



## Lone parents with younger children: the Progression to Work pathfinders

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Author: Steven Kennedy

Section Social Policy Section

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The *Welfare Reform Act 2009* includes provisions to enable piloting of the so-called 'Progression to Work' regime inspired by Professor Paul Gregg's December 2008 report, *Realising Potential: A Vision for Personalised Conditionality and Support*. Under the previous Government's plans, lone parents on Income Support (and partners of claimants of certain benefits) with a youngest child aged three or over would be required to agree with an adviser a plan setting out a route back to work, which they would be obliged to follow. Failure to undertake 'work-related activity' could result in a benefit sanction – i.e. a reduction in the amount they receive. The intention is not to force parents into specific jobs, but to help them prepare for a return to work when their youngest child reaches seven.

During the Lords stages of the *Welfare Reform Bill*, an Opposition amendment (supported by the Liberal Democrats) was agreed which provided that, under the Progression to Work regime, no financial sanction could be imposed on a 'single parent' with a youngest child under the age of five. The amendment was overturned by the Commons, but the then Opposition spokesman Lord Freud (now Minister for Welfare Reform) gave an assurance that, if his party was able to form a Government, lone parents with children under five would not face financial sanctions under the new regime.

In February 2010 the Government asked the Social Security Advisory Committee to scrutinise proposals for draft regulations to enable Progression to Work 'pathfinders' to start in four Jobcentre Plus districts from October 2010. The SSAC launched a public consultation on the proposals, but no regulations were laid before the dissolution of Parliament. It is unclear whether the Coalition Government intends to proceed with the pathfinders.

The Progression to Work proposals are separate from – but linked to – changes already being implemented which will mean that by 2011 most lone parents with a child aged seven or over will no longer be eligible for Income Support but must instead claim Jobseeker's Allowance, and be available for and actively seek paid work. Further details of these changes are given in a separate standard note, *Lone parents and Jobseeker's Allowance*.

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## 1 Overview of the proposed 'pathfinders'

At present, lone parents in receipt of Income Support are required to attend Work-Focused Interviews (WFIs) as a condition of receiving their benefit, but any action beyond attending and participating in WFIs is entirely voluntary. Partners of claimants of Income Support or income-related Employment and Support Allowance (ESA(IR)) are required to attend a one-off WFI, but as with lone parents are not currently required to undertake any further activities.

Under changes already underway, from 2011 most lone parents with a youngest child aged seven or over will no longer be eligible for Income Support but will instead have to claim Jobseeker's Allowance (JSA) and be available for and actively seek work. The JSA regime is also to be extended to partners of Income Support or ESA(IR) claimants with a youngest child aged seven or over, under a different timetable.

In February 2010 the Labour Government published draft proposals to test measures requiring lone parents and partners of claimants with children aged 3-6 to work closely with their adviser to agree their own 'route-way' back to work. They would be required to:

- attend quarterly Work-Focused Interviews
- agree an action plan
- undertake 'Work-Related Activity', including training which takes that plan forward
- undertake specific Work-Related Activity as directed by an adviser, in certain circumstances

The new obligations would be underpinned by a new 'escalating sanctions regime' designed to give lone parents and partners greater opportunity to comply with the requirements, in order to minimise the numbers receiving financial sanctions.

The aim of the measures is to help prepare lone parents and partners with younger children for a return to work, when they become ready to do so, by undertaking activities which will move them closer to the labour market. **Parents would not be required to undertake work, apply for, or take up a job.** The intention is however that they will be in a better position to do so when their youngest child reaches seven and they become subject to the full JSA regime.

Under the draft proposals, the measures would be introduced initially in four Jobcentre Plus districts (Nottinghamshire, South London, Staffordshire and Tees Valley), in order to test operational aspects and the effectiveness of the model, before rolling it out nationally. The 'Progression to Work pathfinders' would commence from 25 October 2010 for new claimants and from 4 April 2011 for existing claimants, and would run for a minimum of two years.<sup>1</sup>

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<sup>1</sup> In response to a PQ from Theresa May in July 2009 [HC Deb c1323-1323w] on the definition of a 'pilot' and a 'pathfinder' programme, the then DWP Minister Jim Knight said:

'The Department has no formal definition for pilots or pathfinders. A pilot is considered to be a feasibility study or activity aimed at testing and evaluating the effectiveness of an initiative on a small scale before considering whether or not to implement it more widely. A pathfinder is an advance part of implementation when a decision has been made to deploy a project. Pathfinders are generally the initial phase in rolling out initiatives.'

