

# Removing Income Support eligibility for lone parents with a youngest child aged five or over

Equality impact assessment

March 2011

# Equality Impact Assessment: Removing Income Support eligibility for lone parents with a youngest child aged 5 or over

## Introduction

1. Government departments have a duty to assess the possible impact of any changes to policies or services, and as such, eliminate discrimination and promote equality of opportunity.
2. The Department for Work and Pensions has carried out an equality impact assessment on the proposal to remove Income Support (IS) eligibility for lone parents with a youngest child aged 5 and over, to meet the requirements of the Equality Act 2010.
3. This process will help to ensure that:
  - the Department's strategies, policies and services are free from discrimination;
  - due regard is given to equality in decision making and subsequent processes; and
  - opportunities for promoting equality are identified.
4. This equality impact assessment considers the potential impact of the proposed changes to IS eligibility in terms of gender, disability, race, age, gender re-assignment, religion or belief, sexual orientation and pregnancy and maternity. An equality impact assessment was prepared for the changes to IS eligibility for lone parents with a youngest child aged 7 and over and this equality impact assessment builds on that earlier assessment.

## Policy background

5. Income Support (IS) is the main income-replacement benefit for lone parents. Before November 2008, lone parents with a youngest child up to the age of 16 could claim IS as a lone parent. Since then, this threshold age has been reduced first to 12 and then 10. The age reduced to 7 on 25 October 2010.
6. Currently:
  - There are 1.9 million lone parents in Great Britain. Over 1 million lone parents are in work (2010, Qtr 2).
  - The lone parent employment rate in Great Britain is 57.4% (2010, Qtr 2).

- In the UK, 34 per cent of children in lone parent families were in poverty in 2008/09, compared with 22 per cent of all children.
7. We know that, for most people, work is the best route out of poverty. A child of a lone parent who works part-time is over two and a half times less likely to be living in poverty than a child of a lone parent who is not working. Work is important not just to provide greater financial independence, but also because it can bring wider social benefits, improvements in health and well-being for lone parents, and in turn, greater life chances for children.
  8. An increase in conditionality for lone parents is expected to lead to significant additional employment effects as well as wider benefits for both lone parents and their children. As such, we believe that it would also have a positive effect on child poverty and children's long-term outcomes.
  9. We believe that it is important that people who can take up paid employment are given help and encouragement to do so. An increase in conditionality will ensure lone parents who otherwise might not have been aware of the help and support available, have every opportunity to receive this support. To this end, the new Work Programme being introduced by summer 2011 will offer highly personalised support that is based on the needs of individuals, providing the right support at the right time.

## The policy change and who will be affected

10. The Welfare Reform Bill, introduced into Parliament in February 2011, contains provision to amend section 3 of the Welfare Reform Act 2009, which, if brought into force, would require IS to be made available on the grounds of lone parenthood to those whose youngest child is aged under seven, replacing seven with five. Subject to Parliament approving this change, the Department intends to make regulations so that lone parents aged 18 or over with a child of 5 or over will no longer be entitled to IS, unless they qualify for another reason<sup>1</sup>. Lone parents who are no longer entitled to IS will be required to prepare for and seek work as a condition of receiving benefit<sup>2</sup>, unless their capability for work is limited by a health condition or disability and they qualify for Employment and Support Allowance (ESA).
11. There are likely to be a small number of lone parents who have not taken up the offer of a school place by their youngest child's fifth birthday. In such cases, lone parents will be treated as available for and actively seeking work if it would be unreasonable

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<sup>1</sup> These groups include, for example:

- Those in receipt of the middle or highest rate care component of Disability Living Allowance for a dependent child
- Those who are foster carers and have a child placed with them
- Those who have an underlying entitlement to or are in receipt of Carer's Allowance

It is also intended that lone parents who remained entitled to IS by virtue of Income Support (Prescribed Categories of Person) Regulations 2009 will remain entitled if they continue to meet relevant conditions. In addition, in line with previous changes, lone parents who would be affected by the change, who are receiving IS and are full-time students will be transitionally protected.

<sup>2</sup> This policy change was announced in the June 2010 Budget

for them to make other arrangements for the care of their child until their child enters full-time education or is required to receive full-time education.

12. There are around 100,000 lone parents claiming IS with a youngest child aged 5 or 6 (Work and Pensions Longitudinal Study, May 2010). Based on evidence of historic benefit claims, the policy change is expected to affect a further 75,000 lone parents per year, once those currently claiming IS lose their eligibility.

