



Response to the Green Paper 'In work,
better off' July 2007 Cm7130

October 2007

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Contents

Executive Summary	3
Introduction	4
Policy context	5
Principles	7
Employers	9
Supporting lone parents	10
Couple families	13
Personalised, responsive support for job seekers	14
Delivery through partnership	16
A flexible New Deal	19
Consultation questions	21

Executive Summary

- Paid employment is only one of a number of routes out of poverty for families with children. Adequate financial support for families in and out of work must lie at the heart of proposals for welfare reform.
- Pay, progression and retention in employment are key to reducing in work poverty. The Green Paper fails adequately to address this.
- We oppose the conditionality implied in the Green Paper in the light of evidence that this damages living standards for children in poverty (for example from Wisconsin, USA)¹. The proposals, and the associated risk of increased sanctions for lone parents, may worsen not reduce child poverty rates.
- While purporting to extend the “rights and responsibilities” agenda, the balance of the proposals is all one-sided. We are disappointed that the Green Paper does not spell out in any detail the nature of the additional rights to which job seekers will be entitled. It gives no guarantee of suitable jobs which parents can balance with family responsibilities, and there is a lack of detail on how the necessary support to enable parents to take up employment (for example, childcare, access to education and training) will be put in place.
- We are concerned that the Green Paper is largely aspirational and does not contain the necessary detail to provide an informed response. The resources implied in the Green Paper may be substantial, are by no means guaranteed, and need to be weighed up against alternative and potentially more effective approaches (for example better tailored childcare, transport and employer education on family friendly employment practices).
- There is a complete failure to explain how the implementation of the Leitch Review will be achieved cross-departmentally and across the devolved administrations.
- The Government's failure to provide practical proposals as to how the essential questions about contracting to the private and voluntary sector are to be dealt with leaves important questions unanswered.

Introduction

CPAG welcomes the reiteration of the Government's aspiration to achieve full employment as defined as being an employment rate of 80% and to close the employment gaps between different groups in society.

We agree with the Government that employment is one of the ways out of poverty for families with children and that achieving full employment will help to reduce child poverty. However, we argue that paid employment is only one of a number of routes out of poverty for families. Many families with children will not be in the position to take advantage of employment opportunities, and for these families, an adequate safety net of benefits and tax credits must be available. For other families, paid employment, particularly where parents take poorly paid jobs with unsatisfactory, family-unfriendly employment conditions, may result in in-work poverty and children will suffer.

This particularly applies to those who are already discriminated against and disadvantaged in the labour market: lone parents, disabled people and those from certain ethnic minorities, especially those of a Pakistani/Bangladeshi background. In previous briefings and submissionsⁱⁱ, CPAG has addressed the barriers they face: discrimination by employers; low skill levels amongst some groups; lack of suitable, flexible childcare; lack of suitable job opportunities in some areas; and inadequate transport.

CPAG is very concerned that the proposals in the Green Paper offer only very limited steps to address these, and we reject the proposals for more conditionality which the Green Paper contains. They are not well-supported by evidence and are likely to be counter-productive. We are also disappointed that the proposals concentrate on a work first approach (questioned by Harkerⁱⁱⁱ) while paying little attention to progression in work.

We are also concerned that the Green Paper extends the 'rights and responsibilities' agenda in a very one sided manner. The responsibilities being proposed outweigh the rights being granted. Lone parents, disabled people and those most disadvantaged will be expected to take part in more work focussed interviews and other forms of activity in return for their benefits, but the new rights that they receive in return for this activity are not spelt out. Moreover, the Green Paper suggests that discretion on the part of personal advisers will be increased. This is not in accordance with increasing the rights of claimants, and may lead to a more arbitrary system with postcode lotteries.

Policy context

The Government's consultative Green Paper, 'In work, better off: next steps to full employment' (Cm 1730) published in July 2007, follows upon a series of reports and Green Papers. In January 2006 the Government published a Green Paper 'A new deal for welfare: empowering people to work' (Cm 6730), which was subsequently the basis for the Welfare Reform Act 2007.

Since then the Government has received and published related reports from Lisa Harker 'Delivering on Child Poverty: what would it take?' (2006) Cm 6591 and David Freud (2007) 'Reducing dependency, increasing opportunity: options for the future of welfare to work'. The latest Green Paper is also informed by the Government's response to the Leitch Report 'World Class Skills: Implementing the Leitch Review of Skills in England' (200) Cm 7181. CPAG has written detailed responses to many of these consultations and reports. They should be referred to in addition to this response and can be located on the welfare reform section of the CPAG website (www.cpag.org.uk).