## 2 Background

### 2.1 Lone parents on Income Support and partners of claimants: the current rules

Lone parents who are not in full-time work and who do not have a health condition or disability may be able to claim either Income Support or Jobseeker's Allowance. Income Support is a means-tested benefit available to certain groups who are not required to be available for or to seek paid work. Until recently, all lone parents with a child under 16 could claim Income Support but as a result of changes currently being implemented, by 2011 most lone parents with a youngest child aged seven or over will no longer be eligible for Income Support and will instead have to claim Jobseeker's Allowance (JSA) and satisfy the rules on being available for and actively seeking work. Further information on these changes is given in Library standard note SN/SP5532, *Lone parents and Jobseeker's Allowance*.

For lone parents remaining on Income Support, currently the only requirement is that they attend regular 'Work-Focused Interviews' (WFIs) with Jobcentre Plus advisers. WFIs for lone parents were first introduced in April 2001. The aim of WFIs is to encourage claimants to address barriers to work and to move towards employment, and to make them aware of the range of help and support that may be available (including the New Deal for Lone Parents).<sup>2</sup> Where a lone parent is required to attend a WFI, they must attend and participate in discussions with an adviser. This includes answering questions on various matters and helping the adviser to complete an 'action plan'. Failure to take part in a WFI, without 'good cause', may result in a benefit sanction. At present, lone parents are not required to engage in any activity or follow the action plan; any action beyond attending and taking part in the WFI is entirely voluntary.

Partners of Income Support or income-related Employment and Support Allowance (ESA(IR)) claimants are currently only required to attend a single one-off WFI six months into the benefit claim. However, the *Welfare Reform Act 2009*<sup>3</sup> provides that where one member of a couple in receipt of one of either of these benefits is capable of work, he or she will have to claim JSA and satisfy the labour market conditions. The Labour Government proposed to use these powers to subject 'work-ready' partners of IS or ESA(IR) claimants to the JSA regime for couples making new claims for benefit from 2012/13, if they do not have dependent children, or of their youngest child is aged seven or over. The rules would then be phased in for existing couple claimants, so that all 'work-ready' partners would be subject to the JSA regime by 2016/17, except those with a youngest child under seven. The changes would therefore bring the treatment of partners into line with the treatment of lone parents.<sup>4</sup>

### 2.2 Professor Paul Gregg's report

On 30 July 2008 it was announced that Professor Paul Gregg of Bristol University would undertake a review for the Department for Work and Pensions which would look at '...what we should expect people to do and the role sanctions can and should play in motivating individuals to engage in the back-to-work support provided'.<sup>5</sup> His report, *Realising Potential: A Vision for Personalised Conditionality and Support*, was published on 2 December 2008.<sup>6</sup>

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<sup>2</sup> See for example regulation 1(4) of *The Social Security (Work-focused Interviews for Lone Parents) and Miscellaneous Amendments Regulations 2000*; [SI 2000/1926 as amended](#)

<sup>3</sup> Section 5

<sup>4</sup> For further details see [Library Research Paper 09/08](#), pp44-47

<sup>5</sup> DWP press notice, [Making work work for everyone](#), 30 July 2008

<sup>6</sup> See also DWP press notice, [Purnell - fair rules for welfare reforms](#), 2 December 2008

The Gregg report set out a 'vision' for a 'single personalised conditionality regime' whereby virtually everyone claiming benefits and not in work should:

- Be required to engage in activity that will help them to move towards, and then into employment;
- Have an adviser with whom they will be able to plan and agree a route back to work;
- Be obliged to act on the steps that they agree will help them;
- Have a clear understanding of the expectations placed upon them (and why) and what the consequences are for failing to meet these; and
- Be able to access a wider range of personalised support on the basis of need not what benefit they are on.<sup>7</sup>

It envisaged a 'personalised conditionality and support regime' comprising three broad groups:

**A 'Work-Ready' group** for people who are immediately job-ready. The personalised regime will be akin to the current Jobseeker's Allowance regime. It should be largely rules-based and self-directed with standard jobsearch requirements. As part of further personalisation there should also be steps to:

- Speed up access to the more personalised parts of the JSA regime for harder to help groups; and
- Improve support for people on JSA with a health condition or disability.

