

Barnardo's response to 'A new deal for welfare: Empowering people to work'

Introduction and consultation for this response

1. Barnardo's works directly with more than 120,000 children, young people and their families in over 350 services across the UK. These services are located in some of the most disadvantaged neighbourhoods where child poverty and social exclusion are common features. We work with children affected by today's most urgent issues: poverty, homelessness, disability and abuse. Our projects work with children aged 0 to 18 (or 24 in the case of young care leavers) and a significant number provide services for young people aged 12 to 19. These include leaving care, young single homeless, young carers, sexual exploitation, training, youth inclusion and support programmes and young people support projects. To ensure that this response is fully informed by our work we have consulted with our service managers in over 100 services which deal with issues regarding poverty, disability and welfare benefits, and their views have been incorporated in the response.

General points

- Barnardo's has long been concerned about the high numbers of children in the UK living in poverty and has welcomed Government initiatives aimed at tackling this problem, in particular the target to eradicate child poverty entirely by 2020. However, despite much progress in this area, there is still evidence that much more needs to be done. The Government missed its first milestone to reduce child poverty by one million by April 2005 and given that children at the margins of poverty have benefited most the task of lifting the remaining children out of poverty is likely to be even harder.
- Proposals to reform the welfare benefit system have the potential to make a positive contribution to reducing child poverty rates. Ensuring correct support for disabled people is particularly important since there remains a strong link between disability and poverty in the UK - households with at least one disabled adult are 50% more likely to have a low income compared to a household with no disabled members. This is both because those with a disability are less likely to work, and because their costs, in terms of heating, laundry etc are often higher. There is also a strong link between children living in poverty and adult disability rates; nearly 800,000 of the 2.1 million children with a disabled parent are living in poverty¹.
- There is much in the green paper which Barnardo's welcomes, particularly measures aimed at helping people move off incapacity benefit and into

¹ HBAI, 2003/2004

employment, rather than consigning them to unemployment for their entire working lives.

- However, Barnardo's is also concerned that in its current form the green paper puts too much emphasis on work as the only measure to help people out of poverty. This is a common criticism of much of the Government's poverty eradication agenda and we firmly believe that the Government has to recognise the limitations of such a strategy. While there are many workless adults for which employment is a viable option, there are also those for whom currently it is not, because they have caring responsibilities, because their health problems make it too difficult or simply because the jobs are not there or the transport not available. If the Government is to successfully end child poverty it must work, not only to provide work for those who can, but also to provide an effective and comprehensive welfare and benefit system for those unable to work. The Welfare reform green paper currently does not do enough to tackle this concern and does not, for example, make it clear that there is any intention to raise current rates of benefit for disabled adults, something which is important if child poverty rates are to be reduced.

Specific issues – these are set out in the same order as ‘A new deal for welfare: empowering people to work’

Helping ill or disabled people

1. Barnardo's recognises that for many people work is an effective route out of poverty, but to make this a reality it is important that those concerned get the help and support they need. There is much in the green paper which aims to help disabled people who can work to find suitable employment including reforming the personal capacity assessment to make it more work focused and the extension of the pathways to work programme.
2. However, Barnardo's has a number of concerns with the proposals for reforming the current benefit system for disabled people, as set out in the green paper. These are listed here, and described in more detail below:
 - **Lack of resources** – It is questionable whether the DWP has the resources to deliver the programme as described, particularly given recent job cut proposals.
 - **Failure to provide support from the outset** - The proposal to “hold” claimants on job seekers allowance until the personal capacity assessment has been completed risks harming families at a particularly vulnerable time.
 - **Conditionality** - Introducing a conditionality element to incapacity benefit risks alienating some of the hardest to reach claimants
 - **Too much responsibility for personal advisers** – personal advisers, working on their own should not be responsible for assessing, monitoring and approving activities to go in personal action plans, given that many

will not understand the complex support needs of some of the most vulnerable claimants.

- **Failure to address the issue of discrimination in the workplace** - the proposals do not address some of the additional barriers that incapacity benefit claimants face in accessing work, particularly the issue of discrimination in the workplace.