## Why we are making this change

13. We know that, for most people, work is the best route out of poverty. Work has also been shown to improve people's health and well-being and lead to better outcomes for children; outcomes for children who grow up in a working household are generally better than for their peers from workless households. Therefore, we believe that it is important that people who can take up paid employment are given help and encouragement to do so; and that it is reasonable to expect lone parents to take up work once their children are in full time education. We recognise, though, that this must be commensurate with their caring responsibilities and that any benefit reforms do not put children at risk.
14. The employment rate for lone parents with a youngest child aged 5 and 6 is lower than the lone parent employment rate generally, at 54.4% (2010, Qtr 2). Of those not in employment, the majority are looking for work or would like to work. Of all lone parents with a youngest child aged 5 or 6, just under 80% are either in employment, looking for a job, or would like to work.
15. There is an evaluation and monitoring programme (see later section for more information) in place for those affected by the LPO Regulations which restricted eligibility to Income Support (these changes are known as Lone Parent Obligations (LPO) and are referred to as such throughout this equality impact assessment.EIA). Our experience of the implementation of those arrangements for lone parents who have already lost entitlement to IS, and the early evidence emerging from the evaluation of those changes, suggests that there is no reason why the current policy can not be extended to lone parents once their child reaches 5 years of age.
16. The current policy resulted in a big change for lone parents and a different way of working for staff within Jobcentre Plus. Despite this, evidence from the early implementation of LPO<sup>3</sup> has found that implementation has gone smoothly to date, with awareness of the changes amongst staff and those customers affected being high. The Department has put in place a mechanism to address issues highlighted by the evaluation of LPO and to take forward any recommendations, as appropriate (see section on 'Current monitoring and evaluation' for more detail).

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<sup>3</sup> *Lone Parent Obligations: early findings of implementation as well as experiences of the Income Support and Jobseeker's Allowance regimes*; Gloster et al, DWP Research Report no 645, March 2010

# What the change means for lone parents

## Losing eligibility for Income Support

17. The changes to IS eligibility are aimed at helping more lone parents prepare for and move into work. Some may move directly into work once eligibility to IS comes to an end, but we recognise that most lone parents will need some additional support in making the transition into work. These lone parents are able to move to another out-of-work benefit if they need to, including Jobseeker's Allowance (JSA) and Employment and Support Allowance (ESA), if they meet the eligibility requirements. A proportion of lone parents may not move into work or on to another benefit and may re-partner, for instance, or experience other circumstances following the removal of IS eligibility<sup>4</sup>.
18. We have emerging evidence, from the LPO evaluation, on the effect of the loss of IS eligibility on those affected by the LPO Regulations; those with older children. This evidence has helped us to consider any possible effects of removing eligibility for IS from lone parents with a youngest child aged 5 and 6. There is nothing to suggest, from the evidence we have currently, that many of these will be different for lone parents with younger children.
19. Where there may potentially be differential impacts on lone parents with younger children, we have discussed these in the latter sections of this equality impact assessment (the 'Impact of the Policy' section). It is in those sections, therefore, that the focus is specifically on possible impacts that may apply to particular sections of the lone parent population, with children aged 5 and 6.
20. There are a range of support and services, which already exist for lone parents who lose eligibility for Income Support.
21. Our current monitoring of LPO shows that most lone parents affected by the changes will initially move on to JSA. They will be required to comply with the requirements of that regime in terms of being available for work and actively seeking work.
22. There are a number of flexibilities that were introduced into JSA to support lone parents affected by the current regulations (and some of these have been developed further since the introduction of LPO in November 2008), as well as a range of wider services to provide support. These will also be available to those with a youngest child aged 5 and 6 who will be affected by the extension of conditionality.
23. For those lone parents who have a health condition or disability, they may apply for Employment and Support Allowance, rather than JSA. To qualify, an assessment is made as to whether this health condition or disability means that a customer has "limited capability for work". Those lone parents who move on to ESA will be provided with tailored support based on their capability to move into work, as appropriate.

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<sup>4</sup> The latest Lone Parent Obligations report "*Lone Parent Obligations: destinations of lone parents after Income Support eligibility ends*" Casebourne et al, DWP RR 710, 2010, gives further information on some of the 'other' destinations that lone parents have moved into.

24. There may be circumstances in which lone parents lose eligibility to IS, but they do not claim another out-of-work benefit or do not move into work. We are monitoring the incidence of lone parents who move into another or unknown destination through the evaluation and analysis of in-house data, but have not found this to be an area for concern at the present time.

