under 25 is harmful and discriminatory and should be abolished. Abolishing the rules would support the DWP’s policy objective of simplifying the scheme.

Direct Payments

190. Claimants should have the choice of whether or not their housing benefit should be paid direct to the landlord. The circumstances where direct payments can be imposed should be kept to a minimum.

CPAG’s views on the proposals for a Standard Local Housing Allowance

191. The DWP’s proposals introduce a shopping incentive set out under “Choice” at paragraph 4 in its Explanatory Memorandum. As all private sector tenants will be paid the Standard Local Housing Allowance at the full rate for the size of property they are entitled to regardless of their rent, if they move to a cheaper property they will be able to keep the difference. Research¹⁰⁴ on the present scheme has suggested that as the current rules meet the full amount of rent, claimants may be encouraged to live in more expensive property than would otherwise be the case.
192. Hopefully these proposals will mean a speedier, simpler and more transparent system. However, CPAG has the following concerns:
- CPAG questions the validity of the assumptions behind shopping incentives. There is no evidence that tenants currently use the benefits system to “trade up” in the housing market. In any case, the local reference rent (LRR) rules

effectively restrict rents that can be met by housing benefit to the bottom half of the housing market. This is because the local reference rent (LRR) is capped at a broadly “average” rent for properties which are comparable in terms of size and location. The Standard Local Housing Allowance (SLHA), which is essentially an extension of the LRR, will have the same effect. Tenants at this end of the property market are not likely to have much real choice. In some areas of high demand they may have none at all. The concept of a shopping incentive is meaningless if tenants have nothing to shop for.

- The rules may encourage tenants to move into overcrowded or poor quality accommodation in order to save on rent. This runs contrary to the Government’s stated policy aim in *Building Choice and Responsibility* ‘to ensure that people on low incomes can afford a decent home which meets their needs.’¹⁰⁵ They will disadvantage families with children, who have much less flexibility about where they live, and about the size and standard of their accommodation, than single claimants.
- We welcome more transparency for claimants about how much benefit they can expect to receive. However, if private sector landlords are aware of local SLHA rates, there is nothing to prevent them simply raising their rents to the level of the SLHA. Conversely, where they would expect to charge a higher rent, prior knowledge of SLHA rates may put landlords off letting to housing benefit claimants.
- The ‘broad brush’ approach the scheme takes will lack responsiveness and accountability. Little account will be taken of the circumstances of individual claimants. Claimants will have no right of appeal and no say in how the SLHA is set. Yet the scheme does not succeed in avoiding the complexity of parallel systems for different categories of tenants.

193. As part of its evaluation of the SLHA, the DWP should also look at how local authorities are administering the discretionary housing payment scheme in practice, and assess whether it is serving its purpose of alleviating hardship amongst private sector tenants. Factors to be considered could include how well the DHP scheme is publicised, how many claimants apply and in what circumstances, and how many are successful and why.

- The DWP’s evaluation of the scheme should include an evaluation of how rent officers are putting the legislation into practice, and how well SLHAs are reflecting true local rent levels.
- The size criteria in Schedule 2 to the Rent Officers Order should be amended to allow for claimants’ exceptional individual circumstances.

194. CPAG also raised the following concerns:

- The DWP suggests that claimants will be able to save by moving into “less attractive” properties. It has singled out childless couples and single over 25s who will benefit if they move into shared accommodation. Claimants with rent below the SLHA will be able to keep the difference between the benefit for a single room and the SLHA. However, given the limitations on the SLHA, claimants will only be able to move within the bottom half of the housing market. Families will only be able to benefit from the rules by reducing the size of their accommodation if they overcrowd themselves. Claimants may

also be encouraged to economise by moving into property which is in poor repair. Other groups will only be able to benefit from these rules in areas where there is a plentiful supply of cheap privately rented accommodation of a reasonable standard. The supply of decent affordable privately rented housing is notoriously subject to wide local variation, and it is likely that the benefits of the scheme will be similarly variable.

- Families with children will be at a particular disadvantage in benefiting from these rules. They will be much less able to move around in search of cheaper accommodation than single people, because they will need to be near facilities such as doctors, hospitals and schools, and will need to provide a stable home for their children. Other vulnerable claimants may also be at a disadvantage for similar reasons. There is a danger these proposals will benefit only those claimants least in need of help.

CPAG's response to the Green Paper

Putting housing benefit in context

195. Although CPAG has argued that it is important the LHA be considered in the context of wider housing policy, as with other areas of the Green Paper, it is a source of concern that it appears not to draw on relevant Government initiatives and documents. There is – for example - no sign in the Green Paper about the involvement or otherwise of the Office of the Deputy Prime Minister.

Capping LHA

- In Pathfinder areas tenants can keep any LHA they receive over and above the amount of rent they have to pay. The DWP proposes that these gains should be capped to remove discrepancies between different areas some of which have more generous LHAs than others, to protect work incentives and remove any incentive to overcrowd.
- The Local Government Association opposes this proposal on the basis that it would reintroduce complexity into the scheme and negate the administrative gains which have been made so far.
- Some claimants, notably where there is overcrowding, have received large bonuses above the actual rent. There is some evidence that claimants use the money gained from LHA to subsidise low benefit levels, for instance using it to pay off rent arrears caused by previous shortfalls.

Work incentives

- There does not appear to be any evidence that gains from LHA discourage claimants from moving into work. The main difficulty here is probably the operation of the housing benefit taper, which removes HB at the rate of 65 per cent of each £1 earned over the claimant's applicable amount. It is this aspect of the HB scheme that needs to be tackled if the DWP is keen to encourage claimants into work. Furthermore, as discussed throughout this submission, there are many barrier to employment, including low skills and low paid work.