**A 'Progression to Work' group** aimed at those where an immediate return to work is not appropriate but is a genuine possibility with time, encouragement and support, and where the conditionality will:

- Reflect the claimant's co-ownership of the return to work process;
- Be tailored to their capability and built around their circumstances;
- Be based on activity that supports the claimant's own route back to work; and
- Link up with effective support.

**A 'No Conditionality' group** that involves no conditionality requirements whatsoever. This would consist of the current Employment and Support Allowance (ESA) support group, lone parents and partners with a youngest child under the age of one, and certain carers.<sup>8</sup>

The December 2008 White Paper, *Raising expectations and increasing support: reforming welfare for the future*<sup>9</sup>, welcomed the recommendations in Professor Gregg's report and said that the Government supported the 'vision' of personalised conditionality based on the three groups. It announced that the Government intended to 'reshape' its plans for previously announced pilot schemes to test the 'core elements' of the Gregg review. This would include testing the 'Progression to Work' requirements for lone parents and partners of benefit

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<sup>7</sup> *Ibid.*

<sup>8</sup> *Ibid.*

<sup>9</sup> Cm 7506

claimants with younger children. However, while Gregg suggested that the Progression to Work group should include those with a youngest child aged 1-6, the Government would begin by exploring how the arrangements might apply to parents with a youngest child aged three and over.<sup>10</sup>

Provisions to enable the piloting of the Progression to Work model for lone parents and partners of benefit claimants with younger children were included in the *Welfare Reform Bill 2008-09*, and a further discussion paper was issued in January 2009 setting out how the Government planned to implement and test the approach.<sup>11</sup>

### **2.3 Welfare Reform Bill 2008-09**

Further background to the Progression to Work proposals is given in the Library Research Paper prepared for Second Reading of the *Welfare Reform Bill 2008-09*.<sup>12</sup> Developments during the parliamentary stages of the Bill are covered in the Library's Commons *Committee Stage Report*<sup>13</sup>, and in Library standard note on Lords amendments.<sup>14</sup>

During the parliamentary stages of the Bill, concerns were voiced about various aspects of the Progression to Work proposals, including:

- Whether introducing new mandatory requirements was the best way of engaging with lone parents to help them move towards the labour market
- The difficulties some lone parents might face meeting the new obligations and the potential clash with family responsibilities
- The availability of appropriate childcare, particularly for pre-school children
- The potential impact of benefit sanctions on lone parents and their children
- The ability of Jobcentre Plus to deliver high quality, personalised support

The Government responded with a number of concessions and undertakings:

- Removing the requirement for lone parents with a child under one to attend Work Focused Interviews (WFIs)
- Specifying in primary legislation that no lone parent with a child under the age of three would be required to undertake 'work-related activity'
- Placing in primary legislation an assurance that no lone parent with a youngest child under seven would be required to meet the full jobseeking conditions for JSA
- Allowing lone parents to restrict the hours when they undertake 'work-related activity', to enable them to fit their activity around the children's schooling and formal childcare
- Requiring that the well-being of the child should be taken into account when a parent and personal adviser agree an action plan

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<sup>10</sup> *Ibid.* para 6.64

<sup>11</sup> [Realising potential: Developing personalised conditionality and support: A discussion paper on next steps in implementing the Gregg Review](#), 28 January 2009

<sup>12</sup> [RP 09/08](#)

<sup>13</sup> [RP 09/23](#)

<sup>14</sup> [SN/SP/5212](#)

- Exempting lone parents with a child under 16 in receipt of the lower rate care component of Disability Living Allowance from the requirement to undertake work-related activity (the Bill as published only exempted those with children getting the middle or higher rate care component)
- Ensuring that consideration of 'good cause' for failure to comply with mandatory requirements takes into account the availability of childcare and the claimant's physical or mental health or condition.