## Current monitoring and evaluation

25. The Department has been carrying out research and monitoring into the effects of Lone Parent Obligations on those with older children, affected by the current regulations. This has included:
- A review of international evidence on the impact of welfare reform affecting lone parents in other countries. This was published in January 2010<sup>5</sup>.
  - Interviews with staff and customers to explore their experiences of the transition from IS to JSA and other destinations. Findings from this research have been published in two reports in March 2010 and November 2010. This equality impact assessment has made use of the emerging evidence from these reports<sup>6</sup>.
  - A survey of lone parents due to be affected by LPO to find out more about their characteristics, as well as their aspirations towards and attitudes to work.
  - Monitoring and analysis of in-house and other data sources to help assess the impact of the changes. This includes monitoring the extent to which lone parents affected by LPO take advantage of the support that is available to them prior to the loss of IS eligibility. The analysis follows these lone parents as they move on to other benefits, into employment, have other outcomes or remain on IS because they are exempt from the IS rule change.
26. The Department also has in place a mechanism, involving a range of policy and operational staff, for considering and taking forward any recommendations arising from the evaluation. We are continually reviewing and refining the best way of making sure that issues raised through the evaluation are fed back to those delivering the LPO policy on the ground.

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<sup>5</sup> *Lone Parent Obligations: A review of recent evidence on the work-related requirements within the benefit systems of different countries*; Finn D and Gloster R, DWP Research Report number 632, 2010

<sup>6</sup> These are:

*Lone Parent Obligations: early findings of implementation as well as experiences of the Income Support and Jobseeker's Allowance regimes*; Gloster et al, DWP Research Report no 645, March 2010,

*Lone Parent Obligations: destinations of lone parents after Income Support eligibility ends*; Casebourne et al, DWP Research Report no 710, November 2010.

## Consultation and involvement

27. The Department carried out an extensive consultation exercise when developing the original plans for LPO.
28. In the Green Paper "*In Work, Better Off: Next Steps to Full Employment*", published in July 2007 the previous Government sought views from the public on its proposals to move lone parents who can undertake paid work from a passive benefit regime to a benefit which requires more active steps to look for paid work and greater engagement with the labour market. It sought feedback on options to change the circumstances in which lone parents are entitled to IS, depending on the age of their youngest child.
29. During the consultations on the Green Paper, reactions to the proposals were mixed with many representations arguing that lone parents should be able to choose to stay at home to care for their children full time. Concern was also expressed over the appropriateness of JSA for lone parents.
30. Whilst acknowledging these concerns, the previous Government announced in the Command Paper "*Ready for Work: Full Employment in Our Generation*", published on 13th December 2007, that it would take forward its proposal and change the entitlement conditions to Income Support so a lone parent, who had claimed Income Support solely on those grounds, with a youngest child aged 7 and over would have to make a claim for JSA if they were capable of work or ESA if they had limited capability of work, if they still wished to receive benefit from October 2010. The decision to do this was based on research which showed that long-term economic inactivity has harmful effects on the long-term prospects of the parent, the children, the family and the community.
31. Lone Parent Voluntary Groups were informally consulted on a regular basis on the proposals as the Department developed them for implementation. They worked with the Jobcentre Plus project team on the quality assurance of both the guidance and the procedures which were to be used. This included the extra flexibilities, which had been outlined in the Command Paper, which were introduced into JSA Regulations. These flexibilities ensured that a lone parent would not be penalised in certain circumstances if they could not comply with JSA conditionality because they could not access appropriate affordable childcare. The voluntary groups involved in the regular meetings and consultation included:
  - Gingerbread
  - Child Poverty Action Group
  - The Daycare Trust
  - Scoopaid
  - Trade Union Congress
  - One Parent Families Scotland
  - Single Parent Action Network
  - Lone Parent Mentoring - Glasgow
  - Young Peoples Project

- Citizen's Advice

32. The draft LPO Regulations, which introduced the LPO changes (for lone parents with older children) and the JSA safeguards were formally referred to the Social Security Advisory Committee who decided to formally consult on the Regulations.
33. The Regulations were also debated in Parliament between late October and mid November 2008.

## Impact of the policy to remove Income Support eligibility for lone parents with a youngest child aged 5 or over

34. The following sections look specifically at the possible impact of removing Income Support for lone parents with children aged 5 and 6 in terms of gender, disability, ethnicity, gender re-assignment, age, religion and belief, sexual orientation and pregnancy and maternity.
35. These sections aim to address specific impacts that could relate to those lone parents with a youngest child aged 5 and 6 and so be affected by the extension of the current policy. The analysis focuses more generally on lone parents with younger children, except where there is evidence specific to those with a youngest child aged 5 and 6.
36. An assessment of the possible impact of the policy changes has been made based on the available evidence, including that coming through from the early evaluation of LPO, as well as through the consultation and involvement of stakeholders.
37. Within these sections, there is an outline of measures the Department has taken to be sensitive to the needs of these various groups in the policy development and operational plans for greater conditionality for this group of lone parents. However, it should be borne in mind that this will not be specific to this group of lone parents and applies equally to lone parents with older children, already affected by LPO.

