

EXPLANATORY MEMORANDUM TO
THE JOBSEEKER'S ALLOWANCE (EXTENSION OF THE INTENSIVE ACTIVITY
PERIOD) AMENDMENT REGULATIONS 2007

2007 No. 1316

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 The Regulations amend the reference to the New Deal Intensive Activity Period (IAP) employment programme in regulation 75(1) of the Jobseeker's Allowance Regulations 1996 (S.I. 1996/207). The amendment will mean that jobseeker's allowance (JSA) claimants aged 50 to 59 (inclusive) who fail without good reason to participate in the programme will be liable to have their benefit reduced or ended. Currently only JSA claimants aged 25 to 49 (inclusive) are mandated to the IAP.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Background

4.1 The Welfare Reform Green Paper published in January 2006 promised to "align our additional employment support for the long-term unemployed with that for younger age groups by requiring people aged 50 to 59 (inclusive) to take up additional jobseeking support through New Deal 25 plus." These regulations meet that commitment.

5. Territorial Extent and Application

5.1 This instrument applies to Great Britain.

6. European Convention on Human Rights

As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy Background

- 7.1 The New Deal 25 Plus IAP entails one or more of the following:
- assistance in pursuing self-employed earner's employment;
 - education and training;
 - work experience;
 - work placements;
 - assistance with job search;
 - motivation; and
 - skills training.
- 7.2 Participation in the IAP is currently mandatory for JSA claimants aged over 24 and under 50, although claimants aged over 50 can take part on a voluntary basis. During the period April 2004 and January 2007, pilots have operated in a total of 14 Jobcentre Plus Districts during which time JSA claimants aged 50 to 59 (inclusive) were assigned to the IAP on a mandatory basis.
- 7.3 Evaluation of these pilots indicates that when the IAP element of the New Deal 25 plus is mandatory, there is an increased probability of those aged 50 to 59 (inclusive) moving from the New Deal 25 Plus to unsubsidised employment within a year of entering the New Deal.
- 7.4 Persons aged 60 and over will be allowed to take part in the IAP if they are claiming either JSA or Pension Credit, but no benefit sanction will be applied if they do not wish to do so.

Consultation

- 7.5 The Department has formally consulted the Social Security Advisory Committee regarding these regulations; the committee has given its approval to proceed without public consultation.

Guidance

- 7.6 Guidance will be available for Jobcentre Plus staff in order for them to effectively implement and run the programme.

Consolidation

- 7.7 There are no plans for consolidation of the legislation. Informal consolidated text will be available at www.dwp.gov.uk/advisers/docs/lawvols/bluevol/.

8. Impact

- 8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.
- 8.2 The estimated annual public sector cost of these changes is £12.9 million. This sum comprises £9.3m programme costs, £2.7m admin costs and £0.9m benefit top up costs.

9. Contact

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