A key area of contention was the point at which lone parents with younger children should face possible benefit sanctions. At Report Stage in the Lords on 22 October 2009, the then Opposition Work and Pensions Spokesman Lord Freud moved an amendment – which was also signed by the Liberal Democrat Work and Pensions Spokespersons Lord Kirkwood and Baroness Thomas of Winchester – to provide that no financial sanction could be imposed on a 'single parent' with a youngest child under the age of five. A similar amendment had been tabled by James Clappison in Committee in the Commons, and by Lord Skelmersdale in Grand Committee. The amendment on Report was agreed by 103 votes to 97.<sup>15</sup>

The amendment was overturned on consideration of Lords amendments in the Commons<sup>16</sup>, and a Government amendment in lieu was accepted requiring that any regulations relating to work-related activity for lone parents with a child under seven be subject to the affirmative procedure.<sup>17</sup>

The Lords did not press their amendment, but Lord Freud said:

It is clear that this amendment has become something of a political game for the Government. They cannot accept this simple, unambiguous proposal because it came from our Benches, and for no other reason. I do not think that it is appropriate or seemly to join this political game. This is a Bill that we support and I do not want to endanger it. We have made our point. We believe that there should be protection for lone parents with pre-school-age children. Judging by the large number of e-mails that I have received in the past 36 hours, many lone parents are utterly dismayed that this amendment is being removed and disbelieving that it is a Labour Government who are doing it.

I can console them with this thought: in this area, it may matter considerably more who are in government in six months or so than whether this protection is explicit in the legislation. As David Cameron concluded in his remarkable speech on Monday, the Conservatives, not Labour, are best placed to fight poverty in this country. I can assure noble Lords that if we are in a position to form a Government in six months, lone parents with children under five will not face financial sanctions as a result of the progression-to-work regime.<sup>18</sup>

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<sup>15</sup> For further information see SN/SP/5212, pp4-6

<sup>16</sup> HC Deb 10 November 2009 cc167-195

<sup>17</sup> HC Deb 10 November 2009 c195

<sup>18</sup> HL Deb 12 November 2009 c908



### 3 The draft regulations

In February 2010 the Department for Work and Pensions submitted an *Explanatory Memorandum*<sup>19</sup> to the Social Security Advisory Committee (SSAC)<sup>20</sup> including draft regulations to enable the introduction of Progression to Work pathfinders from October 2010. An overview of the draft regulations and associated memorandum is given below.

#### 3.1 Scope

The draft regulations apply the Progression to Work model in the pathfinder areas to two groups:

- lone parents who are entitled to Income Support as lone parents with a youngest child aged 3-6
- partners of income-related ESA claimants and partners of certain Income Support claimants, where either of them is responsible for a youngest child aged 3-6

New claimants would be subject to the new regime from the beginning of the pathfinders in October 2010, and existing claimants and partners from April 2011.

Certain groups would however be exempt from the requirement to undertake work-related activity:

- Foster parents
- Those with children for whom the DLA care component is payable (at any rate)
- Those claiming Carer's Allowance or a Carer's Premium

The pathfinders would take place in four Jobcentre Plus districts in England:

- Nottinghamshire
- South London
- Staffordshire
- Tees Valley

Approximately 31,500 lone parents and 4,500 partners of claimants would be subject to the new requirements in each year of the pathfinders.<sup>21</sup>

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<sup>19</sup> [EXPLANATORY MEMORANDUM FOR THE SOCIAL SECURITY ADVISORY COMMITTEE FROM THE DEPARTMENT OF WORK AND PENSIONS: The Income Support and Employment and Support Allowance \(Work-Focused Interviews, Work-Related Activity, etc.\) \(Lone Parents and Partners\) Regulations 2010 – to enable the introduction of the Progression to Work pathfinders from 25 October 2010](#)

<sup>20</sup> The SSAC is an advisory body which gives independent advice to the Secretary of State on social security matters. Part of its work involves scrutinising draft regulations or proposals for regulations submitted to it by the Secretary of State under statutory requirements, and making recommendations which the Secretary of State must respond to. In undertaking such work, the Committee usually initiates public consultation with interested bodies and individuals, to ensure that its reports are based on as wide a range of evidence as possible. Further information can be found at the [SSAC website](#).

<sup>21</sup> DWP *Explanatory Memorandum*, para 67

The DWP *Explanatory Memorandum* states:

### **Impact on Jobcentre Plus Resources**

55. The introduction of additional WFIs, WRA and a new sanctions regime will increase the number of staff required (by approximately 43.3 in the pathfinder areas). Total cost to 2012 is estimated at £21 million. Funding and headcount to deliver the additional activities has been secured.