Lack of resources

3. The proposals outlined in the green paper will be resource intensive. Yet the only resources identified for the Green Paper (raised from savings on information technology) are £360m already earmarked for the extension of Pathways to Work. In addition, the government has stated in its five-year strategy for the DWP that it is cutting 30,000 jobs. We are concerned that this grossly underestimates the resources required, for example, to reform the personal capacity assessment, to train up personal advisers etc. Even in relation to Pathways to Work, where new money has been identified, we do not believe that £360 million is sufficient to roll out the Pathways to Work approach. If current spending levels within Pathways to Work were rolled out nationally, the cost would be nearer £500 million and, given that the pathway to work pilots will have, to date, worked with the easiest to reach clients, the costs of extension is likely to be even higher.

Failure to provide support from the outset

4. The green paper proposes that claimants of the new employment support allowance will be placed on job seekers allowance, until the personal capacity assessment is undertaken. Barnardo's has serious concerns with this proposal. Firstly, we are uncertain that the Government will meet its target of completing all assessments in 12 weeks – particularly given the resource difficulties described above. Secondly we are concerned at the level of income this would provide for families. Job seekers allowance is currently around just £55 a week, and four out of every five children in a family receiving this benefit live in poverty². Families who are in the process of making a new claim for incapacity benefit are likely to be experiencing considerable stress, dealing with the onset of a disability or ill health. Providing them with a low income will likely plunge them into poverty and into debt and increase the likelihood that they will borrow small amounts from loan sharks at high rates of interest to tide them over. We believe that such claimants should receive the standard rate of employment support allowance until such time as their claim is assessed.

Conditionality

² HBAI, 2003/2004

5. Barnardo's is very concerned about the proposals to introduce conditionality, by requiring the majority of claimants of the new employment support allowance to draw up a personal action plans focused on rehabilitation and work-related activity. We oppose this proposal, firstly because those who would currently find the requirements to undertake such activities too onerous are often amongst the most vulnerable people, and secondly because it risks complicating the system further, making it even more difficult for claimants who struggle to negotiate the system – for example because of language difficulties - to claim money which they are entitled to.
6. One particular group which would be seriously disadvantaged by a conditionality based regime is young people aged 18 to 24, who have complex support needs. Many have recently left the care system, or have recently been in custody, and many have mental health needs. These youngsters have experienced a range of disadvantage and discrimination and will have had disrupted and chaotic lives. Engaging with them, providing the right support and assisting them to gain some degree of stability is a long process, and engagement in any activities other than those of day to day survival is unrealistic. Conditionality therefore risks asking too much too soon of some of our most vulnerable young people, causing them to disengage with the process completely and drop out of the system.
7. It is also unfair to expect these young people to deal with the problems they face when suitable services are often just not there. For example, the Social Exclusion Unit interim report on young adults – “Transitions” highlighted how many young people with mental health problems struggle to receive support, since they often fall between adolescent and adult mental health services and loose continuity in treatment as a result. These issues need to be tackled first, since without access to good mental health service, it is unrealistic to consider young people with mental health problems will ever be able to move into paid work.
8. Another vulnerable group which would be severely disadvantaged if conditionality is introduced are disabled parents, particularly single disabled parents who have the added disadvantage of having caring responsibilities. If the difficulties these parents face are not recognised in a conditionality regime, this could have serious consequences for families and children, since a parent unable to complete part of their personal action plan because, for example, their child was sick, would risk facing a cut in benefit level, plunging the family still further into poverty. We firmly believe that parents with caring responsibilities must be taken into account in any assessment of whether or not they are able to engage in work related activities.

Too much responsibility for personal advisers

9. Barnardo's is also concerned that the proposed new scheme puts a lot of responsibility on personal advisers who would need extensive training to be able

to complete the additional tasks required. Under the new regime, personal advisers would be required to police the system and to assess, approve and monitor the content of personal plans. We are very concerned that personal advisers will not possess the skills and knowledge necessary to do this for incapacity claimants who have particularly complex service needs, for example young care leavers, those with mental health problems, or those with a drug addiction. We firmly believe that, should the Government go ahead with plans to introduce the new system, it is important that a range of professionals are empowered to assess, approve and monitor specified activities, and that they have appropriate knowledge as to what is reasonable to expect given the circumstances and condition of the claimant. Such expertise could be provided by a Connexions Advisor, a Leaving Care Advisor, a social worker, a youth offending team worker, a CAMHS worker etc.

