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Public Bill Committee

WELFARE REFORM BILL

Tenth Sitting

Tuesday 5 April 2011

(Afternoon)

CONTENTS

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The Committee consisted of the following Members:

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† Bebb, Guto *(Aberconwy)* (Con)
† Buck, Ms Karen *(Westminster North)* (Lab)
† Curran, Margaret *(Glasgow East)* (Lab)
† Elliott, Julie *(Sunderland Central)* (Lab)
† Ellison, Jane *(Battersea)* (Con)
† Elphicke, Charlie *(Dover)* (Con)
† Fovargue, Yvonne *(Makerfield)* (Lab)
† Gilmore, Sheila *(Edinburgh East)* (Lab)
Glen, John *(Salisbury)* (Con)
† Grayling, Chris *(Minister of State, Department for Work and Pensions)*
† Green, Kate *(Stretford and Urmston)* (Lab)
† Greenwood, Lilian *(Nottingham South)* (Lab)
† Hollingbery, George *(Meon Valley)* (Con)
† McVey, Esther *(Wirral West)* (Con)
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Paisley, Ian *(North Antrim)* (DUP)
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† Pearce, Teresa *(Erith and Thamesmead)* (Lab)
† Sarwar, Anas *(Glasgow Central)* (Lab)
† Smith, Miss Chloe *(Norwich North)* (Con)
† Swales, Ian *(Redcar)* (LD)
† Timms, Stephen *(East Ham)* (Lab)
† Uppal, Paul *(Wolverhampton South West)* (Con)
† Willott, Jenny *(Cardiff Central)* (LD)

James Rhys, *Committee Clerk*

† attended the Committee

Public Bill Committee

Tuesday 5 April 2011

(Afternoon)

[Mr James Gray *in the Chair*]

Welfare Reform Bill

Clause 14

Claimant commitment

Amendment proposed (this day): 1, in clause 14, page 6, line 23, at end insert

'and a statement of the responsibilities of the Secretary of State with regards to that claimant.'.—*(Kate Green.)*

1.30 pm

Question again proposed, That the amendment be made.

The Chair: I remind the Committee that with this we are discussing amendment 2, in clause 14, page 6, leave out lines 32 and 33 and insert—

'(c) a statement of the responsibilities of the Secretary of State with regard to that claimant,

(d) details of how the claimant may appeal the contents of the claimant commitment,

(e) any other information the Secretary of State considers it appropriate to include.'.

Kate Green (Stretford and Urmston) (Lab): I was saying this morning that I was disappointed with the Minister's answer on what I think we are all agreed is essentially the welfare bargain, to use a rather unpleasant—and probably American—term. We are talking about who gives and gets what in return for what, and about the balance of rights, entitlements, obligations and responsibilities between the claimant and the state.

As I said, it is important that we use this opportunity to ensure that there is a fair balance between the might of the state and the much weaker bargaining position of the individual, as well as to create a genuine sense and spirit of association and shared aspiration between the personal adviser, acting on behalf of the Secretary of State, and the individual claimant. We believe that that will help strongly to achieve better employment outcomes. Thirdly, we should send an important message to the public about how the vast majority of claimants are serious about wanting to work, as they are, and about the respect that we afford people who are reliant on safety-net benefits. We should not somehow treat them as the undeserving other, but as part of the community as a whole.

There is a fundamental philosophical disagreement between us and the Government—it is probably an unbridgeable divide. The Minister seems to believe that the transaction is financial and that because the state is handing out money, it is entitled dictate the terms. I do not see why we take that view when the state is providing safety-net benefits in the context of an enabling welfare state that, if we can get more people into work, will benefit the whole community. We do not have the same take-it-on-our-terms attitude, for example, to the provision of public health and care through the NHS. We seem to have some particular dislike of handing money to poor people, and a sense that they are somehow expected to behave differently—more obediently—when receiving that form of social support compared with others. That is an extremely unfortunate context in which to bring forward radical welfare reforms.

I suspect that we will not see the nature of the welfare bargain in the same way at all. Claimants will be most disappointed with the stance of Ministers. We will have an opportunity during our consideration of subsequent amendments to amplify some aspects of the relationship between the claimant and the state, but as amendment 1 is rather philosophical—the other amendments go into more detail about exactly how the relationship can be exercised—I do not intend to press it to a Division, although our debate has been helpful and illuminating. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Kate Green: I beg to move amendment 64, in clause 14, page 6, line 24, leave out from 'State' to end of line 25 and insert

'in consultation with the claimant and may be reviewed and updated by the Secretary of State on a change of circumstances or on a request by the claimant for it to be revised.'.

The Chair: With this it will be convenient to discuss the following:

Amendment 60, in clause 14, page 6, line 24, after 'State', insert

'in conjunction with the claimant'.

Amendment 61, in clause 14, page 6, line 25, at end insert

'or at the request of the claimant'.

Kate Green: I have tabled a number of amendments to amplify the operation of the relationship between the claimant and the state. They reflect a set of arguments that repeat the point about the co-operation and collaboration between Jobcentre Plus staff—almost acting on behalf of the Secretary of State—on the one hand, and the claimant on the other. I probably do not need to repeat those points.

Also relevant to the amendments, however, is a particular recognition that a claimant commitment could be imposed on a claimant in the context of a particular set of circumstances that could change. It is important that a change in circumstances would trigger a review of whether the claimant commitment that had been put in place continued to be appropriate. The claimant, while perhaps not moving into a different form of work activity group, might none the less face different barriers and obstacles to participation in or preparation for employment, which negotiation involving Jobcentre Plus or the providers acting for the Secretary of State would, when drawing up a claimant commitment, have wanted to take into account.

Amendment 64 would allow for the possibility that a claimant commitment could be reviewed or varied if the claimant's circumstances changed. I hope that the Secretary of State would not have difficulty with that, at least conceptually, although he might be reluctant for it to be firmed up in regulations.

Amendment 64 would also allow a claimant to initiate a request for the claimant commitment to be varied. Presumably the Minister will be concerned that that might give a green light to a lot of trivial and unjustified requests, but that would be unlikely. The claimant will be the person who knows when their circumstances change, so it would be more likely that they would want to go to their Jobcentre Plus adviser, or perhaps to a member of staff of one of the Work programme providers, to highlight that change and seek a review of those elements of the claimant commitment that were inappropriate in the light of that change.

I would welcome an indication from the Minister about how, in the context of the establishment of a claimant commitment, such varying circumstances could be raised and discussed with Jobcentre Plus advisers or Work programme staff to ensure that the claimant commitment remains at all times apposite and relevant to the situation in which a claimant finds themselves. The other amendments in the group repeat the point about the claimant being able to make a request for an alteration in the claimant commitment when that seems appropriate.

I would also welcome an explanation from the Minister about how flexible the claimant commitment will be, how often it will be examined with the claimant, how detailed it will be, and therefore how much more likely it is that it will need to be reviewed regularly and possibly changed. How much say will the claimant have in drawing certain elements to the attention of the officer with whom they are dealing when looking at the contents of the commitment, and when highlighting changes in their circumstances? I hope that the Minister will be able to give us some reassurances about those points.

The Minister of State, Department for Work and Pensions (Chris Grayling): There are two aspects of the way in which I want to approach the amendments. First, there are technical reasons why they are not right for the Bill. Secondly, however, I want to provide a degree of reassurance to the hon. Member for Stretford and Urmston that it is not intended that a claimant commitment will simply be imposed on someone, any more than it is intended that the current rules around job search are imposed on an individual. The individual is subject to certain rules and guidelines, but the planning of the job search is done in a partnership between an individual and an adviser.

Of course, one of the reasons why we are not simply adopting the existing job search requirements is that the universal credit can apply to a claimant both pre and post-employment. In many cases, we may be looking at somebody who has taken that first step into work and is then, having established themselves in work, looking to move on, in terms of either the number of hours they work, or finding something more substantial. That is a key reason why we have changed the nature of what we are doing.

Let me start with the technical points. There are two key aspects to the amendments. First, they would require advisers to prepare the claimant commitment "in conjunction" or "in consultation" with the claimant. Secondly, they would allow the Secretary of State to update the claimant commitment following a request by the claimant or a change in the claimant's circumstances. Let me deal with each of those aspects in turn.

Our understanding is that the phrase

"in consultation with the claimant"

in amendment 64, or the phrase

"in conjunction with the claimant"

in amendment 60, would mean that requirements should be imposed only through a process of discussion, engagement and, potentially, agreement. However, there will be a number of circumstances in which that is not practical and when the requirements in the claimant commitment are non-negotiable. For example, the requirements to report changes of circumstance and to provide evidence of compliance are obvious examples of those for which it is absolutely clear that the claimant will follow the rule book. It is not appropriate for such requirements to be subject to discussion or negotiation along the lines that would be required by the amendments.

There are also some fundamental work-related requirements that the claimant cannot reasonably or realistically be expected to be able to call into question. The group that a claimant falls into makes it clear what these requirements are for each individual claimant. A claimant in the all-work-related requirements group must look for work, while a claimant in the work-focused-interviews-only group must attend work-focused interviews. Those basic responsibilities must be met.

Yvonne Fovargue (Makerfield) (Lab): I want to ensure that the claimant understands the commitment that they make. There was an incident in my constituency when a claimant did not understand the requirement to attend a work-focused interview. The Jobcentre Plus advisor had booked an Urdu translator, but the claimant spoke very little Urdu, and they were sanctioned for not attending the interview when they did not understand what they were supposed to do.

Chris Grayling: The hon. Lady makes a fair point. It is an obvious shame that the person in that situation had not mastered the English language, and that is something that we will have to address for people who come to this country. However, there is an appeal mechanism for such a situation, and if someone has been judged or sanctioned inappropriately, they have a mechanism through which they can appeal—and rightly so. I cannot claim that the system will be perfect, as mistakes will always be made, but I know that Jobcentre Plus staff endeavour to ensure that that does not happen.

Ian Swales (Redcar) (LD): Is the Minister happy that the proposals will be able to cope with people with mental health issues or who have particular intermittent health issues—either mental or physical—such as myalgic encephalomyelitis? I know from my constituency work that that is often part of the problem.

Chris Grayling: I am acutely aware of the issues to which the hon. Gentleman refers. There is a clear instruction from Ministers to Jobcentre Plus that one area in which we expect front-line staff to use discretion is when there is evidence of mental health problems. One cannot always be certain that those problems will be apparent at first glance, but we have to work very hard to get this right. Front-line advisers certainly have discretion over whether to sanction someone, and one of the things that we expect them to look for is a mental health issue, and that should be reflected when any decisions are taken.

[Chris Grayling]

We agree that there is an important role for discussion and consultation when setting the specifics of any requirement. Indeed, I would go further than that. One of the changes that we are putting into place in Jobcentre Plus is to try to ensure that when it comes to job search, an individual deals with the same adviser all of the time rather than a different person every week. That is an important aspect of creating an ongoing, joined-up process. I expect that the claimant commitment will determine exactly what work a person is looking for, when or if a work-focused interview should be taking place, and the nature of any training that they need to carry out.

I expect that the interviews will be used to develop an understanding of all factors relevant to job search requirements, and also to understand a bit more about the person themselves—their caring responsibilities, their health and their work history. In much the same way as already happens with jobseeker's allowance, we expect the discussion with the adviser to be central to shaping the nature of the back-to-work effort. Claimants might have to look for and be available for work as a condition of entitlement to benefit, but the nature of the job search that they pursue is down to the individual discussion.

I shall now touch on the second aspect of the amendments: allowing the Secretary of State to update the commitment following a request by the claimant or a change of circumstance. The clause already allows changes to be made to the commitment in line with hon. Members' proposals. The commitment is intended to be a record of requirements imposed on a claimant. It is the main way in which we will inform claimants of the requirements that they must meet, so it is essential that we keep it up to date, and the clause gives us the ability to review the commitment whenever that is appropriate, which will include whenever requirements imposed on a claimant are changed or need to change.

We have already discussed how the requirements imposed on a claimant must take account of all relevant matters, and not just at the beginning of a claim but throughout a claimant's time on benefit. We will review requirements following a relevant change of circumstance, when a claimant brings a particular issue to our attention, or if the nature of job search changes. For example, it might become clear that a claimant is not going to get a job in one area of employment and therefore needs to start to look for something else.

