



News

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Incapacity benefits and income support abolished by 2013

Incapacity Benefits and Income Support will be abolished by 2013 to "create a more streamlined system" based on just two working-age benefits: Employment and Support Allowance (ESA) for those who have a medical condition which prevents them from working, and Job Seekers' Allowance (JSA) for those who are able to work, the government proposed today. In a new green paper, No one written off: reforming welfare to reward responsibility, the government propose that those currently claiming incapacity benefits will be moved on to ESA by 2013, with both existing and new claimants undergoing a new medical assessment assessing 'what they can do, rather than what they can't'. In addition, whilst those with severe disabilities will be paid more benefit under ESA, it will be stressed to the rest who qualify for the benefit that it is a temporary form of support paid whilst they receive personalised help to enable them to return to work.

Other proposals aimed at achieving a more streamlined benefit system include moving lone parents with children under seven on to JSA. Whilst they would not be expected to actively seek work, measures will prepare these parents with younger children for work and the introduction of a financial incentive in the form of a 'skills for work' premium paid on top of existing benefits.

The green paper also sets out stricter conditionality for lone mothers and others in receipt of JSA, including compulsory training and the introduction of a 'full-time work for benefits' scheme - involving for example participation in community work - for those who have been unemployed for over two years or who are deemed to be 'abusing' the system.

Secretary of State for Work and Pensions James Purnell said -

'Our proposals are based on a simple deal: more support in return for greater responsibility. This green paper proposes a simpler benefit system that rewards responsibility, gives people the incentive to do the right thing and ends the injustice of people being written off on benefits for life without any hope of getting the support they need to get back to work. We will help people find work, but they will be expected to take a job.'

DWP News Release:

<http://www.dwp.gov.uk/mediacentre/pressreleases/2008/jul/drc089-210708.asp>

The Green Paper:

<http://www.dwp.gov.uk/welfarereform/noonewrittenoff/noonewrittenoff-complete.pdf>

OPFS Response

Most of the proposed welfare reform changes will fail to lift lone parents and their children out of poverty. We are concerned that the emphasis on compulsion and sanctions is wrong, unnecessary and unworkable. The good news is the proposal to let lone parents on benefit keep all the child maintenance they receive.

The Green Paper introduces 'work for dole' requirements in addition to existing plans to move lone parents off Income Support and onto Job Seekers Allowance, requiring them to seek work or face sanctions. It also introduces a degree of mandatory skills training. Conditionality is being introduced despite evidence that most lone parents want to work and to skill up and the rapid rise in lone parent employment from 45 per cent in 1997 to 56.6 per cent today. Some of the implications of the changes are:

- Affordable, flexible, quality childcare and services for pre-teenagers are not yet at a level in Scotland to meet present demand.
- Employment offering flexible hours and which takes account of the caring role of parents bringing up children on their own are in short supply, making the scheme unworkable in practice.
- Many lone parents who have moved into work remain in poverty (with a 16% risk if in full-time work, 33% if in part-time work). The Green Paper offers very few options to tackle the challenge of in-work poverty.
- Lone parents themselves want to improve their skills in preparation for work that lifts their children out of poverty. But the new proposals limit training opportunities to 8 weeks, potentially condemning lone parents to unqualified, low-skill, low-paid jobs (one quarter of non-working lone parents have no qualifications).
- Parents are best placed to judge when it is or isn't in their child's interests for them to work. Given pressure on Job Centre Plus advisers to meet targets and respond to a stream of welfare reform proposals, there is a worry that they will be inadequately trained and therefore ill-equipped to make sensitive decisions about quality of childcare or impact on a family of the parent working.
- If sanctions are imposed, for example where a mandatory interview is missed, the impact of the benefit cuts will hit the children, many of whom are already experiencing deprivation.

Lone parents need constructive help to move into work, not more threats of losing their benefit. Rather than a punitive 'work for benefits' regime, more initiatives are needed to help lone parents overcome the challenges of:

- Finding affordable, flexible, high quality childcare.
- The lack of work at flexible hours. In a recent survey, 71 per cent of lone parents not in work cited not being able to find a job to fit in with childcare or school hours as a barrier to work;
- Finding work that pays. Twenty-three per cent of children living with a lone parent who works are still poor, and lone parents still face some of the worst financial incentives to work of any group;
- 'Skilling up' for the work-place, given that one quarter of non-working lone parents have no qualifications
- Overcoming ill-health and disability, with a quarter of lone parent families including at least one child with a disability or long-standing illness.

OPFS is concerned about the lack of childcare, restricted ability to access qualifications and training under JSA and the downturn in the economy. The monitoring of the implications of welfare reform and the effect on child poverty levels in Scotland, compared to other countries in the UK, is an imperative. The pressure on claimants to be available for work must be matched with better state support via childcare and with pressure on employers to be more family friendly.

In the drive to be seen as being tough on benefit claimants, the Government is in danger of losing sight of the reality of lone parents' lives and the challenging job they face in parenting well whilst competing in the jobs market. They need support and encouragement, not threats of further impoverishment.

Marion Davis
Policy, Development & Training Manager
Choices: OPFS West of Scotland
100 Wellington Street, Glasgow, G2 6DH
Tel: 0141 847 0444
mariondavis@opfswest.org.uk

Note to Editors:

(1) The Government is phasing in new work-search obligations for non-working lone parents: From November 2008 lone parents on Income Support whose youngest child is aged 12 will be switched to Jobseeker's Allowance which places new obligations on them to look for work. From October 2009 lone parents whose youngest is 10 or over will be switched to JSA and from 2010 the change will apply to those with a youngest of seven.