## Gender

### Background

38. The changes will apply to all lone parents, both male and female, when their youngest child turns 5. Given that 96 per cent of lone parents on Income Support with a child aged 5 – 6 are female, these measures will clearly impact on more women than men.
39. The majority of workless lone parents are female and the worklessness rate is higher among lone mothers than lone fathers (43 per cent of all lone mothers are workless, compared to 35 per cent of lone fathers)<sup>7</sup>.

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<sup>7</sup> Household Labour Force Survey, 2010, Qtr 2

40. Evidence suggests that most lone parents looking for work are looking for work that will fit in with their children's schooling, so are looking predominantly for work that is part-time and preferably within school hours. In addition to this, they tend to look for work that is local and flexible, so that they can be available if an emergency occurs, such as their child being taken ill.
41. In 2010, 57 per cent of women with dependent children<sup>8</sup> worked part-time, compared to six per cent of men with dependent children. The proportion of women working part-time is even higher amongst those with a youngest child aged 5 and 6 (61% work part-time).
42. The latest findings from the evaluation of LPO on the destinations of lone parents since the end of IS eligibility, confirms that for those who had moved into work, they had overwhelmingly chosen jobs where their hours fitted with looking after their children. It was common for interviewees to be working between 16 and 29 hours per week. Another common feature of the jobs customers had moved into was the proximity to their home.
43. Therefore, the prevailing conditions within the labour market will have an effect on the type of work that lone parents are able to access once they lose eligibility to IS and particularly, whether jobs offer flexible working arrangements.
44. The current availability of flexible working is generally fairly widespread amongst employees<sup>9</sup>. Estimates suggest that around 90 per cent of employees have access to at least one form of flexible working, with the most universally available arrangement being part-time hours (around three-quarters have access). Well over half of employees have taken up the opportunity to work flexibly over the last 12 months with their current employer.
45. Evidence has also indicated that the offer of flexible working options is important to employees when looking for or deciding to take a job. For those who are not in paid employment, but who are looking for work<sup>10</sup>, a substantial majority (78 per cent) regard flexible working arrangements as 'very important' or 'quite important' in a job.
46. The Government's plans to introduce a Universal Credit will also mean that there is less risk to people from moves into and out of work, as the Credit will replace the current system of benefits and tax credits, simplifying the system to offer a fast, modern, seamless service.

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<sup>8</sup> Household Labour Force Survey, 2010, Qtr 2. Office for National Statistics defines 'dependent children' as "children aged under 16 and those aged 16 to 18 who are never-married and in full time education".

<sup>9</sup> These jobs may not have been originally advertised as being available on a flexible working basis and this may have been negotiated by the individual employee once they were in the job. Certain groups of employees (such as parents and carers), who have been in their job for 26 weeks, also have the right to request flexible working.

<sup>10</sup> Defined as those who are unemployed and looking for work; not working (looking after home/family); retired or students.

## Potential impact and mitigation

### More women moving into work of 16 hours (or just over) a week

47. As a result of extending the requirement to look for work to those with children aged 5 and 6, there are likely to be more people looking for work of 16 hours (or just over) a week.
48. Working this number of hours has in the past been limited to certain, often lower paid sectors and jobs. The part-time pay gap in hourly earnings (which compares women's part-time pay to men's full-time pay) is 39.4 per cent<sup>11</sup> and as women do the larger share of part-time working, this impacts on them the most.
49. Those who limit their working hours often have to accept reduced status, pay and career prospects. This can reinforce the gender pay gap. The lack of availability of quality flexible work exacerbates this further.

### Mitigation through promoting flexible working

50. The Government is keen to promote flexible working and has a strong commitment to greater family friendly working practices. The Government is currently developing proposals for extending flexible working legislation and will be consulting with stakeholders on how best to implement them. The consultation will also explore what more can be done non-legislatively to encourage and support employers to offer more flexible working practices.
51. Jobcentre Plus already plays a role in encouraging employers to offer flexible working by:
  - From December 2010, JCP has equipped advisers with the skills and knowledge they need to be able to discuss the full range of flexible working options with employers who access the small business helpline. Helpline advisers will assist employers to design flexible jobs to suit their business needs. In addition, JCP is strengthening the existing message in the Labour Market and Recruitment Advisors (LMRA) toolkit, where LMRAs will promote the benefits of flexible working with employers as a way of filling their vacancies. This will be supported by guidance for LMRAs which will include the features and benefits to employers of the full range of flexible working options available.
  - Flexible working requirements, to allow promotion and understanding for employers have been represented in plans for Jobcentre Plus' future business changes, including those processes and systems that are central to successful delivery.

## Disability

### Background

52. Lone parents are more likely to report having a disability than the overall working age population in Great Britain. Twenty per cent of all lone parents compared to 17 per cent in the working age population have a disability as defined under the Disability Discrimination Act (DDA)<sup>12</sup>.