I see this as an ongoing process of discussion between an individual and the adviser. Of course, an individual will have the right to say to the adviser, "What about this and that?" There is an obligation for changes of circumstance to be discussed. The mandatory aspect is that there are some things within the process that are a given, such as the requirement to look for a job.

1.45 pm

Stephen Timms (East Ham) (Lab): Has the Minister seen some of the significant academic research that seems to indicate that if such commitments are co-designed—in this case between the Jobcentre Plus adviser and the individual—there is a good prospect that they will work better due to the degree of commitment on both sides?

Chris Grayling: I accept that. In operational terms, we expect that the adviser will sit down with the jobseeker at the initial interview and work through a job search plan. That is what happens now and we expect it to continue, but certain elements have to be able to be mandated by the Secretary of State. That is all the Bill provides for, but the amendments would make that more difficult.

I say to the hon. Member for Stretford and Urmston that this is of course a joint effort. One reason why we are making changes to Jobcentre Plus is to ensure that there is an ongoing relationship between a claimant and an individual adviser. The primary legislation sets out the parameters for us to put in place the minimum conditions for job search that apply to every job seeker, or everyone in a particular position as regards the conditionality that applies to them, whether that is attending a work-focused interview, looking for a job or notifying us about a change of circumstances.

I hope that that reassures the hon. Lady. There is certainly no intention simply to instruct an individual of what they should do without them having any input at all, but there is a need for a basic level of conditionality that every claimant has to meet, and that has to be able to be written into the claimant commitment in an unfettered way.

Kate Green: I am grateful to the Minister his helpful and detailed response on how the Government intend the drafting and the ongoing life of a claimant commitment document to be approached, and also on the elements in the process that are to be mandated. We do not take any issue with the notion that there are mandatory elements to the relationship between a claimant and the state when the claimant is in receipt of universal credit. That is not new; it is clearly the fundamental basis of our social security system for out-of-work claimants now.

It was helpful to hear from the Minister that the intention is that the claimant will play a full part in discussing and being consulted on the factors that need to be considered when drawing up their commitment, including their point of view. As my right hon. Friend the Member for East Ham pointed out, that approach is much more likely to produce a robust and effective commitment for achieving the outcome that we all seek: claimant commitments that have been drawn up in a way that improves the likelihood that a claimant will, when possible, move into employment and progress.

It was particularly welcome that the Minister confirmed the important point that the document will, in a sense, be a living document in the context of a benefit that is both an in-work and an out-of-work benefit. We do not yet have much information about what the in-work conditionality will look like, when it will be applied and at what point the claimant may be called in for further discussion when in receipt of financial support. Clearly the claimant commitment needs to be flexible enough to reflect the fact that the extent of employment can change and that people move in and out of work, so a single and unvarying claimant commitment might not be suitable.

We have heard helpful reassurances from the Minister and I welcomed his response, so I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Kate Green: I beg to move amendment 65, in clause 14, page 6, leave out line 26 and insert—

'(3) A claimant commitment will be in a form prescribed by the Secretary of State.

(3A) Regulations made for the purposes of subsection (3) make provision for a claimant to appeal the content of a commitment where—

(a) the claimant could not be reasonably expected to comply with the requirements of the commitment,

(b) complying with the commitment could not be reasonably expected to make it more likely that the claimants would obtain or remain in work.'.

The Chair: With this it will be convenient to discuss amendment 66, in clause 14, page 6, line 36, at end insert—

'(6) A claimant who appeals the contents of a claimant commitment under the provisions of subsection (3A) shall be deemed to have complied with the commitment pending a decision on the appeal.'.

Kate Green: We are nearly at the end of the amendments on the claimant commitment.

Amendment 65 would offer the opportunity for a claimant to appeal the content of a commitment when it was not reasonable to expect that they could comply with its conditions or, perhaps more subtly, when the claimant could comply with the conditions, but doing so would not make it more likely that they would obtain or remain in work. That second leg to amendment 65 is important for what we think that we are trying to achieve, and it goes back to the nature of the relationship between the state and the claimant. We are not talking about developing a system that is punitive or that is intended to be some sort of warning of what will happen if people do not find work. We genuinely intend to see universal credit developed in a way that supports and enables people, when possible, to move into paid work.

There seems little point in expecting a claimant to go through a series of hoops and loops, activities and engagements that do not increase their likelihood of obtaining or remaining in work, not least because that would significantly undermine the credibility of the claimant commitment. It is important that the claimant feels that the commitment has real relevance and will be effective in helping to move them towards paid employment. Otherwise, the nature of the relationship with the adviser will be difficult. Again, that goes back to the point that the best and most effective agreements are those that are made in a genuinely co-operative spirit, where the aspirations, goals and activities are agreed as much as possible between the claimant and the adviser.

It is right to say that Jobcentre Plus advisers are often highly regarded by claimants for the way that they are able to understand and build a relationship with them. However, where none of that is going on—we hope that that is very rare—it is right that claimants can exercise appeal rights to say that the commitment is inappropriate, perhaps because they simply could not be reasonably expected to comply with the conditions, which will be a clear-cut, evidential matter. More subtly, perhaps claimants comply with the conditions, but they do not see what will be achieved in getting them closer to paid work.

1.51 pm

Sitting suspended for a Division in the House.

2.3 pm

On resuming—

Kate Green: I was just about to invite the hon. Member for Redcar to intervene, and I would be delighted if he did so now, because it would give me a breathing space.

Ian Swales: Does the hon. Lady agree that the activities that claimants are expected to undertake should be proportionate and appropriate to their circumstances? Would she agree that a graduate in my constituency who has been asked to go on a three-month CV-writing course should not have to do so and that whatever box that is enabling someone to tick should not be part of the process?

Kate Green: I am grateful to the hon. Gentleman. We hear reports of such frankly irrelevant, potentially insulting and time and money-wasting endeavours, which get people to fill in time, rather than improving their employment prospects. Clearly, as he says, any commitment that the claimant is required to comply with should be proportionate, relevant and likely to increase the chances of their remaining in or obtaining work. Conversely, claimants are often keen to undertake forms of education or training that they believe, but the adviser may not perceive, will improve their employment prospects. That goes to the heart of the need for the claimant commitment to be the result of a shared discussion and collaboration. Where it is quite clear that the activities that a claimant has been required to undertake are not likely to improve their employment prospects, it seems wholly appropriate that they should be able to question the commitment's conditions.

The Minister has helpfully said that a claimant will have the opportunity to go back and raise such issues, as well as changes in circumstance, but we cannot be confident that they will always be given a receptive response. Where a real breakdown occurs between what a claimant believes to be the likelihood of obtaining work and the view of the adviser who is imposing the conditions, it seems right that the claimant's interests are protected to the extent that he or she is able to appeal the content of a commitment that has been imposed.

Amendment 66 goes a little further in unpicking what would happen if a claimant were, in whatever circumstances, to lodge an appeal against the contents of the claimant commitment. It makes the not at all remarkable proposition that the claimant should be treated as complying with the commitment pending a decision on appeal. It would clearly be wrong to sanction a claimant who might be shown to have a perfectly legitimate case. It is not at all unusual for penalties to be stayed where appeals are made or queries raised about process. That is true in the social security system and much more generally in public policy. In fairness to the claimant, amendment 66 suggests that he or she should be deemed to be complying with the commitment until the outcome of the appeal is determined.

I hope that the Government will be amenable at least to the sentiment behind the amendments. Perhaps the Minister will take the opportunity to clarify exactly what appeal rights will exist in the context of the claimant commitment and how he envisages that claimants might, where appropriate, initiate such an appeal. I would

[Kate Green]

expect—I am sure that we all hope—that such a process would be used only rarely. It is, however, an important protection for the claimant that, where something goes badly awry in the imposition of a claimant commitment, they have the right of appeal and can seek redress.

Chris Grayling: Let me touch on some of the detail referred to by hon. Member for Stretford and Urmston. The amendment would require us to make regulations that prescribe the form of the claimant commitment in universal credit, whether electronically or in hard copy, but clause 14 will allow the Secretary of State the freedom to choose the form in which the claimant commitment will be made. In reality, it will be for the delivery agency—Jobcentre Plus, predominantly—to decide the best way to set out that commitment.

I do not think that that element of the hon. Lady's proposal needs to be prescribed in regulations. However, that really was not the essence of her argument, which was about an individual's right of appeal against the claimant commitment. I remind her that our intention, as I described in the debate on the previous amendment, is for this genuinely to be a two-way process. A relationship should be built up between an individual claimant and an adviser, and they should work together on the job search. It is certainly our intention that there will be a sensible discussion about what is and what is not necessary.

There will be times when the adviser has to put a foot down. For example, if someone has been working in a profession but is having no success whatsoever in finding appropriate opportunities in that field, the rules rightly say that three months into the process they have to think about doing something different. The individual might be reluctant to accept the need to look more broadly for a job, but the adviser needs to put their foot down and say, "I'm afraid this is the point at which there's no choice; you've got to broaden the horizons of your job search." The process should be a collaborative exercise between two individuals, but there will be moments when the adviser has to set the terms of trade for the job search.

The appeal process kicks in when someone says, "I'm not willing to do the things that I've been asked to do." That right of appeal exists because a sanction inevitably applies at that point. If, for example, the Jobcentre Plus adviser has resolved that an individual needs to start looking for something else, has established with them that they need additional IT training and has said, "I'm going to send you on an IT training course for a couple of weeks," and the individual then turns around and says, "I won't go," they will be sanctioned and they have a right of appeal—a right to say, "I don't think that's correct." The system normally reviews the decision internally and then refers it externally for a proper appeal. If the decision to sanction is not upheld, the situation returns to the individual's status quo ante.

That covers the situation that the hon. Lady described, and I am not convinced about adding an extra right of appeal—allowing someone to appeal against a decision to send them on a course—because we would end up with a double appeal process. She wants a right for the individual to say, "No, I don't want to do that course," and if they are sanctioned for that, the right to turn around and say, "No, that's not acceptable; I want to appeal." That would add an extra unnecessary layer of complexity to the system, thus causing practical and operational problems.

A number of things in the commitment are essential. We must be able to set out rules for job search, attending work-focused interviews and fortnightly signing-on requirements, and we clearly could not offer a right of appeal in those circumstances. The question arises, therefore, only if an individual does not agree when an adviser asks them to do something that is not within the conventional confines of job search, such as going on a course. If the adviser says, "I insist," the individual says, "I refuse," and a sanction is applied, there is a right of appeal against the sanction. I believe that that process does the job that the hon. Lady requires.

We could not include a right of appeal against much of the commitment's content, because it is a fundamental part of the rules for the receipt of benefits. Given that and the fact I have said that a right of appeal for individuals who feel that they are mistreated by the system is enshrined in the legal position that I described earlier, I hope that the hon. Lady will withdraw the amendment.

Picking up on the point made by my hon. Friend the Member for Redcar, I have heard exactly the same stories about people who are inappropriately sent on a provision that would not be right for them, and that is precisely why we want to change the nature of support in Jobcentre Plus and in the Work programme. We have had one-size-fits-all approaches. For example, the 13-week new deal programme has all too often required individuals to sit in a classroom for 13 weeks reading the paper. We have all had complaints about such approaches over the years, and I absolutely accept that the format has not always been appropriate.

I hope that with the greater flexibility that we are offering to Jobcentre Plus and through the Work programme, the situation that the hon. Member for Stretford and Urmston is anxious about will not arise in the future. To reassure her, ultimately, there is always the right of appeal. If people say, "I don't want to do that; it is not appropriate for me," they face a sanction, to which they have a right of appeal. I hope that she will be satisfied that the process will be sufficient to do the job that she wishes.

2.15 pm

Kate Green: I am grateful to the Minister for the clarification that he has given on the continuing status of appeal rights. It will be important for claimants to be clearly aware of their rights and how to exercise them, which is not always so in what remains a complex social security system. If the universal credit claims to be simpler and more transparent to the claimant, I hope it will include clear information for claimants when they are in a situation in which an appeal might be an appropriate remedy to attempt. I hope that information on how to exercise that right will be easy to access and simple to understand.