Fairness - Disparities between Pathfinder areas

- There is evidence from Shelter's survey¹⁰⁶ that the introduction of the LHA has not decreased disparities between areas with properties below the LHA level ranging between 8% in Conwy 65% in Edinburgh. This means that claimants must gain more from LHA in some areas than others.
- There are disparities in the way the (LRR) operates in different areas; the fact that the claimant can keep the difference between the LHA and the rent they pay throws this into sharper relief.
- Conversely, more claimants suffer shortfalls in the amount of rent met by Housing Benefit (HB) in some areas than in others. The DWP's evidence is that shortfalls have fallen overall.¹⁰⁷ It is not clear what it is about the LHA that has caused the overall reduction in shortfalls, given that it is calculated in a similar way to the LRR. We understand it may be because the LHA does not reflect the condition of individual properties in the same way. If higher rates are being paid for properties in poor condition, this may be a matter for concern, and there may be a need for stricter regulation of the private rented sector to ensure that landlords do not exploit this.
- Citizen's Advice Bureau (CAB) evidence suggests the way that broad rental market areas are drawn is a factor – the wider the spread of rents, the more likely tenants are to experience shortfalls.¹⁰⁸
- We welcome the reduction in shortfalls, but we believe there should be more research into the reasons behind these reductions.
- Concerns were raised when the proposals were introduced at the lack of accountability of those setting LHA levels. Citizens' Advice suggests that the regulations are inadequate to ensure fairness. Claimants have no right to appeal against LHA levels and there is no claimant involvement in the levels at which they are set. Greater accountability and judicial scrutiny of the operation of the regulations via an appeals process could help to ensure the rules are fairly and consistently applied.

Restricting the size criteria

- Under the existing size criteria claimants over 25 are allowed a certain number of living rooms and bedrooms depending on the number of occupiers. The proposal for change is not entirely clear, but it seems it is to count the number of bedrooms needed; it is not clear whether living rooms will not be included at all or whether the number allowed will be restricted. The proposal is described this as a "simpler, more intuitive approach that will more accurately reflect the reality of the wider rental market."
- CPAG would strongly oppose any further limitations on size criteria. If living rooms were excluded, individual family members would effectively be expected to live in their bedrooms, and families would have no communal space for family life. This would impact on children's ability to study. The size criteria in respect of bedrooms is not generous and is inadequate for some claimants in particular, and this proposal would make the problem more acute. Claimants would in effect be obliged to live in accommodation that would be considered overcrowded by modern standards.

- No objections have been raised to the inclusion of living rooms in the size criteria in LRR areas, so it is difficult to see why a different standard should apply in local housing allowance areas.
- CPAG continues to argue that the size criteria are too inflexible and that there should be an element of discretion for special needs, for example couples or children who cannot share a bedroom for medical reasons, there should be allowed an extra room. Discretionary hardship payments are available to meet shortfalls, but these are not a satisfactory alternative as they are budget driven, local authorities often only award them for limited periods, and there are often lengthy review procedures where they are refused.

LHA rates – the mid point or the median?

- How this will affect the LHA will depend on the spread of rents in any particular area. We would need to know more about how different areas would be affected to be able to comment further on this. Any scheme needs to be operated fairly and consistently - see above.

Is the LHA meeting its other policy objectives?

Personal responsibility

196. It was widely feared that the changes in the rules on direct payments could cause indebtedness and homelessness. We are pleased that these fears do not seem to have materialised in practice so far.
197. However, other problems have emerged, in particular problems in claimants getting bank accounts. Both Citizens' Advice and Shelter cite this as a major difficulty, and Citizens' Advice in particular provides detailed evidence about it. Citizens' Advice recommends that this problem must be addressed before national roll out of the LHA.
198. There is evidence that landlords have become even more reluctant to let to HB claimants than they were under the previous rules. Again the reasons for this are not entirely clear, but it may be because direct payments are being made less frequently. If anything this is likely to have decreased claimant choice. CPAG continues to recommend that HB payments should be made direct to the landlord if the claimant so chooses.

Transparency

199. The scheme does not seem to have been successful in raising awareness among claimants about how much benefit they would get. However, they are aware of the fact that they can keep any extra LHA above the rent level.
200. Processing times are no better than they were under the old scheme, and delays remain a major problem with HB.

Choice

201. There is little evidence that claimants are using LHA to trade up or down in their accommodation. The reasons claimants have given the DWP and Citizens' Advice for not moving are largely connected with not being able to finance deposits and moving costs. There is also evidence that there is no alternative

accommodation for claimants to move to. CAB evidence indicates that LHA will only prompt households to look for alternatives where there is a large amount of excess LHA and the need to re-housing is acute. Claimants' difficulties in financing deposits and the other costs of moving need to be addressed if improving claimant choice is a serious policy aspect of LHA.

The Green Paper asks 'How should Housing Benefit be adapted to meet our welfare reform objectives for tenants in the social housing sector?'