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<sup>11</sup> Office for National Statistics (2009) Annual Survey of Hours and Earnings

<sup>12</sup> Household Labour Force Survey, 2010, Qtr 2. The Disability Discrimination Act has now been replaced by the Equality Act 2010.

53. Lone parents with a youngest child aged between 5 and 6 are slightly more likely to have a disability: around 22 per cent have a disability as defined under the DDA<sup>13</sup>. Lone parents with a youngest child aged 5 to 6 and with a disability tend to fare worse in terms of employment outcomes, with only 38 per cent in employment compared to 54 per cent of all lone parents with a youngest child aged 5 to 6.
54. Recent research suggests that over half of lone parents with a health problem or disability describe themselves as “not looking for work but would like to in the future”.<sup>14</sup> Some parents face additional challenges, particularly when they have a sick or disabled child.

### **Potential impact and mitigation**

#### **Those with a health condition or disability may not be able to take up the support on offer**

55. There is evidence that existing voluntary employment support for lone parents on Income Support is less successful for those lone parents with disabilities. Lone parents with a disability are around 10% less likely to move into a job than those without a disability, following participation in New Deal for Lone Parents. Therefore, there could be a risk that those with a health condition or disability might find it more difficult to move into work, although we do not know whether this will affect lone parents with a youngest child aged 5 or 6 more than others necessarily.

#### **Mitigations in place for those with a health condition or disability**

56. There are a number of ways that those affected by the policy changes, where either they or their child have a health condition or disability, will be supported, either to continue to receive income-related benefits or through the support on offer to move into work. These include:

##### **LPO exemption –**

57. Lone parents on IS who have a child for whom the middle or highest rate care component of DLA is payable will continue to be eligible to claim IS when their youngest child reaches five<sup>15</sup>.

##### **Employment and Support Allowance (ESA) –**

58. Lone parents whose capacity to work is limited by a health condition or disability may claim ESA, if eligible. Within ESA they will receive tailored support by trained Jobcentre Plus advisers, backed up by a package of pre and in-work support that will aim to improve outcomes for disabled lone parents and promote equality of opportunity.

##### **Jobseeker’s Allowance (JSA) –**

59. For those lone parents who claim JSA, Jobcentre advisers will use the existing flexibility within the JSA system to support them with a move into suitable work. This will address any restrictions agreed between the parent and the Personal Adviser, for

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<sup>13</sup> *ibid*

<sup>14</sup> Thomas, A. (2007) *Lone Parent Work Focused Interviews: Synthesis of Findings*, DWP research report 443: 41.

<sup>15</sup> The Government has just finished consulting on plans to replace Disability Living Allowance with a new cash benefit (Personal Independence Payment) in 2013-14

example, on availability and actively seeking work, and these will be included in the Jobseeker's Agreement.

## **Race**

### **Background**

60. The majority of all lone parents with a youngest child aged 5 to 6 are White. However, a relatively large proportion, around 17 per cent, come from an ethnic minority group. This compares to 12 per cent of the working-age population who come from an ethnic minority group<sup>16</sup>.
61. The employment rate of ethnic minority lone parents with a youngest child aged 5 and 6 is lower (around 35 per cent) than for White lone parents with a youngest child aged 5 and 6 (58 per cent).

### **Potential impact and mitigation**

#### **Those from an ethnic minority background may face disadvantages in moving into work**

62. There is evidence that existing voluntary employment support for lone parents on Income Support is less successful for those lone parents from an ethnic minority background. Following participation in New Deal for Lone Parents, compared to White participants:
- Asian lone parents are around 25% less likely to move into a job
  - Black lone parents are around 10% less likely to move into a job, and
  - Mixed/Other lone parents are around 10% less likely to move into a job.
63. However, there is no evidence that those with children aged 5 and 6 are any less likely to move into a job following participation in New Deal for Lone Parents and so will face particular disadvantages.

#### **Childcare as a barrier to work**

64. Evidence shows that some children from ethnic minority families are less likely to access childcare, particularly formal childcare, than white families. Children in Pakistani, and particularly Bangladeshi families, are less likely to use childcare than other children. However, we also know that children from these families are less likely to be living in a lone parent family.
65. Evidence on differences in usage of childcare amongst other ethnic minority families suggest that they are as likely to use formal childcare as other families<sup>17</sup>.
66. However, we know very little on the childcare preferences of lone parents from an ethnic minority with children aged 5 and 6, compared to those with older children.