I do not think that any Opposition Members disagree that there will be times when an adviser will want to set down conditions that the claimant is unwilling to accept. As the Minister has pointed out, there is already a process to deal with such situations. If the process leads to a sanction that the claimant feels is unjustified, that

sanction can be appealed. I hope that it will be possible within the context of the claimant commitment to ensure that that right is clear to the claimant. Claimants must also have clarity about the consequences of non-compliance, including the possible financial consequences. They must be clear about the obligations that they are expected to meet under the provision and about how to seek redress when they are unhappy.

I have found the Minister's remarks helpful. We all share the hope that, in practice, very little use will be made of the existing appeal provisions. It is especially important, however, to have clear appeal provisions, because a substantial part of the support for claimants is now going to disappear into the famous black box. We need to be certain that what goes on in that black box on behalf of the Secretary of State is properly protecting claimants' interests, and that claimants know how to raise concerns about their treatment, which could ultimately be exercised through their formal right of appeal where a sanction arises.

There might be other circumstances in which a claimant feels that a situation—particularly in relation to the black box—although not leading to a sanction, is unduly onerous, unreasonable or burdensome. I hope that the Minister ensures that clear complaints processes are available to claimants when they are unhappy. Of course, if such processes are good, well designed and easily accessible, they will in themselves help to reduce the incidence of cases that go to appeal. I am prepared to accept the Minister's reassurances, so I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 14 ordered to stand part of the Bill.

Clause 15

Work-focused interview requirement

Question proposed, That the clause stand part of the Bill.

Stephen Timms: I want to raise a matter with the Minister that makes its first appearance in the Bill, in clause 15. In doing so, I am conscious that the Secretary of State for Health paid a heavy price yesterday in the Chamber for pushing ahead with a badly thought out Bill. Part of the Committee's duty is to seek to protect this Minister—and indeed his Secretary of State—from a similar fate. We have already established today some worrying gaps around child care in the Bill. To be fair, the Secretary of State was very frank with us about the difficulties the Government were having in deciding what to do about child care support. We also discussed free school meals—where we had not previously been told there was a problem—and other passported benefits, such as free prescriptions and, I presume, mortgage interest support. The Minister made the point about free school meals—they are not a social security benefit, whereas mortgage interest support is. Presumably the Government are not in a position to say who will receive mortgage interest support.

In clause 15, we come to another area—I think for the first time—which is a significant departure from the way the system has always operated. That is the proposal that people who are in work should be subject to conditions set by the jobcentre. We are all familiar with the arrangements that apply to people who are out of work, and the conditions and responsibilities imposed on them to assist them into work. In subsection (3), there is a little phrase in brackets at the end, which opens up for the first time the idea that people will be required to undertake a work-focused interview, even though they are already in work, in order to get a job entailing more hours or pay than their current one. As we go through clause 15 and subsequent clauses, that little phrase in brackets, appears several times, indicating that the Government intend to open up the possibility of a range of measures being taken to encourage people in work to get a better job. I well understand why Ministers are interested in that.

Charlie Elphicke (Dover) (Con): I am a little puzzled by the right hon. Gentleman's remarks. My understanding is that this is a codification of the position that already exists under the Employment and Support Allowance Regulations 2008, which I believe—correct me if I am wrong—also contain the phrase "or more paid work or better-paid work".

Stephen Timms: I was reflecting on the position with jobseeker's allowance in the past. I think I am right in saying—and the Minister will correct me if I am not—conditionality has only applied where people have been out of work.

Chris Grayling: I remind the right hon. Gentleman that under the 16-hour rule, there is still an obligation to attend the jobcentre, to sign on and be subject to conditionality.

Stephen Timms: Indeed. What has changed—and the reason that this is a more prominent and novel feature of this legislation—is the removal of the 16-hour rule, and the wish the Government have explained to provide support for people who are in mini-jobs. The truth is that if people increase their pay, either by increasing their hours or by moving to a better-paid job, the call on universal credit will be reduced, and the Exchequer saves money. Therefore, it is perfectly appropriate for Ministers to wish that to happen. It will be a much bigger issue in the future than the past because of support for mini-jobs. I can well see that the Government would not wish people to avoid all conditionality if they are working for, say, one hour a week, with support from universal credit, including perhaps for the cost of child care associated with working for that one hour. It is perfectly proper that the Government would wish to encourage them to work for longer. That said, I think this is a significant change, introducing us to a potentially quite intrusive monitoring of people who are in work.

I want to ask the Minister a few questions as to how this will operate in practice. Will he assure us that people in full-time work will not be required to attend a work-focused interview under the provision in clause 15? How about people who are working 16 hours a week? Will he assure us that they will not be required to attend a work-focused interview? If there is the possibility of somebody who works 16 hours a week being required to attend a work-focused interview, when will such interviews be held, and where? What if the employer, albeit one for only 16 hours a week, objects to the person attending such an interview?

[Stephen Timms]

Depending on the extent to which the Minister envisages that happening, it could certainly be a significant new obligation for jobcentre staff to fulfil. I wonder whether he can tell us what assessment he has made of the staffing that will be required to carry out that additional work. How will obligations that are imposed—more under the following clauses than this one—on people who are already in work differ from those imposed on people not in work? For example, could somebody who is in work be required to attend a training course? If that conflicted with their work responsibilities, which one would they be expected to do? What about people—and many are in this position—who perhaps on paper do not seem to be doing many hours or very much work but who in reality are struggling to juggle, for example, work and child care? What sort of obligations could be imposed on them? Would they be required to attend these work-focused interviews, too?

The Bill makes it clear that people in work could be required immediately to give up a job to take on another with longer hours or higher pay. Would self-employed people be in danger of having to give up their business in order to take up higher-paid work somewhere else? Would there be some minimum pay rise specified, below which it would not be necessary to change jobs? On the face of it, somebody could be required to leave their job to gain £2 a week, which would be modestly in the Exchequer's interest, but people would presumably not be required to do that. Would there be some kind of threshold of increased pay that would have to be exceeded for people to have to change jobs? How, in practice, will such requirements be constrained?

The clause raises a large number of questions. It is important that the Minister starts to give us some answers about this new area of the Bill, which we have not yet explored. I hope that that will make a modest contribution towards his avoiding the discomfiture suffered by his right hon. Friend yesterday.

Chris Grayling: I am grateful to the shadow Minister for his concern about my welfare. It is much appreciated.

Let me set out how we seek to approach the issue. As the right hon. Gentleman understands, it is necessary and appropriate to encourage people to take steps further back into the job market, when their circumstances permit. Clearly, one circumstance that puts a constraint on people is bringing up children. At particular stages of children's lives, it is more difficult for a lone parent, for example, to be able to do more than a certain number of hours of work. At the same time, we want to use universal credit as a ladder for people to climb up the work scale, and in particular, for those entering employment for the first time after a long period on benefits, where the experience of a mini-job may prove to be a valuable way of beginning to get a foothold in the work place. It could be very valuable for somebody with a disability, for example, to get their first experience of work for a long time and get a sense of what they can and cannot do, then gradually begin to build up on that.

Let us be absolutely clear that if somebody is doing a full-time job and earning a reasonable wage, it is not likely that we would seek, in any way, to monitor their progress. It is about helping people to a point where they have moved out of that lower level of activity to a much greater degree of self-sufficiency, while still potentially receiving support under universal credit. There are clearly limitations, however, to the degree to which we could or would practically seek to monitor people beyond a certain stage. I do not think that it is unreasonable to say to somebody, who is going into a short-hours, part-time job to start off with, that they would come back into the jobcentre from time to time—periodically, every few months—to talk about their prospects, and that we would seek to put some additional conditionality on them, as and when it became possible to do so, to move to a job with longer hours.

A practical example of that might well be a lone parent who does a part-time job during her children's younger years. As the children grow up, the parent can move on to a greater degree of employment. I do not think it unreasonable that we should talk to that person at that point about their options or have a degree of push within the system to encourage them to step up the number of hours that they work.

Kate Green: I am interested in what the Minister is describing. Does he accept that the same argument could apply to one member of a couple who works very low hours while the other member also works relatively low hours? To return to a point discussed earlier this week, one of the things that most disconnects women in particular from the labour market is that they spend long periods either doing a series of short-term low-hours jobs or having no job at all. Where there is a couple claim in play, does he envisage that one or both members could be required to come in for reconsideration of their engagement with the jobcentre, irrespective of what is happening to the other member of the couple?

Chris Grayling: Yes. There are clearly circumstances in which that could happen, although it would not necessarily happen in all circumstances. It will depend on the circumstances surrounding the individual. However, the situation now is that someone who works up to 16 hours a week is still subject to job-search conditions. If someone receives employment and support allowance, there is permitted work, which still requires contact with the system. We want to create an environment in which we help, support, encourage and cajole to move forward to the next stage in their working life as and when circumstances permit.

2.30 pm

Stephen Timms: Will the Minister say a little about the position of people who work more than 16 hours but not full time? Does he envisage that they will be within the scope of the cajoling and encouraging that he describes?

Chris Grayling: Yes, I can perfectly well see such a situation. As the right hon. Gentleman will be aware, we have argued over the years that there should be clear limitations on how many hours we expect a lone parent with a child in primary school to work. When a child is very young, clearly we want the mother to be around, where humanly possible, to pick up the child from school and care for it after school. We have set definitions, as did he and his Administration, of a reasonable job offer—we do not expect lone parents to work night

shifts, for example—but as children get older, the opportunity arises for parents to work longer hours, and it is perfectly reasonable that we should encourage them to do so in order to reduce their reliance on the state, increase the amount of money coming into their household and, where the household is still on low income, help them lift their family out of poverty.

Yes, we envisage using the work-focused interview periodically with people who claim universal credit: not those who have advanced into a full-time, reasonably paid job but those who work fewer hours and whose circumstances might permit them to work more hours. We envisage that they will be asked to attend work-focused interviews, although not in a way that clashes with their current employment or requires them to undertake training that would make it impossible for them to continue their current employment. That would not make sense. We would bring them in every few months to discuss their circumstances. Where it has clearly become practical for them to move on to the next stage of employment, we expect them to do so, and there will be a degree of conditionality as well of support and help to do so.

Kate Green: Is the intention of those conversations to encourage people to move into jobs for better pay and at longer hours, or into a series of jobs added together that will apparently improve pay but certainly increase working hours? There is plenty of evidence that a patchwork of mini-jobs will be extremely difficult for many people to sustain and is likely to undermine the simplicity of the universal credit payment.

Chris Grayling: Ministers' intent is certainly not the latter. It is all about people moving closer to full-time employment in a single job and us providing them with support and encouragement to do so. It is not simply about saying, "You've got two hours to spare on a Monday morning, so go find a job for those two hours." It is all about supporting people who have taken a step into employment to progress towards full-time employment. Our goal—the goal of the work programme and, where practical, of Jobcentre Plus—is, where it is conducive to their life and surrounding issues such as child care responsibilities, to enable people to move into full-time, single-job employment if possible.

Stephen Timms: May I press my point about self-employed people? Could a jobcentre adviser look at a self-employed person and say that they were not earning very much, that they could earn more if they went for another job, and that therefore they should give up their business? Is that possible?

Chris Grayling: That is not our intention. There would inevitably come a point when, if a person is in self-employment and is barely continuing above the threshold of support, we will look quite carefully. The right hon. Gentleman and I have discussed before the issue of self-employment. There has to be a point below which self-employment is so virtually non-existent over a sustained period that a degree of job search has to come into play. A person cannot simply say, "Well, I am self-employed for an hour a week" and then do nothing else. It certainly would not be our intention, however, to prevent somebody who was building a business from doing so—if they were showing good purpose, good intent and working hard—to make them apply for a different job. It is our desire to see self-employment grow and develop, and we recognise that building a business is a slow grind sometimes and has its ups and downs. So it would not be our intention for that to be the case. Clearly, if somebody was pursuing a self-employment option that just was not working, then at that point we might say no, they will have to look for something else. Our intention, however, would always to be to support people in self-employment.

I hope that gives shadow Ministers and other members of the Committee a sense of what we are trying to achieve. This is a development from where we stand at the moment in and around the 16-hours rule. It is about helping people, where they can practically and sensibly do so, to move to a point where they are much more financially independent of the state.

