

Lone Parent Obligations: destinations of lone parents after Income Support eligibility ends

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As part of Lone Parent Obligations (LPO), from November 2008, lone parents with a youngest child aged 12 or over were no longer entitled to receive Income Support (IS) solely on the grounds of being a lone parent. Since then the age of the youngest child has reduced to ten and over from October 2009 and seven and over from October 2010. In June's Emergency Budget statement, the new coalition government announced that the IS entitlement conditions will change to include those lone parents whose youngest child has reached five. This change is expected to be implemented in early 2012.

Lone parents who are no longer eligible for IS are able to move to other benefits, as appropriate, including Jobseeker's Allowance (JSA) and Employment and Support Allowance (ESA). The JSA regime has been amended to include flexibilities for parents, for example, in the hours of work they are required to seek.

Key findings from this stage of the evaluation

- Lone parents who had moved into work generally reported this as having a positive effect on their lives, though not all felt they were financially better off. Mini-jobs, of less than 16 hours a week, were also reported to be beneficial but the process of documenting these, alongside benefit receipt, was felt to be overly complex.
- Whilst staff were positive about the JSA regime for lone parents overall, some current operational issues were highlighted. They suggested that the support for lone parent customers was not always sufficiently tailored to their needs where non-specialist staff were working with lone parents on JSA and/or where lone parent customers were not identified as such. The recession and its aftermath was also felt to be having an impact on the effectiveness of the JSA regime for lone parents.
- Both staff and customers felt the early stages of the JSA regime were not designed for customers who have been out of work for some time, and thus may not always be suitable for those lone parent customers moving from IS or ESA.
- In general lone parent customers demonstrated a good understanding of the JSA regime, but they did not always have detailed knowledge of conditionality and the sanctions regime. There was also a reluctance from some staff to consider referring lone parents for a benefit sanction/disallowance.
- For those lone parents on ESA, there were issues identified around customer understanding of this particular benefit, uncertainty about how ESA related to future employment and the appeals and benefit transitions processes for those deemed Fit for Work.
- The circumstances of lone parents in 'other' destinations were extremely varied, with some re-partnering, some not working or claiming (but with an alternative source of income) and some on Incapacity Benefit (IB) due to a personal disability or health issue.
- Amongst those lone parent customers remaining on IS, there were no indications from customers interviewed that they had chosen to care for a relative or have another child in order to remain on IS.
- LPO appears to have had the greatest impact on attitudes to work amongst lone parent customers who have moved on to JSA directly from IS.

Background

There is a comprehensive evaluation in place to assess the effects of LPO. This summary presents findings on the destinations and journeys experienced by lone parents after their youngest child reached the LPO threshold of 12. It looks at the effect on them of any change in benefit entitlement/conditionality and the services they receive.

The findings are based on qualitative fieldwork in five case-study areas. It included 55 interviews with Jobcentre Plus staff and 202 interviews with lone parent customers across a range of post-LPO destinations. At the time of the interview, lone parent customers would have left IS approximately three – 11 months earlier.

Findings

Lone parent customer journeys: Whilst some lone parent customers interviewed had only experienced a single destination since their youngest child reached the LPO age threshold, others had experienced two or more destinations in the period since leaving IS and being interviewed for this research.

Complex and difficult journeys were most likely to be experienced by lone parent customers who had moved from IS to ESA. Lone parent customers with medical conditions experienced the most disparate range of destinations and could be on ESA, JSA (after being found Fit for Work following an application for ESA) IB or IS.

There was evidence of some possibly unnecessary journeys by lone parent customers, when in fact they found out later they were exempt from LPO.

Experiences of lone parents in work: Generally, the lone parents who had moved into work felt that working had a positive effect on their lives, though they sometimes found it stressful combining work and family responsibilities. Positive effects included setting a good example as a working parent, greater independence for the child and, for some, extra family income to spend on school trips, etc.

Lone parents interviewed reported mixed views as to whether they felt financially better off in work than on benefits. Those working between 16 and 29 hours

per week often felt better off in work, but those working more than 30 hours per week did not always feel better off in work. This reflects the fact that lone parents were typically moving into low wage jobs and the effect of the tapers in the tax credit/benefits system.

Some lone parents were working in a mini-job, since LPO, and were continuing to claim benefits. However, the complicated process of providing evidence on mini-jobs appeared to have put some off them and as a consequence some of those lone parents had moved back out of the labour market following an initial move into work.

Experiences of JSA: In general, staff and lone parent customers demonstrated a good understanding of the JSA regime for lone parents.

Lone parent customers who had moved to JSA from work as a new and repeat lone parent customer tended to be more positive and more content with the 'self-help' approach of the early stages of the JSA regime, whereas lone parents who had been out of the labour market for a longer period reported more difficulties and tended to have a more negative view of the regime.

Staff also highlighted that the early stages of the JSA regime were not designed for customers who have been out of work for some time, and thus may not be suitable for lone parent customers moving from IS or ESA. At later stages of the JSA regime, lone parent customers appeared to particularly value the support offered via their interview with an adviser. Many JSA lone parent customers from all destinations expressed the view that claiming JSA could be an uncomfortable and/or demanding experience.