202. This represents more cautious phraseology than previous assertions that the Government definitely wishes to extend the LHA to the social rented sector. The relatively uncontroversial introduction of the LHA into the *private* rented sector has been due in great measure to the hugely problematic operation of the existing scheme in that area, including benefit shortfalls - often very large - for the majority of tenants. The introduction of shortfalls into the social rented sector would create a problem where one currently does not exist. Without genuine, readily available and decent quality housing options, most tenants would not move and the shortfalls would simply add to poverty.
203. Any problem of some tenants occupying over-large housing should be addressed via locally run incentive schemes, not by the threat of benefit-induced hardship and debt.
204. The truth is that work incentive issues for social housing tenants are much the same as for other unemployed or low-paid workers: there is simply a concentration of these population groups in the social rented sector. High quality employment services, less draconian tapers, increased and index-linked earnings disregards and continuing improvements in administration are the measures requiring further attention here.
205. The DWP cites the high percentage of tenants in the social rented sector without work as cause for concern, and gives this as the reason for seeking reform. However, as social housing is targeted at groups of people who for good reasons are less likely to be in work, such as people looking after children, people with disabilities, people who are elderly, it is unsurprising that tenants in social housing are less likely to be in work.
206. The abolition of benefit periods and the abolition of the rule that meant that HB automatically stopped with income Support (IS) or Income-based Jobseeker's Allowance (IB/JSA) is a welcome step forward in making it easier for claimants on HB to move into work.

Section Six - Long-term benefits reform

207. The Government argues that 'the reforms set out in the Green Paper will reduce much of the complexity surrounding existing benefits for those facing health problems and disability'. However, given the complexities illustrated above, we do not agree with this view. Simplifying claimants' experience of the benefits system should be a key priority and we understand the DWP is considering 'moving in the longer term towards a single system of benefits for all people of working age, with appropriate additions for those who have caring responsibilities and those with a long-term illness of disability' (para 3, p. 92) along with quicker wins and has set up a team to explore this work. This is a significant and long term undertaking and we urge caution in this area - the

benefits system is undoubtedly highly complex, but the reasons for this complexity are tied up both with meeting complex need and with successive reforms - a review of this needs to heed the potential to create significant numbers of losers by creating a cruder system. We do not attempt to go into detail here, but rather reiterate comments CPAG sent to the Public Accounts Committee on this subject where we consider - at a principle level only - where policy should be heading.

208. As a starting point of principle CPAG believes that benefit systems should be of a standard with which all in society would be happy to use and to engage with; it should not be one 'reserved for the poor'.¹⁰⁹ We also wish to emphasize the need to tread carefully in this area. The benefits system is undoubtedly complex and has got more so - CPAG produces an annual handbook explaining the benefit and tax credit system¹¹⁰ which now runs to 1582 pages. Complexity causes real problems for claimants and administrators alike, but it often arises from the need to meet complex needs. Attempts to simplify must minimise the numbers of losers from any reform.
209. CPAG has welcomed the resources that tax credits have brought directed at tackling child poverty, but means testing tends to bring complexity with it since this involves targeting with a test of means – universal solutions (such as child benefit) are simpler to administer and simpler to understand.
210. CPAG does not reject the more radical approaches to benefit reform – including the single working age benefit – but we are concerned about the implementation of such a scheme, particularly if it continues to be based on means testing and resource constraint. CPAG sees perhaps greater potential in the process by which DWP and other Departments manage the claimant's experience of complexity.

The problems associated with complexity

211. There are a number of key problems associated with complexity:

- *Non-take up.* Key benefits and tax credits have low take up, due to complexity, lack of information, and stigma. Low take up of benefits has a negative impact on child poverty.
- *Claimant error.* Statistics indicate that error is a greater problem than fraud.¹¹¹ If processes are complex and if inadequate advice or support (for instance face to face advice) is available then claimant error is quite likely, leading to other problems further on (including non-take up, underpayments and overpayments).
- *Poor decision-making, official error and inconsistency.* If administrators cannot understand the benefit system then official error is very likely.¹¹² The voluntary sector often picks up the pieces – providing independent advice and assistance to appeal. However funding of the voluntary sector – and indeed of local authority welfare rights services – is erratic, and advice is not always accessible to claimants.
- *Delays.* An overworked bureaucracy is associated with delay, and delay associated with a poorer claimant experience and quite possibly hardship.

- *Benefit interaction.* Passporting within the benefits system increases the capacity for errors to arise increases. CPAG believes there is significant potential to reform the delivery of existing policy to improve its effectiveness and to ease the burden on claimants.
- *Stigma, time and quality of service.* This has a negative impact on take up.

212. A number of other issues need to be considered:

- Is complexity of benefits the problem or the systems which deliver benefits?
- If simplifying benefit regulations renders them more crude and potentially arbitrary, it reduces their ability to respond to complex need.
- Simplification should not be at the expense of a loss of responsiveness – for example with regard to disability.

Section Seven – Conclusions

213. To conclude we draw out some key points about the Green Paper in general and about the process of welfare reform.

214. The Green Paper is trying to do many things, suggesting significant change in the treatment for various groups and areas of policy. In doing so the direction is somewhat confused and not always consistent. There are areas – for instance around the importance of supporting parenting – where the welfare reform agenda does not join up with other agendas in Government. **Responding to the many complex points is difficult, and this response does not address all the questions raised.**

215. However, we direct attention to CPAG's previous response to the DWP's Five Year Strategy, along with two pieces of evidence written for the Work and Pensions Select Committee inquiry into Pathways to Work and the Reform of Incapacity Benefits¹¹³ and evidence supplied to the DWP by the Disability Benefits Consortium of which CPAG is a member.