Sheila Gilmore (Edinburgh East) (Lab): I wonder whether the Minister has made any assessment of whether this additional task will require additional staff in jobcentres, and whether provision have been made for that.

Chris Grayling: We have some provision in the plans for Jobcentre Plus, particularly in the budgets for universal credit, to provide for an element of conditionality. We have more detailed work to do to establish exactly the kind of frequency and the parameters for doing so, because that has clearly got to fit within the resources that are available to us as well. If we can succeed in helping people move further up the work ladder, that will help reduce their dependence on the universal credit and help increase their contribution in tax and national insurance, and therefore it is a benefit to the nation as a whole.

Lilian Greenwood (Nottingham South) (Lab): I want to come back to the point about encouraging people to shift jobs in order to move into one that perhaps has a few more hours, or a slightly higher pay level. It just occurred to me that people who are returning to the labour market and perhaps trying to develop their CV will be looking to acquire a degree of stability with an employer that demonstrates to other employers that they have got staying power. Also, if they stay with an employer for longer, they will start to build up employment rights, which might be important for people with a young family; for example, for access to maternity leave at a higher level. How does the Minister envisage Jobcentre Plus staff balancing that with people's wish to develop that sense of being a reliable, committed employee, rather than someone who changes jobs on a regular basis?

Chris Grayling: I get the hon. Lady's point. I think it is about the application of common sense. This is not about getting someone to apply for a new job every month. Let us take the case of somebody with a disability who goes back into work for 12 hours a week, spends a year doing that work and is by then performing well and has clearly settled back into the working environment. That person has the potential to do more, but that particular employer does not have the opportunity for them to do more. At that point, it makes logical sense for them to be given help and assistance to move on into something with longer hours. That is how we envisage the system working.

[Chris Grayling]

I hope that that provides reassurance to members of the Committee. It is about doing the right thing for people. It is about helping to lift them and their families out of poverty by their moving up the income scale. I hope that hon. Members will feel able to support the clause.

Question put and agreed to.

Clause 15 accordingly ordered to stand part of the Bill.

Clause 16

WORK PREPARATION REQUIREMENT

Stephen Timms: I rise to speak to amendment 71.

The Chair: With this it will be convenient to discuss amendment 72, in clause 17, page 8, leave out line 22.

Stephen Timms: Amendment 71 is on the amendment paper because I was puzzled by clause 16, which states what actions might be specified and then lists half a dozen or so different actions. The last states:

"any action prescribed for the purpose".

I could not understand why there was one list in the Bill and then potentially another list in the regulations. I have now had the opportunity to read the note on regulations, which explains that the Government do not have any other item to add to the list, but that they want the ability to do so in future if a useful idea occurs to them. That seems to be a perfectly sensible explanation, and if I had had the notes on regulations earlier, I would not have tabled the amendment.

I do not know whether I can not move the amendment, having explained why it is on the amendment paper. If I can, I will happily not do so.

The Chair: It is perfectly in order not to move the amendment.

Question proposed, That the clause stand part of the Bill.

Stephen Timms: I have a few questions for the Minister about other aspects of the clause. Work-focused, health-related assessments are a good idea, and were introduced by the previous Government to assess how someone's impairment affects their ability to work, and how to overcome the barriers they face in getting into work, leading to a plan for moving towards work. The practice has been criticised for a couple of reasons, and I think I am right in saying that these assessments are not currently carried out, and were suspended last year.

As I understand them, the criticisms are, first, that the assessment must be carried out by medical professionals who do not know much about work places. It has been suggested that it would be better if they were carried out by someone not necessarily with medical training, but with training in the individual's specific impairment and the support that they might require. Secondly, they were criticised for being carried out late, often long after someone had started on their plan for moving back to work.

What are the Government's plans for the assessments? Having suspended them last year, do they intend to bring them back into use, and what will be different about them in future? When will they be carried out, and who will conduct them, given the widespread view that Atos Healthcare professionals may not be the best people to conduct them.

Ian Swales: The right hon. Gentleman mentioned the company that has been carrying out many of the assessments. Does he agree that an appeal rate of more than 50%, given that some people do not appeal, is far too high? The suggestion that it may be getting as many as 60% of its assessments wrong shows that something is wrong with the system. Does he believe that part of the problem may be the payment-by-results framework?

Stephen Timms: I hope that the hon. Gentleman's latter suggestion is not the case, although I agree that the rate of success on appeal is high. That certainly raises questions, although I understand, having been on the other side of the debate, how difficult it is to put in place a system that gets the assessments right. I think the figures he mentioned refer to work-capability assessments. Work-focused, health-related assessments are rather different, and the idea was simply to come up with contributions towards a plan to get back to work, a wholly positive and constructive contribution to helping people. In practice, that is not what happened, so the Government suspended them.

Charlie Elphicke: The right hon. Gentleman hides his light under a bushel. He will recall that this and the previous clause build on a whole load of machinery under the regulations that he signed in 2008. Given the problems that he identified with work-focused, health-related assessments, and if he were still in Government, what would he do to put right the problems that he correctly outlined?

Stephen Timms: I am grateful to the hon. Gentleman for his tribute to my modesty. I have made it clear that I think work-focused, health-related assessments are a valuable contribution to the system. I have indicated what I think the problems were that led the Government to suspend them. If I had still been in office, I am not sure that I would have suspended them, but I can understand the thinking that led the Minister to conclude that they should be suspended. I will certainly be very sad if the whole idea were to be dropped entirely, so I am glad to see that the assessments are still in the Bill. I want to find out what the Minister's intentions are for taking them forward and I hope bringing them back into use, so that that particularly good set of regulations can have effect once more.

The second aspect that I want to ask about is what is often referred to as workfare. Subsection (3)(e) refers to

"undertaking work experience or a work placement".

Working for benefit is often referred to as workfare. I do not object to the principle of mandatory work for benefit, but I want to know what the Minister makes of the evidence, which is now fairly substantial, around the effects of workfare. He will know of the academic report provided for the Department in 2008, which was called "A comparative review of workfare programmes in the United States, Canada and Australia". It found that evidence on the effectiveness of workfare is still rather limited. The report points out that the number of

people who undergo workfare in any of those countries, even in the US, is actually quite low. Some conclusions caught my eye:

"There is little evidence that workfare increases the likelihood of finding work. It can even reduce employment chances by limiting the time available for job search…Workfare is least effective in getting people into jobs in weak labour markets where unemployment is high. Levels of non-participation in mandatory activities are high in some workfare programmes."

Lastly, but perhaps most significantly, the report stated:

"Workfare is least effective for individuals with multiple barriers to work"

who

"often find it difficult to meet obligations…This can lead to sanctions and, in the most extreme cases, the complete withdrawal of benefits that leaves some individuals with no work and no income."

I am keen to ask the Minister about the Government's thinking and how subsection (3)(e) should be applied in the new system. In the light of the evidence, how does he plan to use workfare, and to what extent does he see the provision being applicable to individuals with those multiple barriers, who are picked out in that evidence?

2.45 pm

Chris Grayling: The shadow Minister made points in relation to two areas. Let me take those in turn. First, the work-focused, health-related activities are known in the Department as the WFHRAs. The reason we took the decision that we did was because at the time there was a genuine issue about the ability to deliver them, but most particularly it was because we believed that the WFHRAs would be best delivered by the Work programme providers as part of their own induction process for someone being referred to the Work programme. Our fear was that the WFHRAs would tend to be used for people moving off ESA or incapacity benefit as the ones with the prime issues to be addressed.

We expect everyone who is referred to the Work programme to be triaged at the start and to undergo a detailed assessment with the Work programme provider. We envisage the Work programme providers themselves doing a lot of the things that were envisaged to take place within the Work programme environment. It seemed illogical to have a parallel process in which, from this summer, we would effectively be saying to people, "You will be going to the Work programme and you will go through a detailed assessment when you arrive, but before you get there we will do another assessment that will sit between your work capability assessment and your arrival on the Work programme." The reason why we made the change was no more and no less than that.

A detailed assessment of someone's potential may not always need to be done by a medical person; sometimes, it may need to be and, in those cases, I envisage that the Work programme providers will have a significant amount of medical or related expertise in their teams. I do not know if the right hon. Gentleman has been to New York to see some of the work there. In centres that cater for its equivalent of our incapacity benefit and employment and support allowance clients there is a greater intensity of support, including a degree of condition management support. I expect some of that to be replicated within Work programme networks.

It seemed logical not to duplicate the process, and that was the reason for the change. We have left the powers in, because it seemed sensible to do so for the future and in relation to the rules applying to Work programme providers. It is necessary to have the powers set out in the Bill but, operationally, it seemed foolish for there to be duplication.

On workfare, the only programmes that we have set out so far are the short-term placements in mandatory work activity. The origin of that concept was in a lengthy consultation that we undertook last summer with front-line staff in Jobcentre Plus, who were asked about existing support networks and the rules and regimes that surround their work. The one consistent message that came back was that advisers want to have the opportunity to help jobseekers who become detached from the process, perhaps through a loss of confidence. Anyone who has been unemployed knows that after a few weeks people become fed up and depressed, and quickly lose familiarity with the working environment. Members of Jobcentre Plus teams work with people who would benefit from getting back into that working environment for a period of time, and that is why we have introduced the provisions on mandatory work activity.

We have not yet brought forward any other proposals for workfare, but there are potential options for us to consider. There is also the question of what happens to people after they have been through the Work programme. I absolutely hear what the right hon. Gentleman has said about the experience elsewhere. The advantage of a workfare-type activity, structured in the right way, for someone with multiple needs is that the alternative is for them to sit and do nothing for prolonged—and unacceptably long—periods.

There are clearly many people in the labour market who are a long way away from the workplace. The right hon. Gentleman's colleagues in government, the former Secretary of State James Purnell in particular, were keen to pursue the concept of getting long-term claimants with difficulties to do things at least to bring them into an environment in which they could do something positive and constructive with their life and where they could receive guidance, help and support that might in time bring them back closer to the workplace.

We certainly do not regard the sort of longer term workfare programmes that have been tried in other countries as a punishment vehicle within the system. They have the potential in some circumstances to offer a valuable additional developmental element to the support that we provide to people, but as yet we have not brought forward any such proposals. It is sensible to have the powers in the Bill so that we can deliver a variety of options to help people to get closer to the workplace. At the moment, however, our focus is on the mandatory work activity programme for jobseekers which, as the right hon. Gentleman knows, is due to be rolled out shortly.

Question put and agreed to.

Clause 16 accordingly ordered to stand part of the Bill.

Clause 17

WORK SEARCH REQUIREMENT

Stephen Timms: I beg to move amendment 73, in clause 17, page 8, line 29, after 'locations', insert

', which shall include consideration of the length and expense of the claimant's travel'.

The Chair: With this it will be convenient to discuss amendment 74, in clause 18, page 9, line 1, after 'locations', insert

', which shall include consideration of the length and expense of the claimant's travel'.

Stephen Timms: I am grateful to the Minister for the information that he has just given the Committee.

Amendment 73 is intended to broaden, or at least to clarify, the limitations on the requirement for people to search for work, so that undue time and expense might be avoided. I am particularly interested in the position, which we discussed a few minutes ago, of people who are required to search for a new job when they already have one. It clearly would not make sense to force people to move to a different job for higher pay if they incurred more than the difference in extra travel costs. It would make sense to the Exchequer because the cost to the Exchequer would be reduced, but it would be unreasonable to require somebody to change their job if they saw no benefit to themselves. Will the Minister assure us that that will not happen even though it might save money for the Government, and that the cost and expense of the travel that would be required to take up "work in particular locations", as stated in subsection (5)(c), would be taken in to account before imposing any such requirement?

Chris Grayling: The right hon. Gentleman makes an important point, so let me seek to reassure him. He knows that rules in Jobcentre Plus define what is and what is not reasonable, and they include issues such as travel time to work and the logistics for somebody's life if, for example, they have a caring responsibility. We would certainly not instruct Jobcentre Plus staff to sanction somebody for not applying for a job that would leave them worse off as a result of moving back into work. That would undermine the principles behind this measure. I do not think that it is something that needs to be written into primary legislation, but I can certainly give him an assurance that we would not issue guidance that said otherwise.