Although lone parents and partners would not be expected to apply for or take up a specific job, the Department anticipates that the pathfinders would lead to a small increase in employment rates, resulting in benefit savings of between £2.0 million and £5.5 million over the period 2010-2012.<sup>22</sup>

### **3.2 Work-Focused Interviews**

For both lone parents and partners, the existing requirements to attend and participate in Work-Focused Interviews (WFIs) are unchanged for those with a youngest child aged 1-2; lone parents would continue to have six-monthly WFIs and partners would have a single one-off WFI.

For those with a youngest child aged 3-6 the intention is to have WFIs at quarterly intervals for both groups, although the interval is not specified in the regulations. The *Explanatory Memorandum* states that there is flexibility to hold WFIs at shorter or longer intervals 'where this is appropriate'.<sup>23</sup>

As is the case now, WFIs may be deferred, or waived altogether, if it is considered they would not be of benefit to the person, or appropriate in the circumstances (e.g. because of a health condition or caring responsibilities).

### **3.3 Work-Related Activity**

Under Progression to Work, lone parents and partners would be expected to undertake 'Work-Related Activity' (WRA) between WFIs in order to continue to receive the full rate of benefit.

For lone parents making a new benefit claim, and for partners of new claimants, the intention is that the requirement to undertake WRA would not commence until after the second WFI.<sup>24</sup>

'Work-Related Activity' is defined in section 2D(9)(d) of the *Social Security Administration Act 1992* (inserted by section 2 of the *Welfare Reform Act 2009*) as-

...activity which makes it more likely that the person will obtain or remain in work or be able to do so.

The term is not defined further in the regulations, but the DWP *Explanatory Memorandum* states:

WRA will encompass a range of possible activity. In addition to taking steps that directly improve their employability, we want parents to be able to engage with wider parenting and family support services and for their children to benefit from high quality childcare and early years provision. Equally, for customers who may have been out of

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<sup>22</sup> DWP *Explanatory Memorandum*, para 69

<sup>23</sup> Para 20

<sup>24</sup> *Explanatory Memorandum*, para 30

work for some time, activities which build their confidence and encourage them to participate in their community could be just as valuable steps forward as those more directly aimed at improving their employability.

WRA activity will be flexible and tailored to meet needs. We do not intend to specify an exhaustive list of activities which count as WRA.<sup>25</sup>

However, the *Explanatory Memorandum* includes a table<sup>26</sup> which gives an indication of the kinds of activities which might count as Work-Related Activity:

<p><b>Address their own or their wider family situation</b></p>	<ul style="list-style-type: none"> <li>• Assessing childcare options.</li> <li>• Parenting or family learning courses.</li> <li>• Starting to use Children’s Centre services.</li> <li>• Stabilising housing situation</li> <li>• Seeking debt advice.</li> </ul>
<p><b>Manage their health for work on a voluntary basis (i.e. customers could not be mandated to take such action)</b></p>	<ul style="list-style-type: none"> <li>• Condition management programmes.</li> <li>• Drug and alcohol rehabilitation.</li> <li>• Therapy or physiotherapy for a common health condition.</li> </ul>
<p><b>Improve their skills for work</b></p>	<ul style="list-style-type: none"> <li>• Undertaking a Skills Health Check.</li> <li>• Undertaking a Basic Skills programme.</li> <li>• Short motivational and confidence building courses.</li> <li>• Mentoring.</li> <li>• Attending work-related training programme.</li> <li>• Participating in literacy or numeracy courses.</li> <li>• Participating in English language training.</li> </ul>
<p><b>Looking for work</b></p>	<ul style="list-style-type: none"> <li>• Working with New Deal or provider advisers to consider jobseeking ideas.</li> <li>• Independent job search.</li> <li>• Becoming aware of job opportunities in the local area.</li> <li>• Investigating the availability of suitable childcare.</li> </ul>

<sup>25</sup> Paras 31-32

<sup>26</sup> In Annex 4

<p><b>Preparing for full-time employment.</b></p>	<ul style="list-style-type: none"> <li>• Participating in a Work Trial.</li> <li>• Undertaking voluntary work *</li> <li>• Preparing for self-employment.</li> <li>• Part-time working*</li> </ul> <p>* Customers cannot be mandated to undertake voluntary or part-time work – though they may opt to do such activities.</p>
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The lone parent's or partner's action plan (drawn up, or updated at a WFI) will specify activities to be undertaken, the dates and times on or by which an activity is to be undertaken, and the evidence required to show that the activity has been undertaken. At least one Work-Related Activity must be undertaken between WFIs. However, parents will not be required to undertake WRA at times when no suitable childcare is available. The Secretary of State may also determine that the requirement to undertake WRA does not apply if it would be or would have been 'unreasonable' for the person to undertake that activity at that time.<sup>27</sup>

Where more than one WRA activity is listed in a person's action plan, they will have the choice over which one to undertake before their next WFI.