216. The Green Paper focuses on paid work as a route out of poverty. CPAG is cautiously in favour of this aim - we know that many who want to work are barred from doing so - however the UK already has an internationally high employment rate and the reasons why people are not in paid employment are complex. We urge a sensitive approach to using work as the primary route out of poverty and would like to see a policy that not only encourages people to seek employment but ensures that they have the skills and support they need to access high quality, sustainable and well remunerated job. **Compelling people to access work may generate movement in and out of the labour market and this will undermine Government policy to reduce child poverty. Furthermore, the emphasis on paid work risks devaluing those who do not work but who contribute - and work on an unpaid basis - in many ways, as carers, as volunteers and as parents.**

217. The Green Paper introduces an increase in the extent of benefit conditionality in order to increase the employment rate. We believe that increased conditionality is wrong-headed. It is neither necessary - when Government emphasises how many disabled adult and lone parents want to work - nor is it socially just. We fear it will disadvantage the most vulnerable.

218. The lack of consideration of benefit adequacy within the Green Paper is both notable and worrying. We welcome the promise of an increase to the rate of elements of the proposed new disability benefit, although – as discussed above – there will be both winners and losers under the new system. **We are particularly concerned about the low rate of support for young disabled people.**
219. However a more consistent approach is needed which also means addressing the poverty gaps within Income Support and Jobseeker's Allowance. **Ensuring an adequate income for the most vulnerable groups is a vital to prevent the onset of disability or ill-health that is associated with poverty.**
220. CPAG has a number of concerns about the language in which welfare reform has been discussed both in the media and by ministers prior to the publication of the Green Paper, and we highlight a number of specific issues about the new proposals. The Government is sending out very mixed messages. On the one hand, Ministers have sought to emphasise that reform of incapacity benefits is designed to liberate disabled people, tap into their skills and capabilities and avoid the suggestion that sick or disabled people are defrauding the Government. On the other hand, a negative press campaign and the focus upon benefit fraud has had a major impact on the way in which the reform process has been interpreted. **The way in which the message on welfare reform has been communicated has done little to reassure people that the new system will be more equitable and efficient, or that paid employment really is a viable option.**
221. The Secretary of State for Work and Pensions, presented the Green Paper in a positive, enabling way, the way in which it was trawled through the press prior to its publication, with repeated ministerial threats of harsh measures and draconian action, has not been helpful and is threatening to disabled people. Equally **the Green Paper itself contains numerous references to 'Benefit dependency' – it has not been written in the language of rights and entitlements CPAG believes is necessary.**
222. The Government should be commended for engaging in a forthright and positive way with the needs of disabled people. The implementation of the Disability Discrimination Act, and the very welcome publication of Improving the life chances of disabled people - a joint report published by the Prime Minister's Strategy Unit with the DWP, the Department of Health, the Department for Education and Skills and the Office of the Deputy Prime Minister – illustrate the Government's recognition of the fact that addressing the needs of disabled people is the responsibility of a wide range of Government departments. **However, we are concerned that the Green Paper does not reflect this inter-departmental perspective, and indeed ignores a number of directives emanating from other departments.**
223. Finally adequate staff and financial resources are necessary for delivering the plans DWP has laid out in the Green Paper. With the job cuts following the Gershon review, added to the budget cuts announced in the 2006 budget CPAG is far from convinced that DWP and Jobcentre Plus has the resources in place to deliver effectively on this agenda.
224. Given that the number of incapacity claimants is gradually reducing, and the incidence of fraud among incapacity claimants is almost non-existent, we question whether a totally new system is necessary. **Improving the**

administration of the current system to ensure that sick and disabled people who are at risk of poverty receive the benefits to which they are entitled, addressing adequacy so that it safeguards parents and children from poverty, and revising and improving the assessment process to ensure that it does not act as a deterrent to work, could all be achieved without introducing a complex new system which is at odds with plans to implement a benefit simplification programme.

About CPAG

CPAG is the leading charity campaigning for the abolition of poverty among children and young people in the UK and for the improvement of the lives of low income families. CPAG aims to: raise awareness of the extent, nature and impact of poverty; bring about positive income policy changes for families with children in poverty; and enable those eligible for benefits and tax credits to have access to their full entitlement.

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1 In March 1997, the year that New Labour came to power, 4.2 million (or a shocking one in four) children in Great Britain lived in poverty. In March 1999, the Prime Minister, Tony Blair MP, delivered New Labour's bold and ambitious pledge to eradicate child poverty by 2020. A number of challenging targets were promised en route to the abolition of poverty: child poverty would be reduced by a quarter by 2005 (down to 3.1 million children from 4.2 million in 1997) and by half by 2010 (down to 2.1 million).

2 See M Brewer, A Goodman, J Shaw and L Sibieta, *Poverty and Inequality in Britain: 2006* (Institute for Fiscal Studies, 2006). The IFS report that 'reducing child poverty by 1 million between 2004/05 and 2010/11 to meet the target is likely to require significant new spending measures.', p. 57

3 See Hugh Stickland, Background paper for the HMT/DWP seminar 'Disabled Parents and Employment' 24 November 2003.

4 DWP, *Households Below Average Income* (HBAI) 1994/5 – 2004/05, indicate that after housing costs have been accounted for 24% of the 3.4 million poor children in Great Britain (around 816,000) lived with one or more disabled adult in 2004/05. The risk of income poverty for this group was 40% (against an average risk for all children of 27%).