In this Green Paper, the Government reiterates its policy objectives of ensuring economic stability, labour market flexibility and increasing employment rates with the aim of having an employment rate of 80% amongst those of working age. It seeks to do this by:

- improving delivery for job seekers,
- encouraging people who are out of work, and not seeking work, to consider employment,
- increasing the rate of employment amongst lone parents,
- increasing the employment rate amongst older people and those from ethnic minorities,
- encouraging policies to increase employment rates in cities.

While CPAG's response to these latest proposals for welfare reform welcomes the recognition of the importance of good quality support to enable more parents to move into decent sustainable jobs at rates of pay that lift their families out of poverty, we have serious objections to many of the proposals which we feel work against this goal. We also feel the proposals are at odds with the Government's desire to increase parental choice.

The Green Paper reiterates the goal of full employment as defined by raising the employment rate to 80%. We agree with the Government that good quality employment can improve health outcomes and social engagement and also income for those who are employed. However these benefits can only be achieved where health and safety regulations are enforced, living wages paid, long-term security of employment is provided and jobs involve progression and training. Encouraging non-employed people into poorly paid temporary employment with unsatisfactory employment conditions and family unfriendly employment conditions may achieve a headline 80% rate but will not tackle the basic problems as the Government desires. It may also result in more child poverty and worse health and social outcomes for children, and their parents, which in turn may have a further effect on their children.

We are also very concerned about whether the balance between rights and responsibilities which the Government wishes to achieve will be a fair balance. The Green Paper points to increased responsibilities on claimants but gives no examples of how their rights will be enhanced. It also fails to address the responsibilities that would be placed on Government, employers or private and voluntary sector providers of welfare to work support.

We could find no indication in the Green Paper of an intention to apply the Department's commitment to child poverty-proof all its policies^{iv} to these proposals. Welfare reform must be directed first and foremost to securing achievement of the Government's child poverty targets, and we would expect that, in its response to the Green Paper consultation, the Government will give a full account of the process by which it has applied child poverty proofing to its proposals and the outcomes that result.

Our concerns are addressed in more detail below.

Principles

According to the Green Paper, the principles by which the Government is to be guided are:

- *A balance of rights and responsibilities.* We are becoming increasingly concerned that the conditionality being enforced upon benefit recipients emphasises responsibilities while diluting their rights.
- *A personalised and responsive approach.* We agree that assisting people into paid employment can benefit from such an approach but are concerned that resources are not being devoted to ensure that personal advisors have the necessary skills to deal with the diverse needs of jobseekers. If this approach is to be achieved then greater investment in training and recruitment will be required. This will be difficult at a time when the DWP's staffing and resources are being reduced. Such a personalised approach will also require greater transparency about how decisions are made by PAs. It will need clarity about how these decisions can be challenged and what access is to be provided to good quality independent advice and advocacy. In addition the appeal rights to PAs' discretionary decisions will need to be spelt out.
- *Retention and progression, not just job entry.* Progression and retention is key to reducing in work poverty and ensuring that JCP or private/voluntary sector providers do not 'cream' and 'churn' jobseekers. We would like to see more details about how this will be achieved and evaluated. We are concerned that there is no discussion about why people enter jobs for short periods and then leave employment. Whilst the Green Paper refers to retention we would have liked the Government to have considered this in more depth. Given that lone parents already move into work at a rate which would probably allow for a quick achievement of the 70% target for lone parent employment, the problem is that they do not remain in work. In our view, the Green Paper emphasises greater conditionality to increase job search over and above emphasizing measures to ensure retention whilst in work.
- *Working in partnership.* This is an apple pie concept. We would like to know more about how and where the private and voluntary sectors should be engaged. Both have an important role to play, but the detail of when and how is important.
- *Devolution and local empowerment.* The Green Paper refers to the Leitch Review which applies to England. More detail about how this objective will be achieved in the devolved administrations would be helpful. Legislation subsequent on the Green Paper will not apply only to claimants in England. Devolution and empowerment require addressing not only legal powers but also the diverse communities of the UK such as rural/urban, minority ethnic groups and disabled people.