The *Explanatory Memorandum* states:

A customer would not be treated as having failed to carry out WRA if they had a stretching goal but then had not made as much progress as had originally been hoped. Also where someone undertook an alternative activity from what was agreed in their Action Plan, and the adviser accepted that it would move them closer to work, the customer would be considered to have met their WRA requirements. However, we will encourage customers to consult their adviser if they decide to carry out a different activity from that agreed or if their circumstances change. The Regulations allow for customers to request reconsideration of their action plans in such circumstances (other reasons for reconsideration are set out in the regulations, which also list a number of examples of what may count as good cause).

Similarly, where an individual wanted to try and undertake several activities and these were recorded in their Action Plan they would not be penalised if they failed to complete every one of them; they would only need to complete one activity to comply with the requirement.<sup>28</sup>

Advisers may however direct a parent to undertake a specific activity as the only activity which may satisfy the requirement between WFIs. This may occur if:

- the person is identified as having a significant barrier to work but refuses to address that barrier;

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<sup>27</sup> Regulation 20 of the draft Regulations

<sup>28</sup> Paras 35-36

- the adviser considers that an activity is a prerequisite to the person's ability to obtain or remain in work ; or
- There is only one activity the adviser considers is appropriate for the person to undertake at that time.<sup>29</sup>

The *Explanatory Memorandum* states:

Direction to specific work-related activity would always be done as a last resort and will reflect the individual customer's ability and circumstances at the time.<sup>30</sup>

### 3.4 Escalating sanctions

The potential impact of benefit sanctions on lone parents and partners was a key area of concern highlighted by welfare rights organisations, opposition parties and members of both Houses during the parliamentary stages of the *Welfare Reform Bill 2008-09*. In response, the Government said that under the Progression to Work model, sanctions would be very much a "last resort" and that the regime would differ from that which currently applies to claimants of JSA and Income Support, with "a more upfront, in-depth engagement with lone parents before a financial sanction is imposed".<sup>31</sup> The arrangements are intended to provide claimants with more opportunities to comply with the requirements, and involve greater effort on the part of Jobcentre Plus staff to make contact with lone parents and partners to ensure that they understand the requirements, and to establish why they have failed to comply.

Under Progression to Work, sanctions may be applied:

- Failure to participate in a Work-Focused Interview, without good cause
- Failure to carry out general Work-Related Activity, without good cause
- Failure to carry out specific, directed WRA, without good cause

The draft Regulations provide for an 'escalating sanctions regime', which comprises a number of stages. The DWP *Explanatory Memorandum* gives an outline:

47. As now, if a customer fails to take part in a WFI, sanction action will not initially be taken. Instead the adviser will discuss any issues the customer may have and give them another opportunity to engage. This first failure will not be the subject of a formal failure determination but will be dealt with informally and therefore, is not included within the Regulations. Only if the customer fails to engage again will formal sanction action follow.

- **Stage 1: Formal Written warning**

This is the first stage of the sanction process where a customer has failed to comply with a requirement without good cause. The letter will inform the customer that their benefit has not been affected but that further failure could result in a financial penalty.

- **Stage 2: Individual Case Review**

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<sup>29</sup> Regulation 13 of the draft Regulations

<sup>30</sup> Para 40

<sup>31</sup> See for example the comments by Lord McKenzie of Luton during consideration of Commons amendments; HL Deb 12 November 2009 cc905-906

After a subsequent failure to comply without good cause, an individual case review will be carried out. This involves a senior adviser or manager undertaking an in-depth review of the customer's circumstances and the reasons for failure to comply. This could include home visits. Following the review it could be decided that WFIs or WRA are not appropriate at this stage. Regardless of the outcome, no benefit will be removed at this stage.

- **Stage 3:** sanction of 10% of the personal rate (or of the benefit increase in respect of a partner) for a maximum of 2 weeks. Benefit will be reinstated on compliance.
- **Stage 4** – sanction of 20% of the personal rate (or of the benefit increase in respect of a partner) for a maximum of 2 weeks. Benefit will be reinstated on compliance.
- **Stage 5** – indefinite sanction of 20% of personal rate (or of the benefit increase in respect of a partner). Benefit will be reinstated on compliance.