5 DWP, *Households Below Average Income*, 1994/5 – 2004/05 (DWP, 2006), Table 4.4, p. 47

6 *Every child matters: Change children*, was delivered by ministers responsible for delivering services for children and young people at the Department for Education and Skills, Department of Health, DWP, HM Treasury, ODPM, Department for Environment, Food and Rural Affairs, Department of Trade and Industry, Ministry of Defence, Department for Constitutional Affairs, Home Office, Department for Culture, Media and Sport)

7 HM Treasury, *Child Poverty Review*, HMSO, 2004

8 Cabinet Office, Prime Minister's Strategy Unit, *Improving the Life Chances of Disabled People* (a joint report with DWP, Department of Health, Department for Education and Skills, Office of the Deputy Prime Minister, January 2005)

9 G Palmer, J Carr and P Kenway, *Monitoring Poverty and Social exclusion 2005*, (Joseph Rowntree Foundation and New Policy Institute, 2005), p 14

10 See, M Tibble *Review of existing research on the extra costs of disability* (DWP Working Paper, No 21, 2005) for a summary of different methodologies on measuring disability related costs.

11 See National Statistics, *Household Below Average Income: An analysis of the income distribution 1994/5 – 2004/05*, Corporate Document Services, 2006. Before housing costs of 2.4 million poor children, 26% (around 624,000) were both income poor and recorded as living in a household with one or more disabled adult. The risk of income poverty for this group is 31% (against an average risk for all children of 19%). Source: tables 4.4 and 4.7

12 These figures are drawn from H Stickland and R Olsen, 'Children with disabled parents' in G Preston (ed), *At Greatest Risk: The children most likely to be poor*, (CPAG, 2005) pp 135-149

13 The groups include children from black and minority ethnic groups, disabled children, asylum seeker children, children in larger families, children with a parent in prison, children with disabled parents, gypsy and traveller children, and children leaving care.

14 See Hugh Stickland and Richard Olsen, 'Children with disabled parents' G Preston, (ed) *At Greatest Risk: The children most likely to be poor*, (CPAG, 2005) pp 135, 136, 138

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- 15 One Parent Families, Meeting the Target: How can the Government achieve a 70 per cent employment rate for lone parents? Part 1: The role of conditionality (One Parent Families, 2005) p.6
- 16 National Statistics, *Households Below Average Income* (HBAI), Corporate Document Services, 2003/04
- 17 Hugh Stickland and Richard Olsen, 'Children with disabled parents' G Preston, (ed) *At Greatest Risk: The children most likely to be poor*, (CPAG, 2005), p. 138
- 18 S Vegeris and S McKay, *Low/moderate income-families in Britain: changes in living standards*, DWP, Research Report No: 164, Corporate Document Services, 2002
- 19 G Palmer, J Carr and P Kenway, *Monitoring Poverty and Social exclusion 2005*, (Joseph Rowntree Foundation and New Policy Institute, 2005), p 9
- 20 G Palmer, J Carr and P Kenway, *Monitoring Poverty and Social exclusion 2005*, (Joseph Rowntree Foundation and New Policy Institute, 2005), p. 13
- 21 G Palmer, J Carr and P Kenway, *Monitoring Poverty and Social exclusion 2005*, (Joseph Rowntree Foundation and New Policy Institute, 2005), p 14
- 22 Cabinet Office, Prime Minister's Strategy Unit, *Improving the Life Chances of Disabled People* (a joint report with DWP, Department of Health, Department for Education and Skills, Office of the Deputy Prime Minister, January 2005), p. 43
- 23 G Palmer, J Carr and P Kenway, *Monitoring Poverty and Social exclusion 2005*, (Joseph Rowntree Foundation and New Policy Institute, 2005), p 14
- 24 G Palmer, J Carr and P Kenway, *Monitoring Poverty and Social exclusion 2005*, (Joseph Rowntree Foundation and New Policy Institute, 2005), p 14/15
- 25 Cabinet Office, Prime Minister's Strategy Unit, *Improving the Life Chances of Disabled People* (a joint report with DWP, Department of Health, Department for Education and Skills, Office of the Deputy Prime Minister, January 2005), p. 43
- 26 Cabinet Office, Prime Minister's Strategy Unit, *Improving the Life Chances of Disabled People* (a joint report with DWP, Department of Health, Department for Education and Skills, Office of the Deputy Prime Minister, January 2005), p. 103, footnote 140
- 27 One Parent Families, *One parent families today the facts: the latest research on lone parents* (OPF April 2005)
- 28 HM Treasury, *Child Poverty Review*, HMSO, 2004
- 29 N Lyon M Barnes and D Sweiry, Families with children in Britain: Findings from the 2004 Family and Children Study (FACS) DWP, Research Report 340, 2006. Table 15.1
- 30 These statistics are drawn from *One parent families today: the facts* (One Parent Families, April 2005)
- 31 See *One parent families today: the facts* (One Parent Families, April 2005)
- 32 National Statistics, *Households Below Average Income* (HBAI), 1994/5-2003/04, Corporate Document Services, 2005
- 33 Hugh Stickland and Richard Olsen, 'Children with disabled parents' G Preston, (ed) *At Greatest Risk: The children most likely to be poor*, (CPAG, 2005) p. 145

34 D Piachaud, 'Child poverty: an overview' in G Preston (ed) *At Greatest Risk: the children most likely to be poor* (CPAG, 2005)

35 These figures are drawn from an analysis undertaken by CPAG using figures from HBAI 2004/05 (AHC).

36 *Child Poverty Review* (HM Treasury, 2004), published as part of the Spending Review 2004 reports that that 'There are around 1 million, workless, disabled parents. A significant proportion say they would like to work.' p. 22. The recently published *Improving the life chances of disabled people* reports that 'Among workless households with children the majority have at least one disabled parent...' It confirms that 'a quarter of children living in poverty have long-term sick or disabled parents' pp 46 and 83

37 HM Treasury (2004) *Child Poverty Review*, HMSO ,p. 61

38 See for example A Skalicky and J T Cook *The Impact of Welfare Sanctions on the health of Infants and Toddlers*, The children's sentinel Nutrition Assessment Program, Boston, Massachusetts, July 2002.