Chapter Four of the Green Paper sketches out the central direction for Government policy. It proposes that central to its approach towards full employment will be:

- *Continuing reforms to incapacity benefit.* These have now been enacted through the Welfare Reform Act 2007
- *Helping more lone parents into work* (para 2 pg 41)
- *Raising expectations on job seekers*
- *Joining up support for people to find work.*

Helping people to stay in work and progress in it is sadly neglected.

The Government proposes increasing investment to achieve its objectives but we would have welcomed an indication of how much this investment might be and how it will be distributed. The Green Paper recognises that the proposals 'have resources implications' (pg 28). In our view these may be considerable and we would have been reassured if they had been spelt out or estimated. Moreover, the resources implied in the Green Paper need to be weighed up against alternative approaches, which may prove more effective at increasing parental employment and reducing child poverty.

Employers

In our view, the Government is right to recognise the importance of the role of employers in fulfilling the demand side of the strategy. But the expectations on employers as compared to those placed on individuals are unbalanced: Page 31 suggests that at the core of the rights and responsibilities agenda individuals will be expected to take advantage of all the opportunities. Yet it also states '*We would like employers...*' also '*considering employee mentoring.*' Then '*We may also ask employers...*' (CPAG's italics). This seems to us a clear example of where responsibilities are being placed upon those out of employment without corresponding requirements being imposed on others whose behaviour can determine the outcomes individuals can achieve.

Jobs pledge: it is not clear from the Green Paper whether the Jobs Pledge is an aspiration or a pledge, nor how this Jobs Pledge will be achieved in the devolved administrations.

Chapter Four (pg 41) states that in the light of the Jobs Pledge 'stronger expectations can be set on individuals to look for work.' We assume this means increased conditionality on job seekers with legislation which will undermine their rights.

But there is no evidence in the Green Paper that there will be corresponding responsibilities placed on employers in the Jobs Pledge. The examples of the employers taking part in the Job Pledge are extremely limited and we would question whether amongst them all employers are family friendly. We would propose that before an employer is signed up to the Jobs Pledge there should be a charter mark 'family friendly' assessment made of their employment practices.

The 'Local Employment Partnerships' described in the Green Paper on welfare reform offer a good opportunity for DWP itself to put pressure on employers to provide work at flexible hours. We believe that in order to be listed as a partner with Government in this way, employers should be asked to commit to providing job shares and the right to request flexible working for all parents, and to consider the possibilities for providing term time working options.

In CPAG's view the time is now also right to extend the right to request flexible working to parents of older children, and ideally to all workers. Extending flexible working to all would limit the stigma that parents, and particularly lone parents, often feel can be attached to making a request.

Finally, we would also like to have seen the DWP and other public sector employers signing up to the Jobs Pledge.

Supporting lone parents

The proposals in the Green Paper are to impose more responsibilities upon lone parents, with lone parents from 2008 no longer being entitled to Income Support after their youngest child is 12 and from 2010 when the youngest child is 7. They will be moved on to a JSA regime of greater conditionality and enforced WFIs with the threat of sanctions.

We oppose these suggestions for the following reasons:

- We believe as a matter of principle that parents are best placed to decide when and whether it is right for them to be in paid employment. The sole factor governing this decision may not simply be the age of a child. Parents of older children, for example moving to secondary school, facing examinations or experiencing emotional or social difficulties, may need to take time out of the workplace to be available for their children. Until recently we understood this was also the view of the Government: in 2005 the DWP concluded that *'it would be wrong simply to move lone parents from income support onto the Jobseeker's Allowance regime: an unrestricted requirement to search for work is inappropriate given the complex and difficult circumstances many lone parents face. We think such an approach would be expensive, unfair and ineffectual.'*^v And in June 2007, Ed Balls told a Daycare Trust conference that: *"Staying at home or returning to work must be a choice for parents, and our role is to make that a real choice – to make both staying at home and returning to work practical and realistic, so that parents can do what is best for them and their children."*^{vi} Many lone parents would agree with that and may decide that it is best for their child to care for her/him on a full time basis. The Green Paper does not recognise this as an informed choice and a right.
- *Sanctions.* We note the current relatively large numbers of lone parents who are already being sanctioned for failing to attend a WFI.^{vii} The Green Paper proposals are likely to worsen this situation, without addressing whether there may be underlying deficiencies in the WFI regime or in the expectations being made of lone parents which are leading to the level of sanctions imposed, or whether the purpose of sanctions is even understood by lone parents and how their behaviour is affected^{viii}. We have also heard reports from welfare rights advisers whose clients have found WFIs confrontational and upsetting, even to the point of leaving in tears. The existence of negative experience suggests that the Government's intention that WFIs should offer positive and constructive engagement is for some reason failing. This must be fully investigated, understood and addressed before any decision is taken to increase the frequency of WFIs.
- The rules governing sanctions within the Jobseekers Allowance regime to which it is proposed lone parents will now be subject would mean that lone parents could face a 100% sanction of their benefit for non-compliance, which could be reinstated to 60% on grounds of hardship. This contrasts with the current position for lone parents on income support where the sanction is limited to 20% of benefit. Both increasing the risk of sanctions and the level at which they can be imposed seems to us to be