### **Mitigations**

67. There are already flexibilities in JSA that apply to those with older children, which will be available to lone parents with a youngest child aged 5 and 6. Specific, personalised support will continue to be available to lone parents to help them

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<sup>16</sup> Household Labour Force Survey, 2010, Qtr 2

<sup>17</sup> *Childcare and Early Years: Survey of Parents 2009*, Smith et al, DfE report RR054, 2010.

prepare and move into work, and we know that this make a positive difference to lone parents chances of moving into work. The changes will also continue to be sensitive to any childcare needs and preference lone parents may have, where appropriate.

68. Therefore, it is not envisaged that there will need to be anything additional for this group, but we will continue to monitor this as further evidence is made available through the LPO evaluation.

### **Lone parents with English as a second language may not understand the detail of the new system and the responsibilities that go with it**

69. We have no specific evidence to quantify the size of this risk, particularly for lone parents with children aged 5 and 6. More generally, evidence shows that people who can speak English, but have English as a second language, can have difficulties when arguing their case for benefit<sup>18</sup> and that communication issues can be a cause of dissatisfaction<sup>19</sup>. Evidence has shown ethnic minority lone parents have a preference for face to face contact. This preference should be met under the proposed policy change as regular, personal contact with Jobcentre Plus would be an important part of the requirements.

### **Mitigations**

70. Jobcentre Plus will continue to have in place communications policies to take account of contact with people whose first language is not English.
71. Language barriers can also seriously undermine the chances of finding and keeping a job. Therefore, where a need is identified, Jobcentre Plus will discuss the options available to customers with English language needs and encourage customers to take steps to address any needs.
72. Advisers undertaking New Jobseeker Interviews must encourage customers with language needs to address language barriers. This could include working with customers to identify and participate in activities to improve their English.

## **Age**

### **Background**

73. We know that lone parents with younger children are likely to be younger themselves. Table 2 gives age breakdowns for those on IS based on the age of their youngest child.

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<sup>18</sup> *Ethnic minority customers of the Pension, Disability and Carers Service: an evidence synthesis*, Allmark P et al, DWP research report, 2010.

<sup>19</sup> *Summary report on the potential causes of lower overall satisfaction from non-White customers and customers with a long-term illness or disability*, Stockley R et al, DWP research report no 568, 2010.

**Table 1: Lone parent IS claimants: age of claimant by age of youngest child**

Age of yc Age of LP	Under 5	5 and 6	7 to 9	10 and 11	12 to 15
Under 18	1%	0%	0%	0%	0%
18 – 24	39%	10%	1%	0%	0%
25 – 34	42%	50%	40%	25%	9%
35 – 44	16%	33%	45%	52%	51%
45 – 54	1%	6%	13%	21%	36%
55 – 59	0%	0%	1%	1%	4%

Source: Work and Pensions Longitudinal Study, May 2010.

## Potential impact and mitigation

### Lone parents with younger children may be adversely affected by the requirement to prepare and look for work because of their age

74. We do not believe there will be any particular adverse impacts on those lone parents with children aged 5 and 6. The evidence suggests that younger lone parents are likely to have more recent experience of the labour market compared to older lone parents who tend to have been on benefits for longer.
75. Being out of the labour market for an extended period of time is associated with lower levels of confidence and self-esteem, which inhibit a move into work. This is reflected in findings from the early evaluation of LPO. It found that those who had been out of work for longer, moving from IS to JSA, were particularly concerned about their recent lack of work experience and/or length of time they had been out of the workplace and this was likely to affect their confidence, self-esteem and motivation. Keeping parents in the labour market helps their employability. Therefore, this should be less of a constraint for those lone parents with children aged 5 and 6, affected by the latest policy proposals who have closer attachment to the labour market.
76. Lone parents aged under 18 will remain entitled to Income Support on grounds of lone parenthood until they reach 18 which is the age at which entitlement to JSA normally starts. There are currently very few (less than 20) lone parents aged under 18 with a youngest child aged 5 or over. Allowing them to retain Income Support eligibility addresses the practical problem that they would not generally under current rules be entitled to JSA. It also helps to protect those very few lone parents who have become a parent at a very young age and who may reasonably be expected to require additional time before being ready to join the labour market.

## Religion or belief

### Background

77. Currently, employment rates for lone parents vary depending on their religion.

**Table 2: Lone Parents by Religion and Lone Parents Employment Rates by Religion**

	Christian	Buddhist	Hindu	Jewish	Muslim	Sikh	Any other religion	No religion at all
<b>Lone Parents by Religion</b>	63%	<1%	<1%	..	5%	<1%	1%	29%
<b>LP Employment Rates by Religion</b>	64%	43%	64%	..	27%	52%	50%	49%

Source: Household Labour Force Survey Q2 2010.

Notes: Not provided due to small sample sizes.

78. We do not have any further breakdown though on how these rates apply specifically to lone parents with a child aged 5 and 6.