Stephen Timms: Does the Minister accept that the considerations are a bit different for somebody who is already in work and might be required to move to a better paid job in the way in which we discussed earlier? Will he also build on the point that he has already made, and accept that it would not be reasonable to require somebody to move to a different, better paid job, if their take-home pay did not go up because the difference was consumed by higher travel costs?

Chris Grayling: That would be entirely reasonable, and I would be very comfortable about saying to Jobcentre Plus staff, who are seeking to impose conditionality on people in part-time work who might move to full-time work, that they have to take a reasonable approach to that. If circumstances dictated that somebody would be worse off as a result, then applying conditionality would go against the principles of the universal credit. It would not be our intention to force somebody to change jobs to something that would leave them worse off. I hope that that provides the right hon. Gentleman with the reassurance that he needs.

Stephen Timms: I am grateful for that reassurance. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 17 ordered to stand part of the Bill.

Clause 18

Work Availability Requirement

Stephen Timms: I beg to move amendment 30, in clause 18, page 8, line 37, leave out

'(or more paid work or better-paid work)'.

Amendment 30 deals with the new in-work conditionality being proposed by the Government. In the past, when someone started work, obligations imposed on them by the benefit system came to an end. Under this Bill, that will no longer be the case. A person can still be required to meet conditions imposed by the jobcentre to increase their income. Potentially, that is a much more nannying regime than has been in place before with—to borrow language favoured by some of the newspapers that support the Government—snoopers from the civil service checking up on people's hours and their pay and ordering them to change jobs if they do not think that they are earning enough. That is not language that I would use, Mr Gray, but you understand my drift.

Sarah Newton (Truro and Falmouth) (Con): That is one interpretation of it, but I see a lot of people in my constituency who really want to go back to work and to improve their chances. They may have taken seasonal employment. A lot of people in agricultural areas take low-paid seasonal work. They feel pretty written off at the moment. Jobcentre Plus can tick the box and say that that person has got a job. People appreciate work-focused interviews and knowing that somebody is looking out for them and offering support to improve their job prospects.

3 pm

Stephen Timms: The hon. Lady is absolutely right, and there are certainly ways that such a provision could be helpful. She will accept, however, that it will depend on how it is done and that some people might be pretty aggrieved at being required to change their jobs in some circumstances, depending on their other commitments and obligations.

Will the Minister tell us a little more about how he envisages the legislation will work? The amendment would remove the obligation on someone to change job. Quite a new feature of the system is being introduced, and I am keen to know, as is the Committee, how the Minister intends that new power to be used by Jobcentre Plus and what constraints he expects to impose to avoid what in some circumstances could be an unwelcome and undesirable intervention by the jobcentre.

Chris Grayling: The key point to add to my earlier comments about the philosophy behind the approach is that the automated system that we are introducing to deliver universal credit will provide real-time monitoring of income and enable us to adapt universal credit payments accordingly. The snoopers' charter—those are the hypothetical words of a third-party newspaper, not of the right hon. Gentleman—would not apply because, by definition, to make universal credit payments,

to ensure that people can move seamlessly into and out of work and to respond quickly to changes in circumstances, the system will enable us to track what people are earning and set the appropriate amount of universal credit for them to receive.

Ian Swales: The rewards of work are not always entirely about money; they are sometimes to do with training and career prospects. Could a younger person in a job with good career prospects get caught by the measure? For example, in North Yorkshire, some of the best paid work is in the bacon factory at Malton, although that work has no career prospects. Will jobcentres be cognisant of such flexibility when considering longer-term situations, rather than instantaneous earnings?

Chris Grayling: Absolutely. I will give the hon. Gentleman a practical example. Suppose an unemployed young person who has been out of work for a few months goes through our new work experience programme and, as a result, succeeds in getting an apprenticeship. In one or two places, we are beginning to see the first apprenticeships to result from that programme. An apprenticeship is an 18-month, two-year or three-year programme, and Jobcentre Plus would have no intention of intervening to say that the person must resign their apprenticeship to work in the bacon factory. That would be crazy, and we would not countenance such a situation.

The Bill is aimed more at the situations that I described to the hon. Member for Nottingham South. I mentioned the case of someone with a disability—perhaps someone who has been in an accident or suffered a chronic disease—making a first return to the workplace. That is a step-by-step process. They get back into the workplace and understand what they can do. As they build confidence and get back into a daily working habit, they might realise that they have the capability to do more. The Bill is about nudging them along to do more.

Stephen Timms: The Minister said that we should not talk about a snoopers' charter, but he said that jobcentre staff will track people's earnings. I understand the use of real-time PAYE data for calculating universal credit, but to say that that information will go also to jobcentre staff to track people's earnings and see whether they ought be encouraged to earn a bit more sounds as though he is envisaging quite an intrusive arrangement.

Chris Grayling: The right hon. Gentleman has misunderstood what I was saying. We do not need to send someone round to spy on the pay cheque. We will be aware over a period of time, and when the jobcentre adviser sits down with someone after six months to talk about their situation, they will be able to look at their benefit history, as they can today. We will not be able to track income in between times and watch over someone if they do not earn a certain amount and haul them back in. This is about looking at their circumstances and the amount of universal credit that they receive and about booking a work-focused interview, for example, in six months' time, to come back to talk about how they are getting on and how they have progressed. There is no intention of having a snooper's charter—either electronic or otherwise—in between times to monitor their income, relay that back to the adviser and haul them in for an interview to get them to increase their hours.

Stephen Timms: Is the Minister confirming that jobcentre advisers will have access to real-time PAYE data?

Chris Grayling: No, I am not suggesting that for a moment. I am suggesting that Jobcentre Plus advisers will know when the six-month interview comes along what universal credit someone is receiving. That is my expectation. Today, the adviser is aware of what benefit someone receives and can discuss their needs—how otherwise could they discuss child care, for example? How could they discuss an individual's circumstances? When the adviser sits down to talk to that person, I would expect them to have an idea of how many hours they work and what universal credit they receive. We will not have a real-time flow of data from the adviser's desk top, so that they can track someone they have been working with over a period of time.

We are trying to create a system that supports and guides people for every step up the ladder that we can help them with, into longer-term, more sustained employment. This is not about taking that process into full-time, well-paid work. We are not considering trying to track someone who is paid £20,000 a year and persuading them to earn £21,000 a year. This is all about helping those who are taking the first few steps into the workplace, as a lone parent, as someone who has been long-term unemployed, as someone who is doing a mini-job to get themselves re-established in the labour market or as someone who is overcoming a disability to move back into the workplace. In those circumstances, we aim to put in place a structure that both supports them and nudges them on the way.

Stephen Timms: I am grateful for that explanation. I still feel some alarm at what precisely is envisaged here, but I do not intend to press the amendment to a vote, so I beg to ask leave to withdraw it.

Amendment, by leave, withdrawn.

Anas Sarwar (Glasgow Central) (Lab): I beg to move amendment 38, in clause 18, page 9, line 3, at end insert—

'(e) the Claimant having guaranteed and predictable access to high quality, flexible and affordable child care acceptable to the parent and child or children.'

The Chair: With this it will be convenient to discuss amendment 52, in clause 24, page 11, line 44, at end insert—

'(9) Regulations must make provision to secure that in prescribed circumstances where a claimant has caring responsibilities for children under the age of 16, the Secretary of State must not impose requirements under this Part which would significantly interfere with the claimant's ability to discharge those responsibilities. No regulations in this Part shall supersede the provisions set out in The Jobseeker's Allowance (Lone Parents) (Availability for Work) Regulations 2010 or The Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008, Clause 11.'

Anas Sarwar: We had a lengthy discussion this morning about child care costs. My right hon. Friend the Member for East Ham made a lengthy contribution to the debate, so hon. Members will be pleased to know that I do not intend to speak for a long time. The amendment—alongside amendment 41, which will be debated under clause 26—

[Anas Sarwar]

aims to ensure that it is recognised that limitations in the work available to claimants include a lack of suitable child care.

The Government have repeatedly made the point that the main purpose of their welfare reform proposals is to make work pay. The Secretary of State for Work and Pensions has stated on several occasions that the Government reforms mean that people will always be better off in work than out of work. However, one of the main problems with the Bill relates to access to suitable child care, which makes it difficult for households to tell whether they will be better off in work. Some 480,000 families currently receive support for their child care costs through tax credits, and 64% of them are single parents.

A report by the Scottish Parliament's Local Government and Communities Committee, published in January 2009, found that the greatest barrier to entering the labour market for those who were in economically active age groups and did not have health problems was undoubtedly child care. A briefing paper produced by Oxfam highlights the problems with the following quote from a young woman called Anne Marie, who coincidentally comes from the great city of Glasgow. It says:

"Child care is a big barrier. You are giving your child to a stranger and paying them a full time wage to look after your kids. But if you are on the minimum wage, the person looking after your kids is earning more than you. How do you work that one out?"

Unfortunately, that question is being asked by a number of households across the country.

By not indicating how child care costs will be covered under the new universal credit, the Government are creating even more uncertainty at a time when most people are unclear what the future holds for them and their families. I appreciate that the Secretary of State for Work and Pensions said during oral questions last week that child care support would be provided as part of universal credit, and I appreciate that the Minister made comments this morning to a similar effect. As yet, however, we still do not have a clear indication of the details.

We have no details of how support for child care costs will be included in universal credit. We do not know the proportion of the cost that will be covered by universal credit, or whether there will be support for those working less than 16 hours, as well as for those working over that threshold, nor how the payments will be made and to whom. Until there is more information on how much support will be provided for child care costs, households will find it impossible to assess whether universal credit will mean that it is worth being in work and whether it pays to be in work rather than out of work.

I have a couple of questions for the Minister. First, does he accept that the quality and availability of child care is a barrier to employment? Secondly, what measures will he take to ensure that parents are better off in work than out of work and that they have access not only to a certain level of child care but to quality child care throughout the country?

Stephen Timms: My hon. Friend makes a strong case. I should add that existing regulations have carefully defined the requirements that it is appropriate to place on lone parents without preventing them from discharging their child care responsibilities. My reason for tabling amendment 52 is that I hope that the Minister will confirm that he does not intend to override those safeguards in the regulations that he will make under the clause.

The amendment refers to two specific regulations. I shall quote the explanatory notes for each, the first of which states:

"It is normally a condition of entitlement to jobseeker's allowance that claimants are willing and able to take up employment of at least 40 hours per week, but regulation 13A provides for an easement in the case of lone parents to whom the new provision applies. They will be able to restrict their availability for employment to the child's normal school hours."

Will the Minister confirm that that is the Government's intention in the regulations to be made under the clause?

The explanatory note for the second statutory instrument explains that

"Regulation 11 makes various amendments to the Jobseeker's Allowance Regulations concerning good cause for refusing or failing to carry out a jobseeker's direction, or to apply for or accept employment to which a jobseeker has been referred by an employment officer, by setting out the circumstances in which child care expenses must be taken into account. Those circumstances relate to where the person necessarily incurs, or would incur, unreasonable child care expenses as the result of the employment or direction. Regulation 11 also provides that for the purposes of determining good cause the availability and suitability of child care must be taken into account when considering whether a claimant's caring responsibilities for a child make it unreasonable for the person to undertake a particular employment or carry out the jobseeker's direction. It further provides that those matters must also be considered in relation to just cause for voluntarily leaving employment."

I simply seek the Minister's reassurance that the regulatory safeguards will be carried over into the new measure.

Chris Grayling: I should like to reassure both hon. Members, and I shall address their comments in turn.

We agree that it is important to balance any requirement to be available for work with a claimant's child care needs. The amendment raises the concern that we will not take those needs into account, but I give the Committee a clear undertaking that that is not the case. As the right hon. Member for East Ham said, there are already specific limitations on the requirements that can be imposed on parents to allow them to care for their children. We do not intend to change that.

No lone parent will be required to look for or to be available for work if the youngest child is below school age. If the child is under five, we will ask lone parents only to attend work-focused interviews. They will, of course, be able to volunteer before then for back-to-work support should they wish to do so. We are also making provision for some lone parents with children under the age of five to attend the access to work programme, but that will be purely their choice; it is not something that is mandated by us. If the child is five or over, parents who are capable of work will be required to look for and take up employment, but we shall ensure that the requirements are limited to take account of child care needs.