48. For both lone parents and partners the relevant amount deducted will be based on a rate for a customer aged 25 or over.

49. This model will provide customers with more opportunities to comply with the requirements and will ensure that they do not face a financial penalty before a full review of their circumstances has been carried out. As now, customers will have the opportunity to ask for the sanction decision to be reconsidered. The regulations also give a right of appeal against a decision that a person has failed to take part in a WFI or to undertake WRA, or has not shown good cause for such a failure, as required by section 2B(6) of the Social Security Administration Act 1992.

50. Overall this approach will provide customers with every opportunity to engage with WRA, lead to fewer financial sanctions, but provide the necessary backstops to ensure engagement and progression.

Where a person has reached a particular stage in the sanctions model, subsequent compliance with the requirement does not result in them returning to stage 1, so following any future failure to satisfy a mandatory requirement they would progress to the next stage. The *Explanatory Memorandum* states:

This is because, following a period of compliance the customer will have built up an ongoing relationship with the adviser and should be more aware of their responsibilities.<sup>32</sup>

Lone parents and partners failing to comply with a mandatory requirement may be subject to a benefit sanction, unless they are able to show 'good cause' for their failure. 'Good cause' for failure to attend a WFI or undertake WRA includes:<sup>33</sup>

- The person misunderstood the requirement because of learning, language or literacy difficulties, or because they were given misleading information by Jobcentre Plus
- Their physical or mental health or condition made it impracticable for them to comply
- Compliance would likely have risked their or another person's health or safety, or subjected the person to excessive physical or mental stress

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<sup>32</sup> Para 51

<sup>33</sup> Regulation 23 of the draft Regulations

- Compliance would have involved unreasonable expense
- The person was a hospital in-patient, was attending a medical or dental appointment, was required to attend court, or was attending the funeral of a relative or close friend; and it was unreasonable to expect them to comply with the requirement at an alternative time
- They were attending a job interview, or pursuing employment opportunities as a self-employed earner; and it was unreasonable to expect them to comply with the requirement at an alternative time
- The person, a dependant or someone else the person provides care for suffered an accident, sudden illness or relapse of a physical or mental condition; and it was unreasonable to expect them to comply with the requirement at an alternative time
- There were unavoidable transport difficulties, and it was unreasonable to expect them to comply with the requirement at an alternative time
- Childcare was not reasonably available, or was unsuitable due to the particular needs of the person or child, and it was unreasonable to expect them to comply with the requirement at an alternative time
- A direction to undertake specific Work-Related Activity, or the decisions and conclusions reached in the assessment which led to the decision, were 'unreasonable'
- In the case of a direction to undertake specific WRA, failure to comply stemmed from a religious or conscientious objection sincerely held.

This is not an exhaustive list however; other factors may also be taken into account.

To avoid a sanction, a person would have to show 'good cause' within five working days of notice of failure being given.

### **3.5 Related changes**

During the Lords Committee Stage of the *Welfare Reform Bill 2008-09*, the DWP Minister Lord McKenzie of Luton gave an undertaking that lone parents taking part in the Progression to Work pilots working less than 16 hours a week would be able to earn up to £50 a week before their benefits were affected, rather than the current £20 disregard. This was in response to an amendment tabled by the former Work and Pensions Minister Baroness Hollis of Heigham. Lord McKenzie said:

We announced in our response to the Gregg review that the department would test an improved financial incentive for parents with younger children to work less than 16 hours while on benefit in the progression-to-work pathfinders. On the question whether mini-jobs lead to other employment opportunities, research—which I think is the research to which my noble friend referred—shows that mini-jobs could play a role in engaging mothers in the labour market and allowing them to combine both caring for children and working. Mini-jobs may be appealing particularly to those who are further from the labour market, such as those with young children, or those who have a larger family and lack qualifications. Being in a mini-job helps them remain in employment. The impact of mini-jobs for couple-mothers is less clear. The evidence suggests that participation in mini-jobs tends to be a stable activity of couple-mothers.