### **Potential impact and mitigation**

#### **The policy proposals may not be sufficiently sensitive to the needs of lone parents with younger children from different religions and beliefs**

79. We have no specific evidence on how the policy may impact on lone parents with younger children from different religions and beliefs, but do not consider that this will be different to those with older children currently affected by these policies.

#### **Mitigations**

80. Jobcentre Plus already has in place various general measures which are sensitive to the needs of people from different religions. These include:

- The ability to change the jobseeker's day of attendance to avoid attendance on a religious holiday.
- A jobseeker may restrict the type of work they are prepared to do, provided they can show they have reasonable prospects of employment, because of a sincerely held religious belief or conscientious objection. They must explain why their religious or other belief affects the type of work they can do.

81. Therefore, we do not believe that there needs to be anything additional in place specifically for those lone parents with a youngest child aged 5 and 6.

### **Gender reassignment**

82. We have no specific evidence on how the policy may impact on lone parents with younger children who have undergone gender re-assignment, but do not consider that this will be different to those with older children currently affected by these policies. The Department has endeavoured to ensure that customers will be treated in the same way, regardless of whether they have undergone gender re-assignment.

## **Sexual orientation**

83. The policy proposals to increase conditionality for lone parents with children aged 5 and 6 will apply to all customers regardless of their sexual orientation, and we have no evidence to suggest that they would have a specific impact on individuals because of their sexual orientation. The Department has endeavoured to ensure that customers will be treated in the same way, regardless of their sexual orientation.

## **Pregnancy and maternity**

84. The policy proposals to increase conditionality for lone parents apply only to those with children aged 5 and over. If a lone parent jobseeker becomes pregnant, she is entitled to claim IS within 11 weeks of her expected due date. Similarly, a lone parent may be entitled to Statutory Maternity Pay or Maternity Allowance from the 11<sup>th</sup> week before her baby is due (or earlier if the baby is born earlier than the 11<sup>th</sup> week).

## **Opportunity to promote equality**

85. We believe that there are a number of opportunities to promote equality through the policy changes for lone parents currently on Income Support. The changes aim to help further reduce child poverty through encouraging more lone parents with children aged 5 and 6, who can do so, to seek paid employment.
86. As the population affected by the change is predominantly female, by offering employment support to lone parents of younger children we aim to promote more equality of opportunity between men and women in accessing labour market opportunities and helping with a move back into the labour market. Importantly, the flexibilities in JSA for lone parents will still allow them to make choices about the kind of work they do and when, as we recognise lone parents' needs to balance caring and work responsibilities.
87. Providing support that is tailored to the needs of the individual and helping them find suitable work, means that they are not excluded from the labour market, and are able to enjoy the wider advantages that come from working that are experienced by the rest of the working population. This could also help them and their families to move out of poverty.
88. Given the importance of good quality early years provision on future outcomes for children and the emerging evidence around the positive impact of extended schools activity where these are available, it is important that, where necessary, any barriers to the use of formal childcare by parents are challenged and the positive benefits of formal childcare are promoted to these groups, whilst recognising the important role informal childcare plays for many lone parents.
89. Jobcentre Plus also has an important role in signposting parents to more specialist services, where necessary. They make parents aware of local provision of services of which they might not previously been aware. This can be particularly useful for parents with disabled children.

## Monitoring and evaluation

90. DWP is committed to monitoring the impacts of its policies and we will use evidence from a number of sources on the experiences and outcomes of the protected groups.
91. We will use administrative datasets to monitor trends in the benefit caseloads for the protected groups and in the level and distribution of benefit entitlements. The administrative data will provide robust material for age and gender although not, as a rule, for the other protected groups.
92. We will use survey data (for example the Family Resources Survey and Labour Force Survey) to assess trends in the incomes of the protected groups and in the employment outcomes.
93. We will use qualitative research and feedback from stakeholder groups to assess whether there are unintended consequences for the protected groups, and whether the policy is result in adverse consequences for particular groups.
94. We will utilise feedback from Departmental employee networks and internal management information. For example we will monitor the level of appeals and complaints in order to assess the broader impact of the policy.
95. We will draw on broader DWP research where appropriate, as well as any research commissioned specifically as part of the evaluation of the measure?
96. The material in this Equality Impact Assessment covers the equality groups currently covered by the equality legislation, i.e. age, disability, gender (transgender), and ethnicity. For the age and gender strands we have good quality information from both the administrative and survey data, while for ethnicity and disability we have reasonable information from the survey data. From 2011 sexual orientation, religion and pregnancy/maternity will also be covered by the equality legislation; with the exception of maternity, these groups will not be captured in the Departmental administrative information. We have requested for information on religion and sexual orientation to be included in the main survey used for low income and poverty analysis from April 2011. Also, as part of our actions in the context of the data requirements under the Equality Act, we are looking across DWP activities to identify and address further gaps in data provision wherever reasonable.