Clause 18 will give the Secretary of State the power to set limitations on work availability requirements, and subsection (4)(d) makes clear that that can include restrictions to work

"for a certain number of hours or at particular times".

Regulations will specify that a lone or nominated parent of a child under the age of 13 may limit their availability to work to their child's normal school hours. We therefore intend to apply clear safeguards to ensure that child care needs are properly reflected in a claimant's work availability requirement. That is important. It is not our intention to make lone parents—mums bringing up young kids—go out to work at times that make it impossible to do the things that their kids want, which is for their mum to drop them off at school in the morning and so on.

3.15 pm

We will take a case-by-case approach to children over the age of 13, because the needs of that age group differ, depending on factors such as the maturity of the child. Any of us with kids will know from them and their friends that there are huge differences. Some children are perfectly mature and utterly untouched and untrammelled by being latchkey kids at the age of 13; but for others, there are real issues and a need for parental involvement and responsibility. We will deal with each circumstance on a case-by-case basis.

If child care is still needed to help claimants meet work availability requirements in, for example, the school holidays, advisers will work with parents to help them identify the child care available. Indeed, we already have very good expertise to do that among our lone parent advisers in Jobcentre Plus. The right hon. Member for East Ham is right that it is necessary to ensure that good child care is available. This Administration take the view—as did his party when in government—that it is always necessary to take what steps we sensibly can to encourage the availability of good child care provision. For example, we currently refer claimants to the local family information service, and we hold information about where people can go to access child care.

The right hon. Gentleman will know, however, that many parents make their own arrangements for holiday child care. Returning to my point about informal child care, I am not in any way suggesting that it is a statutory or policy alternative, but many people find it much easier and choose to make arrangements among themselves for holiday times. We are therefore reluctant to set in stone legislative frameworks, but we recognise and give guidance to our staff that they should work with claimants to try to find the best support available for children. School holidays are more of a headache than term times, although parents are off on leave at certain times of year anyway.

Amendment 38 stresses that child care must be acceptable to the parent and the child. We agree with the principle behind that. It is not and will not be our policy to require parents to take up child care or to assume that they can take up any available place. It is for a parent to decide whether a child care place is acceptable. However, we must have the ability to check that, when a claimant turns down child care, they are acting responsibly. We do not want that to become an excuse for not working, which is why we have to be careful about how the legislation is framed. Where an adviser feels that a parent is not acting reasonably, they do not have to take that into account when deciding the extent of any limitation on a work availability requirement. Failure to meet that requirement—failure to take up a job offer if child care is the excuse—may result in a reference to a decision maker for a sanction, but only in circumstances in which the adviser feels that the system is being abused and that there is no genuine reason for the decision taken.

The regulations mentioned in amendment 52 provide that a lack of suitable and affordable child care can be considered good cause for leaving a job, not taking up a job or failing to meet a jobseeker's direction. Once universal credit is introduced, the availability of suitable child care may be considered a relevant factor when determining whether a claimant has good reason for such a failure. For example, if child care costs mean that taking up a new job would amount to an unreasonably high proportion of a claimant's pay, the claimant may cite good reason for not accepting or applying for a job. The right hon. Gentleman made that point in relation to transport a few moments ago.

We think that the balance is fair and that it does not need to be written into primary legislation. This is the application of common sense on the ground. There are already clear rules within Jobcentre plus, for example, for what does or does not constitute a reasonable job offer given someone's circumstances. We share the aspirations of the right hon. Gentleman and the Labour party. There is no division on this issue in the Committee. I hope that Opposition Members will take that as sufficient reassurance not to press the amendment to a vote.

Anas Sarwar: I thank the Minister for his detailed reply, and I apologise if any hon. Member was seeking to intervene just as I closed my remarks. Although we all need to see the plans in action, I am reassured by what the Minister said, so I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 18 ordered to stand part of the Bill.

Clause 19

CLAIMANTS SUBJECT TO NO WORK-RELATED REQUIREMENTS

Kate Green: I beg to move amendment 67, in clause 19, page 9, line 15, leave out

'under the age of one'

and insert

'under such age as may be prescribed'.

In the light of the Minister's comprehensive remarks on clause 18, many of the issues that I was seeking to investigate under this clause and clauses 20 to 22 have been well addressed by the absolute clarity that he gave us about what will happen to parents of children at the specific ages. It has been extremely helpful to have explanations about what will happen up to age 13 and thereafter to know that there will remain a degree of flexibility and discretion beyond that. That has been very useful and has considerably clarified many of the points that I might have raised.

I should therefore be grateful if the Minister could reassure me on one point. We will now be in a situation where JSA conditionality will come in at age five—a two-year reduction on what was proposed by the previous Government in their Welfare Reform Act 2009. Conservative and Liberal Democrat Members suggested on Report that no financial sanctions should be imposed

[Kate Green]

on parents of a child aged under five and Lord Freud moved an amendment in the other place to state that nothing should cause any financial sanction to be imposed in the case of a single parent of a child under the age of five. I do not need to rehearse all the different circumstances that the Minister has helpfully taken us through, but does the position that was held by the noble Lord, who is now a Minister in the Dept, remain the Government's position in relation to any obligations that they may be required to fulfil in subsequent clauses? I look forward to hearing what he has to say.

Chris Grayling: Let me start by saying that I am grateful for the hon. Lady's comments. My view was that it was not appropriate to increase the age from one, or at least to put the potential to vary it in regulations. I take the view that the lone parent or the parent of a child under one should not be subject to any kind of job search requirements. We have given due consideration to the points she raised. We have listened quite carefully to the arguments that were articulated by the previous Administration. I do not want to see lone parents of young children sanctioned very often. There are obligations in the welfare system in return for the receipt of income support. Particularly as the children get closer to the age of five and are likely to be going to school there should be an obligation to at least engage with the system.

Any lone parent in that situation who faces any kind of financial sanction is certainly entitled to receive hardship payments. We have also looked at whether other forms of sanction may be appropriate, for example, the requirement to attend a work-focused interview at a Sure Start centre. At the moment we have not decided to change the policy we inherited from the previous Administration. It is something that I envisage should be administered only very lightly. It is something that the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Basingstoke (Maria Miller) feels very strongly about. We listened quite carefully to the arguments articulated by the previous Administration and have, for now at least, decided not to change the situation.

Kate Green: I am grateful for that clarification and the Minister's assurance that he expects that financial sanctions would be imposed only very rarely and with careful thought about the circumstances. Clearly financial sanctions are not the only penalty that is available to the Government. They could impose activity sanctions, such as a requirement to attend interviews more frequently or undertake other work preparation or work-related activities. We understand that the Government are promising a graduated approach, with early sanctions to precede the financial ones that may come down the line, and that would be right for us to support.

I am concerned that lone parents with the sole responsibility for a young child could be put in a position where a meagre budget with which they support that child could be cut further. I note what the Minister has said about hardship payments, on which we will no doubt have a further debate later on. I am grateful for his assurances this afternoon to ensure that any financial sanction on parents of young children are imposed with incredibly great caution and with the impact on those children given the fullest consideration. It is vital that sanctions are imposed within the context of the best interests of the child in the household. The Minister's assurances have been welcome, and on that basis, I am prepared to withdraw the amendment, but with a large note of caution attached.

The Chair: For the sake of correctness, the Member proposing the amendment seeks leave of the Committee to withdraw the amendment.

Kate Green: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Stephen Timms: I beg to move amendment 36, in clause 19, page 9, line 16, at end insert

> ', which shall include that the claimant is either receiving, recovering from, or expected within 6 months to receive treatment with chemotherapy or radiotherapy'.

The Chair: With this it will be convenient to discuss the following: amendment 32, in clause 19, page 9, line 16, at end insert—

> '(e) the claimant is receiving chemotherapy or radiotherapy, is recovering from that treatment or is likely to receive such treatment within 6 months.'.

Amendment 37, in clause 56, page 40, line 35, at end insert

> ', which shall include that the claimant is either receiving, recovering from, or expected within 6 months to receive treatment with chemotherapy or radiotherapy'.

Amendment 33, in clause 56, page 40, line 35, at end insert—

> '(e) the claimant is receiving chemotherapy or radiotherapy, is recovering from that treatment or is likely to receive such treatment within 6 months.'.

Stephen Timms: Probably all members of the Committee have received representations from Macmillan Cancer Support, on behalf of 30 cancer charities, for a change to the current treatment of cancer patients in employment and support allowance. The amendments that we have tabled address that point, as does the similar one tabled by the hon. Member for Meon Valley.

The concern is that people receiving chemotherapy or radiotherapy orally are currently treated by ESA less thoughtfully than people who are treated through injections, when people receiving oral treatment could have symptoms that are just as bad as those who are being treated intravenously. I asked the Minister in a written question some weeks ago why someone receiving oral chemotherapy who applies for ESA is placed in the work-related activity group, and so subject to obligations set out in the Bill, when a person receiving non-oral chemotherapy is placed in the support group, and so is exempt from the obligations and incidentally receives a rather higher payment in benefits. The Minister, in his answer to me, said:

> "The purpose of this policy is that those experiencing the most severe functional limitations as a result of cancer treatment are automatically entitled to enter the Support Group"—[*Official Report*, 2 February 2011; Vol. 522, c. 831W.].

However, the point of the cancer charities is that the functional limitations suffered by patients of oral chemotherapy and radiotherapy can be just as severe, and logically they should be treated in the same way.

The Secretary of State commented on the issue on Second Reading when he was asked about it. He asserted:

"It is not as debilitating."—[*Official Report*, 9 March 2011; Vol. 524, c. 920.]

However, that is certainly not the view of the cancer charities. I note that Professor Harrington has commented on the matter as well. He said that oral chemotherapy and radiotherapy

"can sometimes be equally as debilitating",

contradicting the Secretary of State's claim.

The matter is becoming increasingly important because the percentage of oral treatment is rising. Macmillan draws to our attention the statistics from the United States where, in 2007, 10% of cancer chemotherapy treatment was administered orally. It is expected that, by 2013, that proportion will rise to 25%. Macmillan tells us that it expects a similar increase in the application of oral treatment for cancer patients in the UK. Will the Minister accept that the system needs to be updated in light of the growing application of oral treatments, and the clear evidence that that is not necessarily any less debilitating than the alternative?

3.30 pm

George Hollingbery (Meon Valley) (Con): It is a pleasure to serve under your chairmanship, Mr Gray, and to be discussing my first ever amendment—although that is perhaps rather less exciting for everyone else.

I am grateful to the shadow Minister for his comments. As is clear from the list of amendments, we have both tabled a very similar amendment. I have very little to add to what he said, except for pointing out one or two extra details for the Minister and asking him to respond to one or two of my comments. I have a bit of extra detail on one or two of the oral therapies. A specific example is fludarabine, which is commonly used for a number of cancers. That drug has the effect of immunosuppression, allowing a range of diseases to take hold in some of those taking the therapy—for example, pneumonia and other things. It causes nausea, diarrhoea and considerable fatigue. A second treatment that Macmillan was keen to put on the record is capecitabine. Again, that is increasingly used across the treatments for cancer. Considerable fatigue can result from taking that drug and it can be extremely debilitating, particularly if someone is in the work-related activity group and is required to attend sessions to seek education and to explore work possibilities and so on.

That is at the core of the issue. As the shadow Minister mentioned, the amount of extra money available to someone if they are put in the support group is only £5.45 per week. As always, I am mindful that the my hon. Friend the Member for Dover will be interested in the amount that it will cost. The charities estimate that around 2,500 people will end up in a support group who might otherwise have ended up in the work-related activity group. At £5.45 a week, that is about £640,000 a year, which is not an enormous amount of money for any Government.

I further suggest that if people are not required to attend meetings, there may even be some savings that will make the amount the Government have to invest even less. However, it is not about the money; it is about the fact that attending some of those meetings can be further debilitating and can be very challenging for people who are on oral chemotherapy. The very nature of chemotherapy is changing. There is a migration from intravenous to oral chemotherapy. Indeed, some of the chemotherapies that are prescribed can be taken either intravenously or orally. Clearly, many patients opt for the oral version, even if it has slightly worse consequences, so that they do not have to go through the process of being injected every day.