39 See DWP Incapacity Benefit and Severe Disablement Allowance Quarterly Summary Statistics, February 2005

40 See DWP Incapacity Benefit and Severe Disablement Allowance Quarterly Summary Statistics, February 2005

41 See DWP Incapacity Benefit and Severe Disablement Allowance Quarterly Summary Statistics, February 2005

42 DWP, *Opportunity for all, seventh annual report*, the Stationery Office, 2005, p. 31, para 109.

43 TUC, *Countering an urban legend: Sicknote Britain* (TUC, Economic and Social Affairs, January 2005), p.14

44 In the DWP's annual poverty reports, *Opportunity for all* the emphasis has changed from 'providing security for those who cannot work', in earlier reports, to 'providing financial support' for those who cannot work' – see the seventh annual report published 2005.

45 See DWP, *Opportunity for all, seventh annual report*, The Stationery Office, 2005

46 For further information see Tania Burchardt, *The Evolution of Disability Benefits in the UK: Re-weighting the basket* (CASEpaper 26, June 1999) and T Burchardt, *Being and becoming: Social exclusion and the onset of disability* (CASEreport 21, November 2003) p. 48 – 50

47 Hugh Stickland and Richard Olsen, 'Children with disabled parents' G Preston, (ed) *At Greatest Risk: The children most likely to be poor*, (CPAG, 2005), p144

48 See, 'Wealth brings 17 more years of health' John Carvel in *The Guardian*, Friday 25 2005.

49 DWP, *Opportunity for all, seventh annual report*, The Stationery Office, 2005, p. 106

50 See, for example S Abbott and L Hobby *What is the impact on individual health of services in primary health care settings which offer welfare benefit advice?* (Health and Community Care Research Unit, 2003).

51 See B Blythe, *Incapacity Benefit reforms – Pathways to Work Pilots performance and analysis* (DWP working Paper No 26, 2006) - 'There were a total of 147,950 starts to the Pathways to Work process...11,200 are currently identifiable as voluntary participants' (7.6 per cent). 'There were a total of 19,550 Pathways job entries to end of August...3,010 were from the voluntary customer group' (15.5 per cent). 'This means that jobs from voluntary customers are making a significant contribution to Pathways performance', pp 11, 16.

52 Citing recent statistics issued by the Office of National Statistics (ONS), *The Guardian* reports a jump of 12,600 in unemployment in March – see L Elliott, 'Unemployment heads for 1m by summer' in *The Guardian*, April 13, 2006, p. 28

53 See B Blythe, Incapacity Benefit reforms – Pathways to Work Pilots performance and analysis (DWP working Paper No 26, 2006), 'Incapacity Benefit leavers: Around an eight percentage point increase in the IB six month off-flow rates in the Pilot districts', p. 8

54 Quoted by, P Dornan 'Working a way out of poverty' in G Preston (ed) *At Greatest Risk: the children most likely to be poor*, (CPAG, 2005), p. 34

55 DWP, DWP Households Below Average Income: An analysis of the income distribution 1994/5 – 2004/05, Corporate Document Services, 2006, Table 4.4, p.47

56 See K Higginbottom, 'Down but not out' in 'Work section' of *The Guardian*, 15.04.06, p.3

57 Social Exclusion Unit (SEU), *Mental Health and Social Exclusion*, Office of the Deputy Prime Minister, 2004, p. 3

58 Cabinet Office, Prime Minister's Strategy Unit, *Improving the Life Chances of Disabled People* (a joint report with DWP, Department of Health, Department for Education and Skills, Office of the Deputy Prime Minister, January 2005), p. 25

59 S Jenkins and J Rigg, *Disability and disadvantage: Selection, onset and duration effects* (CASEpaper74, November 2003), p.11

60 T Burchardt, *The education and employment of disabled young people: Frustrated ambition* (Joseph Rowntree Foundation, 2005)

61 Letter from DWP, Disability and Carers Service, DWP, dated 21 April 2006.

62 Cabinet Office, Prime Minister's Strategy Unit, *Improving the Life Chances of Disabled People* (a joint report with DWP, Department of Health, Department for Education and Skills, Office of the Deputy Prime Minister, January 2005), p.83

63 R Berthoud, *The employment rates of disabled people* (DWP, Research Report No 298, Corporate Document Services, 2006)

64 See Department for Work and Pensions, Quarterly Appeal Tribunal Statistics: June 2005

65 See, for example S Abbott and L Hobby *What is the impact on individual health of services in primary health care settings which offer welfare benefit advice?* (Health and Community Care Research Unit, 2003).

