

# **WELFARE REFORM ACT 2009**

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## **EXPLANATORY NOTES**

### **BACKGROUND AND SUMMARY**

#### **Part 1 – Social security**

8. The aim of much of this Part of the Act is to move towards greater flexibility and personalisation of benefit conditionality and to reduce the number of working age benefits by abolishing income support. The Act contains provisions and confers regulation-making powers which will be used to increase support for benefit claimants and, where relevant, their partners with a view to improving their employment prospects or preparing them for work in the future. The provisions also set out the framework necessary for the future abolition of income support, and the movement of claimants of that benefit to jobseeker's allowance with differing degrees of conditionality, or to employment and support allowance.
9. 'Work for your benefit schemes' will be piloted for long-term jobseekers who have received increasingly intensive support from Jobcentre Plus and specialist back-to-work providers. They will give jobseekers the opportunity to develop their work skills through undertaking full time work-experience. Work for your benefit schemes will also be piloted for some jobseekers who are likely to benefit from the scheme at an earlier stage of unemployment.
10. The schemes will be mandatory and aim to help jobseekers find sustained work in the open labour market. Some jobseekers are likely to face particular barriers due to the length of time they have been away from employment. Work for your benefit schemes will enable them to benefit from the opportunity to develop work habits and routines that they may not have experienced for some time.
11. All lone parents on income support are required to participate in work-focused interviews (WFIs) as part of their claim. The lone parent WFI regime has been expanded over time and since April 2008 has required all lone parents to undergo regular interviews, generally every six months.
12. The WFIs aim to encourage more lone parents to take up sustainable work and ensure that all lone parents are aware of the help and support available to them. Since October 2005 lone parents have been required to agree a mandatory action plan with their Jobcentre Plus Personal Advisor as a condition of completing their initial WFI, helping lone parents and their advisors concentrate on their longer-term goals and set the steps they can take or are taking to prepare for work.
13. Lone parents who wish to take up the offer of greater support to move towards employment can volunteer for the New Deal for Lone Parents (NDLP) programme. This aims to help and encourage lone parents to improve their job readiness and employment opportunities and gain independence through working. This is achieved through providing access to various elements of assistance and provision made available through a New Deal Personal Adviser.

*These notes refer to the Welfare Reform Act 2009 (c.24)  
which received Royal Assent on 12 November 2009*

14. The Government has already started to increase the obligation for lone parents with older children to look for work. By 2010 this will extend to lone parents with a youngest child aged seven and over by removing entitlement to income support solely on the grounds of being a lone parent. Those who are able to work can claim jobseeker's allowance instead, and those with a disability or health condition may claim employment and support allowance.
15. Partners of jobseeker's allowance claimants with children are also required to take part in a compulsory WFI every six months, whilst partners of benefit claimants in receipt of income support, incapacity benefit or employment and support allowance are required to attend only one WFI six months into their partner's claim. Similarly to lone parents, a partner who wishes to volunteer for extra support following a WFI is able to take up the New Deal for Partners (NDP) programme. To support more partners into employment, there are powers in this Act which may be applied to require more activity from partners in return for benefits.
16. Acknowledging that more needs to be done to support parents with younger children, the Government proposes to evaluate and introduce new measures for lone parents and partners of benefit recipients with younger children, for whom an immediate return to work is not appropriate, but is a genuine possibility with time, encouragement and support. The intention is to establish a personalised conditionality regime which is tailored to the individual's circumstances, so that preparation for work becomes a natural progression rather than a sudden step up. Lone parents will be required to undertake differing levels of activity, depending on the age of their youngest child. Where the child is aged;
  - under one, no activity will be required;
  - over one but under three, the parent will be required to attend a WFI at regular intervals;
  - three to under seven, the parent will be required to undertake work-related activity.
17. The Act includes provision that will ensure lone parents and partners of benefit recipients in this "Progression to Work" group are required to undertake action planning and work-related activities. These actions and activities are broadly defined to ensure they are appropriate to the needs and circumstances of each individual. In instances where work-related activity is identified which will improve their employment prospects, for example as a result of a skills health check, individuals may be directed to carry this out.
18. Provision is also made to direct an employment and support allowance (ESA) claimant to undertake a specific work-related activity in certain circumstances. This extends the provision in section 13 of the Welfare Reform Act 2007 which requires ESA claimants (with the exception of those in the support group) to undertake a work-related activity of their choice.
19. The White Paper set out the Government's view that for a number of people the biggest barrier to work was their drug use. *Section 11 and Schedule 3* provide for problem drug users to be directed to make, and comply with, a rehabilitation plan. In some circumstances they could also be required to undergo drug testing.
20. In addition to making provision concerning conditionality, this Part also amends the contribution conditions for both contributory jobseeker's allowance and employment and support allowance. This will mean that in order to qualify, new claimants will normally need to have paid national insurance contributions for at least 26 weeks in one of the last two tax years prior to the claim. There is also provision to remove an adult dependency increase from maternity allowance and from carer's allowance. A further provision extends the mobility component of disability living allowance to certain people with severe visual impairments.

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21. This Part of the Act also includes measures to reform the Social Fund. The discretionary Social Fund is a cash-limited system of one-off payments, mainly to people receiving pension credit, income support, income-related employment and support allowance or income-based jobseeker's allowance — although crisis loans are available to anyone, whether on benefit or not, who is without the resources to meet their immediate, urgent needs.
22. In November 2008 the Government published a consultation document *The Social Fund: A new approach*, which sought views on the merits of taking legislative powers to allow external providers, including credit unions or similar organisations from the third sector, to take over the provision of credit to social fund customers in their areas, under contract to the Department for Work and Pensions. Following the end of that consultation the decision was taken to legislate for this proposal, and provisions are therefore included in the Act allowing for the making of 'external provider social loans'.
23. Every year thousands of people make a social fund application because they are without funds but are awaiting the award or payment of benefit. This Part includes a provision which extends the existing provisions for making and recovering a payment of benefit on account. This will in many cases remove the need for people to apply for social fund crisis loans.
24. [Part 1](#) also includes amendments to the current provisions dealing with the consequences of benefit fraud. The amendments allow for the loss of benefit following one or more conviction, penalty or caution for benefit fraud. [Section 25](#) also introduces a new sanction provision for those in receipt of jobseeker's allowance who have been convicted or cautioned for violence against anyone exercising functions under the Jobseekers Act 1995.