Chris Grayling: There is a uniformity of view from all parties on that matter, and the subject is of concern and on our minds. We are seeking to do the right thing about the issue. I pray in our defence the decision to implement the internal review into the work capability assessment carried out by the previous Administration. One of the key reasons for doing that was to ensure that people in between courses of chemotherapy were also placed in the support group, given the fact that those going through chemotherapy cannot possibly be expected to work in a conventional setting.

The issue arises over the nature of the cancer treatment. I have no doubt that some forms of oral chemotherapy make it impossible for an individual to work and that that should require them to be put into a support group. The only issue is that there are a wide variety of treatments. Some are extremely debilitating and some are less so. The same applies to new techniques that enable chemotherapy to take place in a targeted way, with new equipment that allows treatment to be done over a few minutes, rather than the extended period that has been the case up to now. There are a mixture of oral treatments, some of which have a low impact on the individual and that are designed to treat relatively—in so far as these things can ever be—lesser outbreaks of cancer as opposed to the more serious treatments. To date, we have formed the view that oral chemotherapy is not yet something to which it is possible to apply a one-size-fits-all approach in terms of the rules applying to the work capability assessment and the decision whether to put people into the support group.

Ian Swales: As a supporting point—I speak from personal experience—nobody has talked about the psychological effects of cancer treatment. Whatever the physical effects, some of which my hon. Friend the Member for Meon Valley graphically described, somebody undergoing chemotherapy might not be psychologically okay to go through some of the work-related procedures. That is another comment in support of the amendment.

Chris Grayling: That is also an entirely fair point. The right hon. Member for East Ham is right that Professor Harrington raised concerns about the issue, although he used the phrase "can sometimes" as opposed to "does always". We have asked Professor Harrington if he will consider the issue specifically and make recommendations. Money is genuinely not the issue here. If it is the right thing to do to put all chemotherapy patients into the support group, I am perfectly happy to do so.

At the same time, I am instinctively reluctant, on any matter of health problems or disability, to use a one-size-fits-all approach that says that anybody in a particular group automatically ends up in a particular place. My reluctance has more to do with the fact that circumstances vary. I want the system to be responsive to those varying circumstances. My message to all those who have expressed

[Chris Grayling]

concerns is that the Government have an open mind and are willing to make changes if we feel that it is appropriate to do so. We have taken steps to ask that question by asking Professor Harrington to work with Macmillan to identify the right approach.

Sheila Gilmore: The claimant is obliged to report any change in circumstances, so someone receiving such a form of therapy who is placed in the support group and becomes much better will presumably have an obligation to report that. Also, regular assessments are built into the system; indeed, many of my constituents have been assessed several times in a year. Given that, is there really any major disadvantage to placing people who are receiving such forms of therapy within the support group?

Chris Grayling: There may not be. My message is that we have asked Professor Harrington to consider the issue for us and to work with Macmillan. Not all treatments have the same effect; some have much less effect than others. As I have said clearly today, if Professor Harrington comes back and says, "Put everyone who is going through any form of chemotherapy into the support group," we will.

Stephen Timms: When does the Minister expect to receive that advice from Professor Harrington?

Chris Grayling: We have asked him to come back in the relatively near future. I cannot put an exact time frame on it, as it is down to him to make recommendations to us, but I will encourage him to give us a view sooner rather than later so that if changes are needed, we can progress them. I have said all along that we want the work capability assessment process to involve ongoing improvement. If changes need to be made, we will make them as quickly as possible. One reason why I did not leave Professor Harrington to wait a year before his second review was so that we could continue to review the issues. I give the Committee an undertaking that if his advice is that we should do this, we will. I hope that on that basis, the Committee will allow him to make his recommendation and suggest an approach to us. I am happy to commit to adopting that approach.

Stephen Timms: I am grateful to the Minister for his thoughtful response. He says that he does not support a one-size-fits-all approach, but that is the problem with the current arrangement: everybody who receives oral chemotherapy, irrespective of its effects, is placed in the work-related activity group rather than the support group. However, the Committee will have been encouraged by what he said about his willingness to implement Professor Harrington's recommendations. I hope that they will be put to him within the next couple of months rather than later.

Chris Grayling *indicated assent.*

Stephen Timms: I am encouraged by the Minister's nodding. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Stephen Timms: This has been an interesting and useful debate. I want to raise one other set of issues about clause 19. It arises from the note on regulations that was circulated to us yesterday evening, because that explains which people will be excluded from work-related requirements—this clause deals with those claimants who will be subject to no work-related requirements. The note on regulations explains that people will be excluded from these requirements if their,

"working hours, earnings, amount of universal credit payable or all three, are above a certain level …The threshold will be set at least as high as the point people lose entitlement to current out of work benefits".

But it also says that it will be a household threshold, not an individual threshold and it concludes:

"We want to consider the options carefully".

That raises a whole range of questions in my mind. Taking the Minister back to the exchange we had a little while ago about whether jobcentre advisers will have access to real-time PAYE data, if a threshold is set on the basis of earnings, that implies that the jobcentre is expected to know what people earn. It also suggests, because of the reference to working hours, that jobcentre advisers will know how many hours people are working. It adds,

"amount of universal credit payable"

and the Minister has perfectly fairly pointed out to the Committee that one would expect the jobcentre to know how much universal credit people are receiving, but it is more of interest—or more of a surprise—that jobcentre advisers are supposed to know how many hours people are working and also their earnings.

The note on these regulations says that these regulations, when they have been drawn up—and there is clearly a lot of work still to be done before they are concluded—will be subject to the negative procedure. I put it to the Minister that, surely, in an area such as this, where there is quite a lot at stake—the note on these regulations tells us very frankly that we do not know how to do this yet, but this is the kind of area we are looking at—a regulation such as this should be subject to the affirmative procedure, so that Members of the House get the opportunity to see precisely what these arrangements are going to be, or at least a bit more precision than we have at the moment about how the arrangements will apply. What will be the working hours beyond which people will not be subject to work-related requirements? What will be the level of earnings beyond which they will not be subject to work-related requirements? Also, how will the household threshold work? The implication seems to be that, if two members of a couple work, between them, above a certain number of hours, they will both be exempted from work-related requirements.

This seems to me to open up a whole new area, potentially, of intrusiveness on the part of the jobcentre into people's lives. It will require information in the jobcentre which has not been available in the past. I am reassured by the comment in the note on regulations that

"We want to consider the options carefully",

but I think there is a very strong case for the Minister to come back to the House once those options have been concluded, to enable a Committee of the House to consider the regulations under the affirmative procedure.

The Government have indicated that they want to move away from hours rules; it is one of the points that they have made in criticism of the current system that the 16-hour threshold has many implications. However, this clause and the note on regulations that the clause gives power for seem to me to put something like the 16-hours rule back in the frame again. We ought to know more about the Government's intentions. I will be grateful for anything the Minister can say this afternoon about how he envisages these regulations working. I particularly urge the Minister to acknowledge that this is an example of regulations that ought to come back under the affirmative procedure.

3.45 pm

Chris Grayling: Let me reassure the right hon. Gentleman to some degree. Although I will not give a definitive answer this afternoon, the question is: at what point do we set the barrier above which we do not seek to interfere in any way with people's working lives, alongside their entitlement? At what point on the ladder that I described earlier—the ladder of moving back into employment—are they effectively freed from a work search requirement?

There are a number of ways in which one could establish that point. One obvious example would be to extrapolate the number of hours worked—a working week, for example—against the national minimum wage. If there was a household that had an income coming in, and the principal earner was working 35 hours a week on the national minimum wage, the argument could be made perfectly well that above that level it would be unreasonable to seek to impose some kind of conditionality that required that person to try to get a pay rise. Equally, let us take someone at the other end of the scale, who is working nine hours a week at the national minimum wage; it is not unreasonable to encourage them to try to increase the number of hours that they work, if their circumstances permit. We should not look at it as being automatically one or the other, and we would not necessarily need to track the hours that every individual worked. However, there is a point at which we need to define a threshold, below which people are still subject to an improved job search requirement and above which we do not seek to look over their shoulder and find out what they are doing.

What we must establish in the next few weeks and months is where that line should be drawn, and I am very happy to get the right hon. Gentleman's input and suggestions on that. My suspicion is that, in the end, it will be a matter of some kind of combination of the elements rather than one individual threshold, but it is a question of identifying where the threshold should be.

Stephen Timms: What puzzles me is how staff at Jobcentre Plus will know the working hours of two members of a couple, and their earnings, separately or together. It is not clear to me how that information will be available to the staff. I can see how the information about the amount of universal credit payable will be available to someone in Jobcentre Plus, but I cannot see how or why the staff at Jobcentre Plus will know what the couple's working hours and earnings are.

Chris Grayling: It is not necessarily staff at Jobcentre Plus who would monitor that information. Clearly, the staff at Jobcentre Plus could not monitor the exact working hours on an ongoing basis. The universal credit system will show what income someone is receiving, and it will adapt the amount of universal credit to that income. As I have said, the mechanism that one might conceivably use—this is the reason why it is in the Bill—is to say that the threshold is the equivalent of a certain number of hours multiplied by the national minimum wage; that would provide a financial threshold above which someone is not subject to conditionality. The right hon. Gentleman should not look at that threshold as an attempt by us to track the number of hours worked. It would simply be used, potentially as a reference point, in deciding where the line should be drawn, below which conditionality would apply and above which conditionality would not apply.

We have not made a definitive decision about where that line should be drawn. It is likely that it will be devised through a combination of factors. Ultimately, once that decision is taken, the process will not be particularly complicated. As for the affirmative procedure issue, I am happy to go away and give that due consideration. It is not something that needs to be decided in debate this afternoon. I understand the point that the right hon. Gentleman makes. For his information, clause 43 sets out the process for regulations made under part 1 anyway.

I am giving the right hon. Gentleman a hypothetical example, but if one took a number of hours and the amount of the national minimum wage, that would be a vehicle that would enable us to set a threshold. Together, the use of those different elements will enable us to reach a point below which conditionality will apply and above which it will not apply. I hope that that gives him the answer to his question.

Stephen Timms: The problem with that formula is that it requires the staff at Jobcentre Plus to know somebody's hours and earnings so that they can apply the threshold. The test that the Minister suggests is not the universal credit test. Again, it is not clear to me how the Jobcentre Plus staff will know that information.

Chris Grayling: I am not suggesting that this is necessarily an individual issue. One of the challenges we have is that if we try to work on the number of hours, somebody who is working one hour a week for £500 an hour is clearly way out of the support network, so we could not simply do it on the basis of the number of hours. Equally, there must be a sensible financial threshold, above which it is reasonable not to apply conditionality but below which it is reasonable to say that there is further progress to be made on what the individual is doing. The final answer will be a combination of the two.

It is absolutely not the case that we intend to introduce an additional mechanism to track the number of hours worked in real time. That would be impractical in any case. At the time of the work-focused interview, we may sit down with someone and say, "How many hours are you working? What is the nature of the job that you are doing?" That is a logical conversation with an adviser. We are not seeking an additional level of IT with a reporting structure for all hours worked. I hope that that provides the right hon. Gentleman with a degree of clarification and reassurance.

Stephen Timms: A final point from me: the Minister is right to refer to clause 43, but that says that all the statutory instruments will be subject to the negative procedure. I am grateful for his sympathy for the suggestion, at least, that the provision should be subject to the affirmative procedure. We may return to that point in debate on clause 43.

Chris Grayling: I have always found that the negative procedure is a good way of keeping Opposition research teams on their toes, because they have to watch out for things and pray against them. I am listening carefully to what the right hon. Gentleman says. I understand where he is coming from, and I am happy to commit to at least having a discussion on the issue in the Department. We may not move from where we are, but I am happy to offer that to him. In the meantime, I hope that he understands the point that I am making, and I hope that he is happy to accept the clause.

Question put and agreed to.

Clause 19 accordingly ordered to stand part of the Bill.

Clauses 20 to 23 ordered to stand part of the Bill.

Clause 24

IMPOSITION OF REQUIREMENTS

Stephen Timms: I beg to move amendment 49, in clause 24, page 11, line 21, at end insert—

'(1A) When imposing requirements under this Part, the Secretary of State must provide the claimant with a written statement detailing how the requirement is intended to assist the claimant in securing employment.'.