66 Quarterly Appeal Tribunal Statistics: June 2005

67 According to the DWP, *Household Below Average Income: An analysis of the income distribution 1994/5 – 2004/05*, 'Those families living in receipt of Jobseeker's Allowance (JSA) were heavily skewed towards the bottom of the distribution, with around three-quarters in the bottom quintile. Children living in families claiming Housing Benefit (HB) and/or Income Support were predominantly in the bottom two quintiles.', p. 37. See also Table 4.8: Risk of falling into low-income groups of children by various family and household characteristics, p. 51. (HBAI reveals that the risk of children in a household in receipt of JSA living below 60 per cent of median income is 64 per cent (BHC) and 73 per cent (AHC)

68 R Berthoud, *The profile of exits from incapacity-related benefits over time*, Working paper 17, (DWP, 2004)

69 See, ONS, The mental health of young people looked after by local authorities in England, (Office for National Statistics, 2003). This research indicated that 'among young people aged between 5 and 17 years who were looked after by local authorities in England, 45 per cent were assessed as having a mental disorder.' (With similar rates in Scotland (45%) and Wales (49%). Among 11 to 15 year olds, about 68 per cent were assessed as having a mental disorder. Two thirds of all looked after children were reported by their carers to have at least one physical complaint' 'Over three quarters of children with a mental disorder had at least one physical complaint compared with just over half of the children who were assessed as not having a mental disorder.' (New release, 27 June 2003). Also see T Burchardt, *The education and employment of disabled young people: Frustrated ambition* (Jospeh Rowntree Foundation, 2005)

70 For example, a recent report published by the Department of Health stresses that 'in the course of assessing an individual's needs, councils should recognise that adults, who have parenting responsibilities for a child under 18 years, may require help with these responsibilities.' Department of Health, *Fair Access to Care Services: Guidance on eligibility criteria for adult social care* (Department of Health, 2005) (para 9, p. 2)

71 A Corden, K Nice and R Sainsbury, Incapacity Benefit Reforms Pilot: Findings from a longitudinal panel of clients (a research report carried out by the Social Policy Research Unit at the University of York on behalf of the DWP, (DWP, Research Report No 259, 2005), p. 69

72 Cabinet Office, Prime Minister's Strategy Unit, *Improving the Life Chances of Disabled People* (a joint report with DWP, Department of Health, Department for Education and Skills, Office of the Deputy Prime Minister, January 2005), p. 18

73 DWP, *Opportunity for all: Seventh Annual Report*, The Stationery Office, 2005, p. 92, para 76.

74 Memorandum submitted by One Parent Families to the Select Committee on Work and Pensions inquiry into child poverty.

75 DWP, *Opportunity for all: seventh annual report*, The Stationery Office, 2005, p. 74

76 DWP, *New Deal for Lone Parents Evaluation: Findings from the Quantitative Survey*, (DWP, 2003, p. 1

77 NDLP is , 'a voluntary programme available to all non-employed lone parents, and has a strong focus on providing lone parents with work-focused information and advice, particularly in relation to the financial implications of employment' which has Although NDLP has been 'popular with participants (and) been a successful and cost effective programme that significantly increased the chances of participants to enter work' DWP, *Opportunity for all, seventh annual report* (DWP, 2005), p. 48

78 J Millar and M Evans (eds) *Lone parents and employment: International comparisons of what works* (Prepared for the DWP, published by the Centre for the Analysis of Social Policy, December 2003) p. xvii

79 DWP, *Opportunity for all, seventh annual report* The Stationery Office, 2005, p. 124, para 48

80 Mandatory Work Focused Interviews (WFI) were introduced in April 2001 for all new lone parents making new or repeat claims for IS and whose youngest daughter was at least five years and three months. There is a mandatory review meeting after six months, after 12 months, annually thereafter. In 2001-2002, the policy was extended to include stock customers whose youngest daughter was aged from 13 to 15 years, to customers with a youngest child aged between nine and 12 years in 2002/03, to those with a youngest child aged from five to eight in 2003/04, and to customers with a youngest child aged between 0

and five years in April 2004. These 'stock' customers who remain on benefit have to attend a mandatory WFI review meeting 12 months after their initial meeting and annually thereafter. Since September 2004, in Extended Schools Childcare pilot areas, 'stock' lone parents with a youngest child aged 12 years or over have been required to attend mandatory quarterly WFI. These have been extended to all lone parents with a youngest child aged 14 or over in all Jobcentre Plus districts from October 2005 – see P Gregg and S Harkness, *Welfare Reform and Lone Parents in the UK*, (CMPO Working Paper Series, No 03/72, June 2003).

81 See One Parent Families briefing for Westminster Hall debate on lone parent employment, 2 March 2006.

82 P Gregg and S Harkness, *Welfare Reform and Lone Parents in the UK*, (CMPO Working Paper Series, No 03/72, June 2003), p. 27

83 DWP, *Building on New Deal – local solutions meeting individual needs* (Corporate Document Services, 2004)

84 See HBAI, 1994/5 – 2004/05. Table 4.1, p. 43

85 OPF evidence to Work and Pensions committee – citing DWP, *New Deal for Lone Parent Evaluation: A Quantitative Survey of lone parents on income support* (ESR 101)

1. 86 M Evans, S Harkness and R Arigoni Ortiz, *Lone parents cycling between work and benefits* (DWP, Research Report 217, Corporate Document Services, September 2004)

87 See L Adelman, S Middleton and K Ashworth, *Britain's Poorest Children: Severe and persistent poverty and social exclusion* (Save the Children, 2003) which reports that 'Policy must recognise that work is not possible for all parents at all times (and) benefits must be adequate to protect children from poverty at times when work is not an option...Protection needs to be increased for families during transitions from benefits to work and from work to benefits. Policies must also support job retention.'