likely to increase rather than reduce the risk of child poverty in lone parent families and the Green Paper gives no indication that this risk has been evaluated or addressed.

- In our view, increasing the level of WFIs and associated risk of sanctions represents a poor use of the Department's limited resources – indeed research suggests that simply increasing interview frequency may prove counterproductive.^{ix} Whilst we welcome the statement in para 19 page 44, that 'Nor will we force lone parents into jobs', we are concerned that a regime of more WFIs for lone parents will be experienced by lone parents as attempts to force them into work. If this is not the policy intention we would question the increased expenditure on WFIs when resources allocated to other purposes (for example better tailored childcare, transport and employer education on family friendly employment practices) might produce more positive results. We question whether proper investigation has been carried out to determine the relative benefits of the proposed approach compared with greater investment in high-quality tailored support.
- *Childcare.* The proposals do not entail a specific pledge to improve support for lone parents returning to employment (such as childcare). Much of this support will have to be financed by other Departments and the devolved administrations and there is no evidence in the Green Paper as to how this will be achieved nor the practical content of this support. In our view this is a one way increase in responsibilities without a symmetrical increase in rights
- In England it is intended that there will be a Sure Start Children's Centre in every community. If this is achieved it will not address the childcare needs of all parents and children in rural areas where there may be some distance between a parent's place of work, the Children's Centre and their home. To apply greater conditionality upon these lone parents will increase child poverty.
- We are concerned about the extent of provision for older children and the limitations of extended school provision which will not necessarily provide appropriate childcare. A recent report has highlighted serious gaps in support and provision for this age group.^x
- The Green Paper is unsure how to deal with the needs of lone parents with disabled children (para 13, page 43). To apply greater conditionality upon lone parents would bear harshly on these parents and their children and the Green Paper is silent on how their rights are to be made stronger. These rights will need to be ensured by action by other Government Departments, the devolved administrations and local authorities. The DWP does not have the power to ensure that this support is in place.
- The duty imposed on local authorities to secure sufficient childcare for working parents by 2008 (para 15 page 44) does not apply to Scotland. So the responsibilities imposed throughout GB through social security legislation may not be matched by rights for all lone parents.
- *Suitable jobs.* The Green Paper (page 45) refers to aspirations about flexible working. We welcome increased statutory flexible working for

parents, however para 23 refers to '*considering* how to make the best use of flexible working.' We would suggest that rather than greater conditionality being placed upon lone parents, the right to support such as flexible working should be put in place. In addition we are concerned about the lack of well paid, suitable part-time jobs with potential for progression and training in many parts of the country (particularly London).

Couple families

Whilst the risk of children living in couple families being poor is lower than the risk for those living in lone parent families, we recognise the importance of the Government's objective to reduce poverty in couple families and reduce the divide between work rich and work poor households.

A family focus for employment is not solely the responsibility of the DWP and we would have welcomed a greater emphasis upon cross-departmental working on this issue. The extension of New Deal for Lone Parents to all couple parents in some areas is welcome, although we query whether the effects may be limited and resources might be better deployed. For example, voluntary New Deal services open to all job seekers might be a better use of resources.

The In-Work Credit for parents is a useful incentive to encourage people towards work and support them whilst in work for the first year. However, it suffers from a 'cliff edge' where those in receipt suffer a 100% marginal tax rate after a year. We would suggest a later and much more gradual reduction in this benefit to allow claimants to adjust to the reduction.

Moreover the In-Work Credit, whilst important, can only work alongside a greater emphasis upon progression and retention in employment. We would recommend that where employers take on a worker in receipt of the In-Work Credit, an obligation is placed upon the employer to provide training and the prospect of progression, thus balancing rights and responsibilities.