Failure to address the issue of discrimination in the workplace

10. The green paper proposals do not recognise some of the other barriers which incapacity benefit claimants can face when accessing work, in particular the problem of discrimination. The Disability Discrimination Act has gone a long way to improve the position of disabled people in the workplace, but it is still limiting. In particular, it does little to help those who suffer from mental health problems which - as highlighted in the green paper - is a large number of incapacity benefit claimants. These limitations of the current act mean those with short term depression, those who have attempted suicide and that people with bulimia are amongst many with mental health problem who are excluded from the protection because they do not have a "disability". Tackling the discrimination which people with mental health problems suffer in the workplace, needs to form part of any strategy to help incapacity benefit claimants into work, and is currently missing from the DWPs proposed reforms.

Helping lone parents

11. Our evidence from working with young lone parents is that they still face many barriers in terms of returning to work. These include access to timely childcare (particularly evenings and weekends where parents who work shifts would need cover), access to jobs at reasonable wages, and confusion over tax credits. There is also concern that lone parents remain at risk from poverty even when they secure a job, if that job is low paid, and insecure, resulting in parents getting trapped in a cycle of low paid work, followed by period of unemployment. We are concerned, therefore, that Government proposals to increase conditionality for single parents by requiring them to attend more frequent job interviews will do nothing to actually help them into suitable long term and sustainable work. In fact we believe this proposal will most likely just present further obstacles with no obvious benefit for the vulnerable people themselves. Government funds should therefore be focused on removing the barriers to work which single parents continue to face, and putting more resources into successful voluntary

systems, such as the new deal for lone parents which demonstrate the irrelevance of conditionality to many members of this group.

12. Barnardo's is, however, supportive of the proposal to introduce an additional financial benefit for single parents whose youngest child is over 11, who undertake work-related activity, such as work tasters, participation in new deal etc. We believe this would be a very helpful introduction or reintroduction to work for many of the young parents we work with. Many of our service users come from families where benefits are the norm and there are generations where no one has worked. Such an incentive scheme may go some way to helping to break this cycle. While we understand arguments for extending the scheme to parents of children under 11, we believe that it would be best to concentrate the support on parents of older children to begin with, and then consider extending the scheme at a later date.

A radical new approach to housing benefits

13. Barnardo's runs a number of supported housing services and these have substantial experience in dealing with Housing Benefit claims. The main problem which young housing benefit claimants face is the complexity of claiming and the difficulty they have in understanding often arbitrary dates and forms. The gaps in the system in getting information, which particularly affect young people who go on and off benefit or swap benefits can make the problems even more difficult. For this reason Barnardo's is supportive of the principle of simplifying the system for claims.
14. However, while Barnardo's understands the intentions regarding the reforms to Housing Benefit outlined in the green paper, we are concerned that they will not help some of the youngest and most vulnerable claimants, whom we work with. Young people aged 18 to 24 who are unable to live at home are often at a particularly vulnerable point in their lives, facing up to independent living at an age far younger than many of their peers. These young people need help in the skills of independent living if they are to successfully manage on their own, and giving them too much responsibility too soon can be counter productive. For this reason we have concerns over proposals to pay all housing benefit claimants their benefit directly, since for these vulnerable claimants, there is a risk that they would spend the money and end up in rent arrears/facing eviction. Housing benefit should, therefore, always be paid to the landlord when the young person is under the age of 21 unless there are exceptional circumstances which make this problematic.

Long-term benefit reform

15. The proposals in the last chapter of the green paper state that in the long term the Government may look to moving towards a single system of benefits for all people of working age, with appropriate additions for those who have caring

responsibilities and those with a long-term illness or disability. Obviously the specifics of this proposal have not been developed, at this stage. However, we are concerned that this may mean that the intention is to make the new employment support allowance similar in many ways to jobs seekers allowance either now or in the future and we would strongly oppose this.

16. In particular we would be very concerned about any intention to make Employment Support Allowance age limited so that younger claimants receive less benefit as is currently the situation with job seekers allowance. We are concerned that such a system assumes that young people under the age of 24 will always have the support of their parents and this is not always true. For example when the young person grew up in the care system or because they became estranged from their parents at a later age and it is unsafe for them to remain in the family home. Young people who are required to live independently from a young age, face exactly the same costs as older people claiming benefits, and reducing their benefit rates simply due to their age is unfair and could have disastrous results. These include young people being forced to live in unsuitable accommodation, or live on a poor diet – both of which are likely to damage the young persons long term physical or mental health and result in them being less likely to move into paid work in the long term.

If you have any questions or need any further details, please contact:

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