## Next steps

### **Voluntary Groups**

97. We will continue to meet regularly with the same lone parent voluntary groups as we did when planning the original change to ensure that their views and experiences of the new arrangements are considered within the delivery of the policy.

### **The Social Security Advisory Committee**

98. The draft Regulations were referred to The Social Security Advisory Committee in January 2011.

### **Welfare Reform Bill 2011**

99. To enable regulations to be made implementing the changes to Income Support entitlement conditions to require a lone parent with a youngest child aged 5 and over to claim JSA if they are capable of work or ESA if they have limited capability of work, amendments need to be made to the Welfare Reform Act 2009. This is being taken forward within the Welfare Reform Bill 2011 which will allow the policy to lower the age threshold to be scrutinised and debated by Parliament.

## Contact details

100. If you would like to receive this Equality Impact Assessment in an alternative format, or have any other queries, please email: [Karen.elsmore@dwp.gsi.gov.uk](mailto:Karen.elsmore@dwp.gsi.gov.uk).

# ANNEX

## **Lone parent flexibilities**

- Limit the hours they are available for work to a minimum of 16 hours a week based on their caring responsibilities.
- Show good cause if they refuse or leave a job because appropriate childcare is not available.
- Be treated as available and actively seeking work once in any 12 month period for a maximum of eleven weeks in certain circumstances where a bereavement or domestic emergency has occurred.
- Be treated as available for work in the school holidays if they are unable to find appropriate childcare during that time.
- Restrict their availability if they are subject to a parenting order or have entered into a parenting contract.
- Restrict their availability if their child is excluded from school and no other reasonable childcare arrangements are available.
- Take up a job offer within 28 days or attend a job interview within seven days if they would experience difficulty in arranging appropriate childcare any earlier.
- Allow jobseekers who are parents with children aged 12 or under to restrict their availability for work to their child's normal school hours.
- As well as these regulatory safeguards we will also ensure the operational ones that were introduced in November 2008 to support the original age threshold reductions will also be applicable to those lone parents with a youngest child aged five and over:
- Sign by post during the school holiday period where an Adviser agrees that no appropriate short-term childcare is available to cover the attendance at a Fortnightly Jobsearch Review; and
- Have travel time taken into account for the purposes of good cause based on their caring responsibilities (i.e. include any reasonable time required to drop off and pick up children from school or childcare).

# Glossary of terms

<b>Employment and Support Allowance</b>	From 27 October 2008, Employment and Support Allowance replaced Incapacity Benefit and Income Support paid on incapacity grounds for new customers. Employment and Support Allowance provides financial assistance as well as personalised support for people with an illness or disability to help them move into suitable work.
<b>Formal childcare</b>	Ofsted-registered childcare, including day nurseries, out-of-school clubs, pre-school play groups and childminders.
<b>Income Support</b>	Income Support is a means-tested benefit for those who do not have to sign-on as unemployed. This includes some lone parents, who are not subject to lone parent obligations or are exempt from them.
<b>Informal childcare</b>	Unregistered childcare. This includes parent and toddler groups and unregistered family members providing childcare.
<b>In Work Credit</b>	In Work Credit is a payment of £40 per week (£60 in London) for lone parents who have been receiving out of work benefits for at least 52 weeks, and who are starting a job of at least 16 hours per week.
<b>Jobseeker's Allowance</b>	Jobseeker's Allowance is the main benefit for people of working age who are out of work, work fewer than 16 hours per week on average and are available for and actively seeking work.
<b>Lone parent – generic definition</b>	Parent or guardian with a dependent child under 16 who is not in a co-habiting relationship.
<b>Lone parent on Jobseeker's Allowance</b>	A claimant who has their marital status recorded as single, widowed, divorced or separated, and has an open Child Benefit claim for at least one child under 16.

**Lone parent on  
Income Support**

A claimant who has dependent children and no partner.

**Lone Parent  
Obligations  
(LPO)**

Changes to entitlement conditions for lone parents claiming Income Support (IS), starting from 24 November 2008. Lone parents, who claimed Income Support solely on the basis of being a lone parent, with a youngest child aged 12 or over are no longer eligible for IS, subject to certain exemptions and conditions. Instead those able to work can claim Jobseeker's Allowance and are expected to look for suitable work in return for personalised help and support. Lone parents with a health condition or a disability can claim Employment and Support Allowance, if eligible. The change has been introduced in three phases: The age of the youngest child was reduced to 12 from 24 November 2008; and then to ten from 26 October 2009; and to seven from 25 October 2010. These changes affected both new and repeat and existing claimants.