We welcome the establishment of the review of Carers' Strategy and would suggest that the needs of one parent families be taken into account in considering the issues facing carers. Potential future engagement with the labour market is important for carers. Employment opportunities in what may be many years in the future should recognise the considerable skills that carers have built up. This requires the education of employers to recognise and value these skills.

Personalised, responsive support for job seekers

We support the idea that services for those out of work should be responsive to their needs; however we are very concerned about how the Green Paper proposes this should be implemented.

Rights and responsibilities

The Green Paper proposes that those who are most disadvantaged are 'fast tracked' and face 'tougher responsibilities' (para 36 page 49). This seems to us counterintuitive. Those who are most disadvantaged will suffer the harshest consequences of greater conditionality – evidence from the US suggests that sanctions tend to fall most heavily on the most disadvantaged, as it is those with the most severe and multiple barriers that are most likely to fail to comply, not deliberately but because they find it difficult to fulfil obligations.^{xi} Evidence from the US also suggests the imposition of sanctions bears harshly on children.^{xii} The approach in the Green Paper implies that the most disadvantaged will be further disadvantaged and punished by advisers having more discretion. We think this approach will be both expensive and counterproductive.

The proposal is that those who are most disadvantaged would experience greater conditionality at an earlier stage than other customers. If a personalised approach for those who are most disadvantaged is to be developed then a period of time needs to be allowed for customers to build trust with JCP.

At the top of page 50, the Green Paper suggests that customers who have failed to find work through a specialist advisor have increased conditionality placed upon them. However there is no recognition that an individual's failure to find work could be a failing on the part of the advisors, and the sanctions which might be placed upon providers is not addressed in the Green Paper. If public/private/voluntary agencies have failed to place an individual in work after twelve months, then the onus should be on the providers rather than the individual. We would suggest that there needs to be a better balance illustrated in the policy intention.

Para 41 states that '..we need to get the balance right between the level of support available and what we expect from job seekers..' but we are disappointed that the Green Paper does not spell out in any detail the nature of the support that job seekers will have additional rights to. In the absence of such rights we are concerned that families and children will suffer by having their rights withdrawn without any corresponding responsibility being placed on Government or employers.

Ethnic minorities

We welcome the recognition in para 44 page 51 that 'Ethnic discrimination is a major factor in explaining employment disadvantage...' amongst minority ethnic groups. We would have liked to see more detailed proposals as to how this discrimination is to be tackled. Without clear policy objectives and targets to deal with this we are concerned that people from minority ethnic groups may suffer disproportionately from the conditionality being placed upon claimants.

Skills

We agree with the sentiments sketched out in the Green Paper for the lowest skilled. However we are concerned that these proposals do not take into account how these

will be implemented as practical policies in the devolved administrations without prior agreement with them. Lord Leitch has rightly emphasised the need for a skilled economy and work force. However he does not address how this will impact on women who are the main carers for children, nor does the Government's response.

We are particularly concerned that the Leitch proposals are not implemented in such a way that the focus on in-work training leaves parents who are caring for children de-skilled. Those in the workplace will see their skills improve, making it even harder for low-skilled parents to compete once they return to work, as they will not have had the same opportunities to upskill. We would like to see a skills strategy that addresses the needs of women in the workforce and ensures progression, job security and family friendly policies. A right to access skills and training services with minimum quality standards that improve employment prospects should be available to workless parents, and the skills strategy must have reducing child poverty as one of its central aims.

The proposals on page 53 paras 53 to 57 in the Green Paper are aspirational. CPAG would welcome concrete proposals as to how those entering into work can enhance their skills and remain in long term employment. We would welcome detail as to how the implementation of the Leitch Review, cross departmentally and across administrations, will be achieved.

Delivery through partnership

The Green Paper in Chapter 5 proposes delivery through partnership. We recognise that the voluntary sector has some expertise in delivering high quality support for lone parents and those who are most disadvantaged in the labour market. However the experience of contracts between the voluntary sector and the Government will not encourage greater engagement; for example the collapse of One Plus in Scotland as a key provider of childcare services and as an advocate for lone parents illustrates the risks and uncertainties that the voluntary sector faces and the adverse impact on claimants that can result.

We are also concerned about greater contracting to the private and voluntary sectors in the absence of clear protections for individuals. The partnerships which seem to be advocated in this chapter are based on the Freud Report which we have previously commented on in our May 2007 report^{xiii}. In this we:

- Expressed concern about the financial feasibility of the approach in Freud;
- Raised questions about decision making and independence;
- Questioned the lack of evidence underpinning the reform programme proposed.