As a result of our desire to test and improve financial incentive, we are proposing to introduce in the pathfinders an earnings disregard higher than the current £20 a week

into income support for lone parents working below 16 hours a week. Our evaluation has indicated that an appropriate amount to test would be to increase the current disregard to £50 a week. The rationale is that it balances the increase in income that a lone parent receives when working on benefit when they obtain a mini-job and the need to ensure that lone parents have an incentive to move off benefit altogether by working more than 16 hours a week and taking advantage of the additional help available for low-income groups through, for example, tax credits.

As my noble friend pointed out at Second Reading, we would not want a lone parent to miss out on moving into work of 16 hours or more a week and accessing tax credits where they can. Some people are able to double their take-home minimum wage and make work really pay—again, as my noble friend instanced.

It is crucial to test the improved incentive of a £50 disregard within the pathfinder areas to try out work while on benefits. It will represent one way in which lone parents can be encouraged to take up work-related activity that helps them make the transition into full-time work as part of the progression-to-work pathfinders. The new amount also represents a relatively simple and clear increase in the disregard and a much improved incentive to try out work while on benefits, without allowing lone parents to receive significantly more by working fewer hours and staying on benefits than if they were working 16 hours or more.

The provision would not provide the step-progression that my noble friend referred to, because, at a £50 disregard, you are pretty much on the cusp of whether working just slightly under 16 hours equates to working 16 hours and being out of benefits and into the tax credits system. With the £50 disregard, there would be a level income for somebody working about eight hours through to working just under 16 hours. The provision does not deal with the step-progression that my noble friend sought, but seeks to test improved financial incentives for parents in mini-jobs, which is the key point that my noble friend was pressing.

We also feel that it is inappropriate to specify an amount in primary legislation, because we would have to debate a new amount every time we wanted to change it. That is best left to delegated legislation and the processes already in place; for example, scrutiny by the Social Security Advisory Committee.<sup>34</sup>

Further information on the increased earnings disregard was given in a DWP press release issued on 2 July 2009.<sup>35</sup> The Labour Government confirmed its intention to introduce the higher disregard in a further press release on 11 November 2010<sup>36</sup>, and in a written answer on 24 March 2010.<sup>37</sup>

The DWP's February 2010 *Explanatory Memorandum* for the Social Security Advisory Committee stated:

We are also testing in the pathfinders an increased Financial Incentive for lone parents who work less than 16 hours a week (under powers in Section 2 of the Employment and Training Act 1973). Any payment under the financial incentive will not be treated as income for the purpose of the lone parent's Income Support claim and so they will have more money available to them. This is not dealt with in these regulations. The exact detail of this proposal is being considered further to ensure that as many lone

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<sup>34</sup> HL Deb 22 June 2009 cc356-357

<sup>35</sup> [Supporting family friendly work at heart of welfare reform - Cooper](#)

<sup>36</sup> [Extra support and cash for parents moving off benefits and into jobs – Cooper](#)

<sup>37</sup> HC Deb 24 March 2010 c335w



parents as possible who are working less than 16 hours per week are entitled to an incentive payment.<sup>38</sup>

#### 4 Next steps

The Social Security Advisory Committee launched a public consultation on the draft *Income Support and Employment and Support Allowance (Work-Focused Interviews, Work-Related Activity, etc.) (Lone Parents and Partners) Regulations 2010* on 12 February 2010 and the deadline for the submission of representations was 29 March 2010.

The SSAC press release announcing the consultation stated:

Before the Committee considers and reports on these proposals, it would like to hear from organisations and individuals who have views, in particular on the following aspects of the proposed changes:

- The potential impacts on lone parent families and families coping with health conditions, of a sanctions regime of this nature
- The potential impacts of this sanctions regime on child poverty
- The practical implications for customers, and Jobcentre Plus staff and their programme-providing partners, of the form of conditionality that is proposed.<sup>39</sup>

The Secretary of State is obliged to take account of the SSAC's recommendations, and when regulations are finally laid before Parliament, the Committee's report and a statement explaining the Government's response to its recommendations must also be laid. SSAC reports on draft regulations are not made public before this stage.

No regulations had been laid before the dissolution of Parliament on 12 April 2010. It is unclear whether the Coalition Government intends to proceed with the Progression to Work pathfinders and, if so, what changes it might make.

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<sup>38</sup> Para 5

<sup>39</sup> [CONSULTATION: The Income Support and Employment and Support Allowance \(Work-Focused Interviews, Work-Related Activity, etc.\) \(Lone Parents and Partners\) Regulations 2010 – to enable the introduction of the Progression to Work pathfinders from 25 October 2010](#)