Whilst staff were positive about the JSA regime for lone parents overall, some also raised a number of issues related to the operation and design of the regime. In particular, variation in staffing models appeared to have a significant effect on the delivery of JSA. There were indications that the involvement of specialist staff offered a number of benefits, reflected by the move towards the increased use of specialist staff found across the case study areas. Another issue identified was that lone parent customers making a new and repeat claim to JSA

were not always clearly identified as such. Where this was the case lone parent customers were not always benefitting from JSA parent flexibilities, being offered relevant services or being dealt with by specialist staff even where the office structure was set up to enable this.

Another constraint on the effectiveness of the JSA regime was found to be the reduced availability of jobs due to the recession and its aftermath. The recession also appeared to have had an impact on delivery of the JSA regime, particularly in relation to the numbers of new, less experienced staff and overall capacity.

Whilst lone parent customers were generally aware of the principle of sanctions they appeared to have less understanding of the different aspects of conditionality and of the various consequences of not adhering to the eligibility requirements within the regime. They generally demonstrated an awareness of the need to actively seek work and attend appointments at Jobcentre Plus, or risk losing benefit, but had less understanding of other reasons why a sanction may be imposed. A number of participants in the research talked about their experience of a loss of benefit while claiming JSA. Whether this was due to a sanction/disallowance or another reason was not always clear, although where it was clear about the reason, this was generally due to a missed appointment.

Advisers mentioned that lone parents would be advised clearly about JSA conditionality and reminded regularly. In only a small number of cases did staff have experience of direct involvement in the sanctions or disallowance process. Some advisers described a reluctance to use the JSA sanctions regime with lone parents which was linked to a concern about undermining the relationships they had with customers, possible financial hardship for the lone parents and their children, and adverse publicity.

Experiences of ESA: Whilst it was common for lone parent customers to recall being told the basics of the ESA regime before they moved off IS, this was not always the case. Lone parents were not aware of the different ESA groups or the details of the

different assessments involved and understanding did not seem to improve once their claim for ESA began. Some lone parents described having gaps in their payment of ESA as they had not understood the conditionality requirements.

Although those claiming ESA appreciated elements of the support on offer, such as that provided through Work Focus Interviews (WFIs), the regime as a whole does not appear to have been experienced as a coherent process. Lone parents on ESA tended to be unclear about how ESA related to future employment.

For lone parents deemed Fit for Work, it was common for them to initially not understand what to do at this point, often leading to gaps between benefit claims. Lone parents who moved on to JSA continued to face the same issues with their health/disability but felt they received a much reduced level of support.

Experiences of other destinations: Evidence from the United States of America (USA), following the introduction of policies aimed at increasing the numbers of lone parents moving off benefit and into work, shows that a significant group of lone parents have become 'disconnected', reporting no income from employment or from welfare, with some experiencing this status for a prolonged period. This research found that being 'disconnected' is not an issue that is occurring here. There were a range of circumstances amongst those who were not claiming and not working, such as re-partnering or having an independent income from child maintenance payments.

Experiences of remaining on IS: The reasons lone parents interviewed remained on IS were varied. Some were exempt from LPO and others remained on IS for other reasons including disability or health issues, transitional protection, having another child, and delays in the ending of IS claims. There were no indications amongst interviewees that they had chosen to care for a relative to gain exemption from IS. Some staff expressed a concern that lone parent customers may be having children to avoid LPO but there was no suggestion of this amongst those interviewed.

The effect of LPO on lone parents' attitudes to work:

LPO appears to have had the greatest effect on attitudes to work amongst lone parent customers who have moved on to JSA directly from IS, with their dislike of the JSA regime giving them a 'push' towards work. JSA lone parent customers who were new and repeat claimants following a period of employment generally reported that they already felt motivated to find work.

For lone parents on IS or IB, LPO did not appear to have affected their individual attitudes to work, reflecting the inactive nature of these benefits. For those with experience of making a claim for ESA, their main focus appeared to be on managing their health condition and less on thinking about work as an immediate option.

Childcare and its provision to support lone parents into work: Gaps were identified in childcare provision for children with special needs and children who were seen by their parents as too old for formal childcare but too young to leave unsupervised. In high cost areas, the costs of childcare could not always be met by the financial support for childcare that was currently available and, in some rural areas, availability was generally limited.

Lone parents were generally reluctant to consider formal childcare. Those lone parents who had moved into work tended not to use formal childcare because they worked while their children were at school, preferred to use informal childcare, or felt

their children were old enough not to require it. However, these lone parents often still had concerns around the effects of leaving their children at home alone when working in the evenings or during school holidays.

Lone Parent Obligations going forward

There were a number of areas identified in the research that may need to be considered further during the continued roll-out of LPO. These include:

- The possible effect from the likely increased demand for part-time work during school hours as LPO rolls out to those with younger children and potentially the greater use of JSA parent flexibilities to accommodate this demand.
- A greater requirement for formal childcare as an increasing number of lone parents with increasingly younger children are required to seek employment.
- A need to ensure that where lone parents access support through the new Work Programme, the support they receive is tailored to their needs as lone parents.
- A need to further consider the impact of the JSA conditionality regime on lone parents and the effect of any loss of benefit on them and their children.

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You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

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