We are disappointed that these points which were also made by many other respondents to the consultation on Freud have not been responded to in this Green Paper.

Joint working with the voluntary and private sectors has a role in the achievement of the Government's objectives to encourage higher levels of employment. As the Green Paper acknowledges contracting requires to be based on a number of principles:

- *Quality provision.* We agree that quality provision is a necessary part of the Government's objectives but would like more detail about how the Government aims to achieve this.
- *Competition driven by value.* Public, voluntary and private sector providers should as a matter of course illustrate that they provide value for money. However we cannot find examples where 'competition' encourages value for money in providing services for the unemployed.
- *Outcome-based contracts.* Outcome based contracts based on greater financial security and flexibility are to be welcomed. We are however concerned about which outcomes will be measured. These may include job entry, job retention, skill achievements, entry level pay or job progression. We welcome guarding against creaming by providers and ensuring that they do not ignore those most hard to help, but would have liked to see more detail about how this will be achieved. There is also the potential for large scale providers who can take the risk of long term investment dominating provision. We are very disappointed that the Department is considering a 26 week definition of job retention as opposed to Freud's more ambitious target of three years.

- *Minimum standards of support.* The statement that 'This flexibility for providers in the way they support people back into work needs to be underpinned with conditionality appropriate to those individuals' is of concern. It would seem to us that the conditionality should be applied to providers rather than the individuals.

Para 20 on page 61 lists ten essential questions, the answers to which will determine the nature of the organisation of specialist provision from private and voluntary sector providers. We would have liked to have seen the Green Paper addressing the essential questions posed in this paragraph, rather than suggesting that the exercise is ongoing. If contracting services to the private and voluntary sectors is proposed as a policy objective, then these crucial questions needed to be addressed by Government at an early stage. We note that the Green Paper proposes providing some detail of contracting arrangements 'by the autumn'. However it seems that these proposals are not to be made public until after the deadline for consultation at the end of October.

We are particularly interested in how supply chain providers will work and what the connection between prime contractors and their local communities and customers will be. We do not accept, given the fundamental problems of the proposed model of provision, that it is preferable to one which relies upon JCP as the primary provider whilst JCP having contracts with a range of organisations at a District level, which ensure flexibility, accountability and security within the contracting arrangements. The Government's uncertainty illustrated in para 20 reinforces our view.

The Green Paper proposes that providers will be rewarded for achieving sustained employment. This is a laudable policy objective. However, within a contracting model we would like to see more detail about how private or voluntary sector organisations will be able to sustain their cash flow in the period during which the sustainability of the employment opportunities that they have placed claimants in is evaluated. We assume that sustainable should be defined as at least a period of two years. We make this comment particularly in the light of the proposed increase of the in-work credit for lone parents, which will last for one year. We are concerned that after one year and with the loss of the in-work credit, the employment may no longer be viable for the claimant.

We are concerned about the lack of detail in the Green Paper about how the aspirations for local partnerships will be put into practice. Across government partnership will involve not only English Departments but also agreement with the devolved administrations. Joining up government will be essential to achieve the desired outcomes of the Green Paper. Yet, for example, training, education, health and housing are devolved matters in Scotland.

Independence. CPAG is also concerned about the impact that delivery contracts will have on the 'independence' of organisations. The contracting out of state functions to the voluntary sector carries a real risk of a slow erosion of the 'independence' of this sector – the very thing that makes the sector what it is. Even though the power to sanction will rest with the DWP it is difficult to single out one power over the other as they all have a bearing on decisions relating to the conditionality part of the scheme; they are all links in one chain. It is not clear to us, for example, whether contractors will be expected to make a recommendation to the DWP to apply a sanction. The link may be more subtle than this - what if the person fails to turn up for a WFI - what sort of information will the provider be expected to send to the DWP to report this fact and will the claimant continue to perceive that service as independent?

If the service that someone has sought advice and support from is able to influence a decision to apply a sanction to their benefit (and it is not clear whether the provider will be expected to make a recommendation to sanction or in some way indirectly have some influence over the decision to sanction), where does that place the person and the service as regards assisting that person with an appeal against that decision? If the service is no longer seen as independent by the claimant, this will leave the claimant having to seek independent advice from an alternative advice provider. But what if there is no alternative provider locally able to deal with such an issue? CPAG is very concerned about the effect that this could have on claimants' ability to resolve their problems.