88 DWP, *Households Below Average Income: An analysis of the income distribution 1994/5 – 2004/05* (Corporate Document Services, 2006) Table 4.4, p.47

89 J Millar and M Evans (eds) *Lone parents and employment: International comparisons of what works* (Prepared for the DWP, published by the Centre for the Analysis of Social Policy, December 2003) p. 37

90 J Millar and M Evans (eds) *Lone parents and employment: International comparisons of what works* (Prepared for the DWP, published by the Centre for the Analysis of Social Policy, December 2003) p. 37

91 J Millar and M Evans (eds) *Lone parents and employment: International comparisons of what works* (Prepared for the DWP, published by the Centre for the Analysis of Social Policy, December 2003) p. 45

92 See G Cooke, *4Children*, Realising the childcare revolution, 2004.

93 See R Chote, C Emmerson, D Miles and Z Oldfield, *The IFS Green Budget: January 2005*, (Institute for Fiscal Studies, 2005). The IFS report that 'The majority of recipients are families on middle or average incomes, without around 7% of families in each of the 3rd to 7th deciles receiving the childcare tax credit...The beneficiaries from both the programme as a whole and the changes announced in the Pre-Budget Report are mostly in the middle of the income distribution...our data suggest that some of the richest 10% of families are benefiting from the childcare tax credit...This means that the childcare tax credit has almost no direct impact on child poverty as measured by the government', p. 154

2. 94 J Millar and M Evans (eds) *Lone parents and employment: International comparisons of what works* (Prepared for the DWP, published by the Centre for the Analysis of Social Policy, December 2003) , pp 52-53

95 See, for example, J Casebourne, and L Britton, *Lone parents, health and work* (DWP, Research Report 214, Corporate Document Services, August 2004)

96 See, for example, A Wilkins 'TANF and Disabled Parents' in Welfare Reform, National Conference of State Legislatures which discusses the Temporary Assistance for Needy Family (TANF) where a time limit has been imposed on the amount of time welfare recipients can receive cash assistance. Although there are some exemptions, these are restricted and are usually aimed at people with temporary disabilities. 'Those recipients who have not received an exemption are likely to encounter great difficulties complying with the program work requirements. These individuals are at risk of sanction or may exhaust their lifetime limit on receipt of cash assistance, without having security steady employment of income.' Many TANF recipients experience a health problem severe enough to prevent them from working but not severe enough to qualify for SSI (Supplementary Security Income).' This client group – many of whom are lone parents with mental health problems or learning disabilities - is experiencing high levels of poverty in the US.

97 See, for example, R Lister Poverty: the case for a review of benefit levels in *Compass Thinkpiece* Number 5, (Compass, 2006)

98 HM Treasury, Department for Education and Skills *Support for parents: the best start for children* (HMSO, December 2005)

99 DWP *Five Year Strategy – opportunity and security throughout life* (The Stationery Office, 2005), p. 38, para 69

100 L Elliott 'Unemployment heads for 1m by summer' in *The Guardian*, Thursday April 13, 2006. The Guardian reports that 'the slowdown in consumer spending is taking a particular toll on female jobs in the service sector.'

101 See J Millar and M Evans (eds) *Lone parents and employment: International comparisons of what works* (Prepared for the DWP, published by the Centre for the Analysis of Social Policy, December 2003) p.51

102 One Parent Families, *Meeting the Target: How can the Government achieve a 70 per cent employment rate for lone parents?* Part 1: The role of conditionality (One Parent Families, 2005) p.6

103 M Evans, *NDLP: Second synthesis report of the National Evaluation* (DWP W163)

104 P A Kemp, *Shopping Incentives and Housing Benefit Reform* (Joseph Rowntree Foundation, 2000)

105 DWP, *Building Choice and Responsibility – a radical agenda for housing benefit* (DWP, 2003)

106 Shelter; *On the Right Path? The interim findings of Shelter's research into the Housing Benefit Pathfinders* (Shelter, October 2005)

107 CAB *Early Days; CAB evidence on the Local Housing Allowance*, Citizens Advice, November 2005

108 CAB, *Early Days; CAB evidence on the Local Housing Allowance*, (Citizens Advice, November 2005)

109 J Bradshaw and A Deacon, *Reserved for the poor, means test in British social policy*, (Blackwell, 1983)

110 CPAG, *Welfare Benefits and Tax Credits Handbook 2005/2006*, Child Poverty Action Group, 2005

111 For example, in terms of overpaid benefit the DWP have estimated a fraud level of 1 per cent for the Pension Credit, compared to 1.7 per cent customer error and 2.2 per cent official error (therefore 3.9 per cent error). See DWP, 2005, *Fraud and Error in Pension Credit from October 2003 to September 2004*, National Statistics. For Income Support and Jobseekers Allowance, DWP have estimated 2.6 per cent fraud, 1.2 per cent customer error and 2.4 per cent official error (3.6 per cent error). See DWP, 2005 *Fraud and Error in Income Support and Job Seekers Allowance from October 2003 to September 2004* National Statistics.

112 Using data for Income support and Jobseekers allowance from several years, between April 2002 to March 2003 fraud was estimated at 4.5 per cent, in the latest available data (October 2003 to September 2004) this stood at 2.6 per cent; claimant error has gone from 0.9 per cent (April 2002 to March 2003), to 1.2 per cent (October 2003 to September 2004); and official error has gone from 1.9 per cent (April 2002 to March 2003), to 2.4 per cent (October 2003 to September 2004). See DWP, 2004, *Fraud and Error in Income Support and Job Seekers Allowance from April 2002 to March 2003* (National Statistics); DWP, 2005, *Fraud and Error in Income Support and Job Seekers Allowance from October 2003 to September 2004* (National Statistics).

113 These can be downloaded from www.cpag.org.uk