A flexible New Deal

We are particularly concerned that where there is some detail in the Green Paper, it is placed in the Annex, with which we have some fundamental disagreements in terms of the practical policy objectives detailed.

This Annex makes no mention of any new rights that claimants will receive and emphasises 'strengthening of the requirements for those claiming JSA' (page 81 para 1). We assume in the light of the earlier proposals to extend the JSA regime to lone parents this would also be applied to them. We have a number of severe reservations about this new regime.

The Annex proposes a flexible New Deal based upon four stages. Initially, personal advisers would look at the barriers to customers finding a job and that this meeting would inform how the claimant is processed through the JSA regime. We would like to see evidence that PAs will be sufficiently trained and resourced to achieve this challenging task which will have implications for the claimant's future rights.

The first stage appears to be that PAs will signpost those claimants who they judge will leave JSA quickly and only meet them on a fortnightly basis.

Stage 2 in the Green Paper proposes that after three months the claimant is subjected to a formal review of their Jobseeker's Agreement and to more frequent WFI's.

Stage 3 would involve the claimant being referred for a 'skills health check'. However this has yet to be agreed with the Scottish Government and the Welsh Assembly Government, who will have to put the provision into place if this is to be achieved across Great Britain. We are particularly concerned that claimants might be referred to this stage earlier in their claim according to what seems like some basic 'profiling' by PAs. This would aim to identify the most disadvantaged, but, as we have pointed out above, the most disadvantaged need greatest protection from harsher conditions. The allocation of initial claimants to this stage will require considerable expertise on the part of PAs and, given the implications for claimants, cannot be based upon PAs' intuitive discretion because it will involve placing greater conditionality upon these claimants.

Stage 4 involves claimants being required, after 12 months on JSA, to attend mandatory specialist return to work provision through the public, private or voluntary sectors.

We would strongly recommend that if these stages for a New Deal are to be adopted claimants should have rights to advance to the stage which they feel is suitable for them. For some the pace of change might be too fast if they have family or caring responsibilities to contend with, but we would also like some claimants to have the chance to advance through the stages quicker rather than later.

Apart from reducing the rights of those most disadvantaged, to be effective the current proposals will require a much more skilled corps of PAs and will involve considerable public expenditure implications, for what may be little return.

Finally, we would propose that before any new scheme is implemented it should be piloted, guidance and legislation should all be in place well in advance, and training

of staff should have been completed. We would urge that any new scheme should take the expertise that does exist, for example, among NDLP PAs, and extend it, but the proposals do not appear to allow for that. We also urge that any changes are carefully monitored for their impact on claimants, not least those who take jobs which nonetheless cause them and their families pressure and hardship, and those who fall through the net.

Consultation questions

We are surprised to discover the limited nature of and predominant focus on lone parents and greater conditionality in the consultation questions. These do not address many of the policy areas covered in the remainder of the Green Paper and suggest the true thrust of the proposals is greater conditionality for lone parents with little attention to other groups and issues. In our response we have sought to engage with all aspects of the Green Paper proposals as they bear on child poverty and we hope DWP will adopt a similarly broad view of the purpose and focus of welfare reform.

We are particularly concerned to note some remarkable differences between the consultation questions in the text of the Green Paper and those in the Easy Read Answers booklet. In some cases (for example question 3 of the Easy Read booklet) words are omitted and thus present a misleading picture of what is being consulted upon.

Our responses to the consultation questions below are therefore to be read in the context of the remainder of our submission, where we have been able to engage more fully with the breadth of the welfare reform programme.

Questions 1 and 2 – CPAG does not agree that the age of their youngest at which lone parents are no longer entitled to income support should be reduced. In our submission, we have fully explained why.

Questions 3 - 6 – we strongly agree that there is a need to ensure support for lone parents is accessible and useful for all groups, particularly the most disadvantaged. In our response, we have suggested that this support needs to cover a multiplicity of needs (eg childcare, family friendly employment, education and training), and have pointed out that responsibility for delivery of such support is by no means all within the control of the DWP. We do not accept that it is right for lone parents to move onto a JSA regime, which is not and could not be tailored to the needs of lone parents.

Question 7 – we are pleased that the consultation seeks to engage with this question, which raises complex issues. Different family circumstances and needs, the costs of going to work, loss of passported benefits, instability of income, and increased complexity around entitlement which can lower take-up, are all factors which bear on this issue. In our view, the essential point is to ensure that increased parental employment is coupled with a reduction in child poverty, and employment which leaves parents no, or only little, better off than on benefits will not achieve this.

Question 8 – CPAG is very concerned about the experience of parents moving onto the new Employment and Support Allowance. In our April 2006 response to the Green Paper *A new deal for welfare: empowering people to work*, we made many of these concerns clear^{xiv}.

Questions 9 and 10 – we have provided a number of comments on this throughout our submission. In our view, a key challenge is to implement the recommendations of the Leitch review in a manner which improves parents' earnings, and addressing child poverty should be a core objective of the Leitch implementation plan.

Question 11 – we are pleased that the consultation raises this important question, but the body of the Green Paper fails to engage in any way with the complexity of the issue. As a first step, CPAG urges a comprehensive analysis of the specific barriers faced by ethnic minority women in accessing employment should be undertaken, including the lessons that have been learned from the Fair Cities pilots.

Questions 12 - 16 – CPAG does not support the approach of increased conditionality “in exchange” for more support. In our view, an approach based on no increase in conditionality, with extra support into and, importantly, *in* work will be more effective in reducing child poverty than increasing conditionality, which may actually increase poverty for children whether their parents are in or out of work.

About CPAG

CPAG is the leading charity campaigning for the abolition of poverty among children and young people in the UK and for the improvement of the lives of low income families. CPAG aims to: raise awareness of the causes, extent, nature and impact of poverty and strategies for its eradication and prevention; bring about positive policy changes for families with children in poverty; and enable those eligible for income maintenance to have access to their full entitlement. CPAG is a founder member of the campaign to End Child Poverty.

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ⁱ On 28 October 2007, talking on the Westminster Hour on radio 4, Peter Hain stated that the Government did not want to replicate the problems associated with increased conditionality and benefit sanctions being implemented in Wisconsin USA which he said had generated an increase in child poverty.

ⁱⁱ See "Work at any price?" CPAG submission to Work and Pensions Committee Inquiry into full employment June 2006 at

http://www.cpag.org.uk/info/briefings_policy/CPAG_submission_work_and_pensions_inquiry_into_80_percent_employment_rate.pdf;

CPAG response to the Freud Review May 2007 at

http://www.cpag.org.uk/info/briefings_policy/CPAGFreudReviewSubmission250507.pdf

Work over welfare: lessons from America June 2007 at

http://www.cpag.org.uk/info/briefings_policy/Work_Over_Welfare/wow_briefing.htm

ⁱⁱⁱ *Delivering on child poverty: what would it take?* Lisa Harker's report to the DWP on their child poverty strategy, November 2006

^{iv} John Hutton in response to question at Joseph Rowntree Foundation launch of *What will it take to end child poverty? Firing on all cylinders* July 2006

^v DWP (2005) *Opportunity and Security throughout life: Department for Work and Pensions Five Year Strategy* Corporate Document Services p.38.

^{vi} Ed Balls, speech to Daycare Trust, 17th June 2007.

^{vii} House of Commons Written Answer, 19.05.07

^{viii} Research by Joyce and Whiting in 2006 *Sanctions: qualitative summary report on lone parent customers DWP working paper no 27* into lone parents' experience of sanctions suggests that they had poor awareness of the sanctioning regime, but that some financial, emotional and physical impacts were noted, including parents not being able to buy treats for their children, provide pocket money or pay for school trips. The stress caused by receiving a sanction had a knock-on effect on health

^{ix} Thomas A (2007) *Lone Parent Work Focused Interviews: Synthesis of findings Department for Work and Pensions Research Report No. 443* Leeds: CDS

^x See Tania Branigan, 'Childcare gap risks a new generation of latchkey kids' in *The Guardian*, 29 October 2007. A new report from 4Children reveals that 'there are about 4 million children aged between 11 and 14. But official estimates suggest that there are only about 20,000 childcare places for this age group.'

^{xi} Evans M and Millar J Eds (2003) *Lone parents and employment: international comparisons of what works*, DWP

^{xii} *Work over welfare: lessons from America* June 2007 at

http://www.cpag.org.uk/info/briefings_policy/Work_Over_Welfare/wow_briefing.htm

^{xiii} CPAG response to the Freud Review May 2007 at

http://www.cpag.org.uk/info/briefings_policy/CPAGFreudReviewSubmission250507.pdf

^{xiv}

http://www.cpag.org.uk/info/briefings_policy/CPAG_Welfare_Reform_Green_Paper_response.pdf