The amendment would require people who have requirements imposed on them under this part of the Bill to be provided with a written statement that sets out how the requirement will help them to secure employment. It is a probing amendment, like others we have debated this afternoon. We all want as few people as possible out of work. All of us recognise that securing employment is as much about motivation as anything else. Implemented properly, I gladly recognise that the claimant commitment set out in the clause could help people understand their responsibilities. The written statement that would be required under the amendment would take us a little further, by ensuring that the individual understands why requirements have been placed on them. A written statement is specified so that the claimant has a lasting record to which they can refer back in the future.

The amendment stipulates that the written statement should explain to the individual how the requirements will assist them in securing employment. The requirements imposed on people must not be arbitrary. The statement would be clear on how the requirements will help. To use the example that the hon. Member for Redcar gave, if a requirement to attend a CV course is placed on someone, they would be given a written statement on how that will assist them in securing employment. A device along those lines would also encourage people to take responsibility for their circumstances. After receiving the statement, if they were told the purpose of what they were being asked to do, some people might feel that they could enter into useful discussions with their adviser on how they might meet the same objectives through alternative means. It might lead to a creative discussion on how best that purpose can be fulfilled, and might result in a slightly different proposal from that made in the first instance.

If a claimant is asked to take up a work experience placement, but is already doing valuable voluntary work—we will discuss this later—it may be better for their employment prospects to stick with the volunteering, rather than giving it up to take a work placement. Once the claimant is aware not only of the requirements being placed on them, but the reason why those requirements are being placed on them, it may be easier for them to discuss with their adviser how best that aim can be achieved. A written statement could be an important step in the right direction, and I hope the Minister will see the merit of the amendment.

Chris Grayling: As ever, the shadow Minister talks very sensibly about the nature of the challenge, but I fear that on this occasion he is being a tad bureaucratic. I am of the view, as he clearly is, that there should be a two-way process between an adviser and a claimant. The claimant should not be simply subject to being sent on a 13-week CV course, to refer to what the hon. Member for Redcar said, without a clear understanding of what needs to be done.

All the guidance and training that we will provide to our advisers, particularly now that we are trying to strengthen the link between an individual adviser and an individual claimant, will emphasise the need to make the process constructive and collaborative. We have stripped away many of Jobcentre Plus's target frameworks, and we are trying to focus the organisation on one key outcome: moving people off benefits and into work.

The amendment requires advisers to set out in writing how the requirements that a claimant must meet are intended to help them into work. The requirements are designed with the objective of improving a person's chance of obtaining paid work, or more or better-paid work. Asking advisers to write down every single thing that they decide to recommend would be bureaucratic and time-consuming. Over a period of time, even though little bits take a long time to add up, across the whole Jobcentre Plus network it would cost additional full-time employment positions to deliver that. I have seen it happen with the work capability assessment. We looked at introducing a personalised statement, as recommended by Professor Harrington, but there is a time factor that brings a cost with it. Any change such as the right hon. Gentleman's proposal has a cost. For many requirements, such as work search, applying for jobs or drawing up a CV, writing a statement saying, "The reason for doing this is that it will help you move into work" would in some cases take us to the other extreme of being unduly patronising.

I assure the right hon. Gentleman that the claimant commitment will be drawn up in discussion with the claimant. The discussion will cover their circumstances and aspirations, and any barriers to work. The requirements placed on them will be shaped by the nature of that discussion. The guidance and training given to staff will tell them that that is what the process is all about.

The purpose of the requirement will be fully explained as part of the dialogue; the adviser will say, "I am sending you on an IT booster course, because I think it will help you with the vacancies that are available in this

area." The adviser will ensure that the claimant fully understands their responsibilities, and I would expect an adviser to respond to the question, "Why am I doing this?" with a proper explanation.

Being clear about the purpose of the requirements is a key part of ensuring that the claimant engages with them. If we identify something that will help, we want the claimant to roll up their sleeves and get on with it, rather than feeling that they are being asked to do something without knowing why.

If it turns out that the claimant does not fully understand the requirements in their claimant commitment, or how the requirements will help them to move into work, they will always be able to contact their adviser for clarification. Having a named adviser working with them makes that much easier. Indeed, they can explain when things are not working, because that could happen. One particularly important innovation at Jobcentre Plus is that it is, where possible, moving towards having one individual working with a claimant.

Requiring advisers to explain in writing how requirements will help the claimant move into work is unnecessarily bureaucratic and an unnecessary burden. Although I absolutely understand where the right hon. Gentleman is coming from—I give him assurances about the guidance that we will give to staff on how they should make the claimant commitment work—such a move is unnecessary.

Stephen Timms: I think the Minister is suggesting that he feels that my proposal would be good practice for advisers, and I hope that the practice will become increasingly widespread, but as I have indicated, I do not wish to press the amendment to a Division. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

4 pm

Stephen Timms: I beg to move amendment 50, in clause 24, page 11, line 44, at end insert—

'(7) Regulations must make provision to secure that in prescribed circumstances where a claimant has been volunteering, the Secretary of State must not impose prescribed requirements under this Part.'.

The Chair: With this it will be convenient to discuss amendment 51, in clause 24, page 11, line 44, at end insert—

'(8) Regulations must make provision to secure that in prescribed circumstances where a claimant has been in education, the Secretary of State must not impose prescribed requirements under this Part.'.

Stephen Timms: The two amendments seek similar goals. They would require that, where they are already participating in valuable activities, a claimant's requirements ought to take that into account. The positive activities in question are volunteering and education, which are in amendments 50 and 51 respectively. The purpose of requirements being placed on people should not be to punish them for receiving benefits, but rather to help them into work. Helping people into work can take a wide number of forms, and it is right that such requirements are included on the face of the Bill.

Several interested parties, however, have raised a number of concerns about what could happen. I was interested to see the comments of Crisis, for example, which made the following observations about mandatory work in its written submission to the Work and Pensions Committee. It said:

"Perhaps a better route would be to offer people a suitable volunteering placement which can increase people's confidence and motivation, build up skills and be of benefit to the community. All placements would however, need to be meaningful and of benefit to the individual undertaking them."

Catch22 made a similar point in its evidence. The danger could be that, in imposing a requirement, people may be moved further away from the labour market, and amendment 50 intends to avoid that happening. Of course, volunteering will not be beneficial in every circumstance, and nor will education, so I would not argue for a blanket exemption from requirements.

Ian Swales: Will the right hon. Gentleman give way?

Stephen Timms: Yes, of course.

The Chair: Order. Before the hon. Gentleman makes his intervention, I will point out that if one wishes to make an intervention, the normal convention is to stand up and say so, rather than simply holding one's hand up.

Ian Swales: Does the right hon. Gentleman not see the danger that if volunteering is excluded from the measure and such people have no requirements placed on them, people could see long-term volunteering, being paid by universal credit, as a kind of career option?

Stephen Timms: That is a danger, and I agree that that should be avoided. Equally, however, as the hon. Gentleman and all hon. Members will know from their constituencies, volunteering can be a very positive step back towards confidence and towards work. I have met many people for whom that has been the case. The argument behind the amendments is that the Government should consider the beneficial impact of volunteering and of education, and that jobcentres should be willing to adjust the requirements placed on individuals in the light of the volunteering or education that they are undertaking.

Sheila Gilmore: One issue for people who are volunteering can be that if requirements are placed upon them—whether that is to do with taking up work, attending some form of work placement or anything of that sort—it can be difficult to make a commitment to be a volunteer. It is also difficult for the volunteer organisation if its work is likely to be disrupted.

If people have been able to show consistency, that is good when they come to write their CV. There is also an issue of consistency for the organisation that may take them on, because if the person has volunteered to work in a charity shop every Monday morning, for example, it is not particularly helpful for the organisation to have people who cannot be relied upon. On that basis, it is necessary to have a different form of requirement for people who are volunteering.

Chris Grayling: I share the Opposition's view on the importance of volunteering, and we have taken a number of steps to encourage volunteering for people who are

[Chris Grayling]

going through job search. We have strengthened the availability of information about volunteering opportunities, which now appears in a much more prominent position on the Jobcentre Plus pages on the Directgov website. We have instructed advisers to steer claimants towards volunteering opportunities. Most excitingly of all, we have now formed a partnership with the Prince's Trust to offer a volunteers' desk in most Jobcentre Plus offices, where it is practical to do so, for two purposes. First, that will provide a gateway to volunteering opportunities, and the role of the Prince's Trust will be to guide people into and towards other local voluntary sector organisations that can offer volunteering opportunities that are suited to people's needs. Secondly, particularly with young people, it will enable the Prince's Trust to do its own work with jobseekers and to offer volunteering opportunities itself. There is no lack of commitment in Jobcentre Plus, across the Committee or across the House about the importance of volunteering opportunities.

My concern about the amendments that the right hon. Member for East Ham has tabled is that they would have the effect of limiting the work search that goes on alongside volunteering. Alongside the added element to the process of job search that we have brought forward—whether that is the encouragement to get people volunteering alongside their job search to build their skills, the work experience process, or conditionality—there is the obligation to maintain job search and to continue to look for work. I do not believe that we can compromise on that, and it would not be in the interests of individuals to do so. It would be easy for somebody to become established in a volunteering position—to do good work in a charity shop or similar—and to miss out on longer-term work opportunities as a result. I am extremely reluctant to accept amendments that would curtail the requirement to take part in work-related activity, as these have the effect of doing.

Let me give a practical example of how that might take effect. I can well envisage a situation in which a major employer was moving to an area with a number of opportunities, and a Jobcentre Plus adviser wanted to send an individual on a particular short training course that would equip them better to take advantage of that job opportunity when it arose. It would not be appropriate for the person concerned to be able to say that they would not take advantage of that because they would be working in the charity shop next week, if that would result in their missing out on the opportunity of building a skill that would give them a better chance of filling that vacancy.

The guidance that we will give, and the guidance that we are already giving, to Jobcentre Plus advisers is that they should actively encourage volunteering. The right hon. Member for East Ham is absolutely right to say that it is a positive move, but what we cannot do is to say to our advisers that they do not need to impose job search requirements and work preparation requirements alongside that volunteering. That is the wrong thing to do not only from the point of view of the public purse, but, more importantly, for the individual themselves. I see volunteering as a step back into work, and I would not want an individual to miss such an opportunity as a result.

Stephen Timms: I am encouraged by what the Minister is saying about volunteering. Does he recognise that education can be helpful in a similar way?

Chris Grayling: Indeed it can, and we are continuing to offer training opportunities. Jobseekers will continue to receive access to training opportunities that are funded by the Department for Business, Innovation and Skills. The right hon. Gentleman will be aware that we have introduced firmer rules surrounding skills conditionality because we believe that that area is extremely important. We do not intend to make changes, however, to allow people to spend time in long-term courses while on benefits—that was common to his Government as well—as we simply cannot afford to do so. Other forms of finance are available to people who are in that position through, for example, the student loans system.

My point applies equally to the taking of a training course or of a volunteering opportunity. The fact that someone is doing a two-week IT course should not mean that they do not have to go for an interview with somebody who might give them a job. On that basis, I fear that the amendments do not work for the Bill, although they have highlighted an important issue. The right hon. Gentleman has made his point eloquently, and I share it, but I do not think that these measures represent the correct way forward.

Stephen Timms: I am pleased with the general sympathy that the Minister has expressed for the intention of the amendments. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 24 ordered to stand part of the Bill.

Clause 25

Compliance with requirements

Kate Green: I beg to move amendment 62, in clause 25, page 12, line 4, leave out 'complied with or not complied' and insert 'engaged with or not engaged'.

The Chair: With this it will be convenient to discuss amendment 63, in clause 25, page 12, line 6, leave out 'specified by' and insert 'agreed with'.

Kate Green: The amendments relate to how a claimant is to be treated as having complied with work-related activity and work search requirements. They make a similar contextual point as the amendments we tabled to clause 14 on the claimant commitment, about the collaboration and co-operation that the Minister has described as being the essence of the adviser-claimant relationship. A claimant's ability to conform with requirements in the claimant commitment is a matter of judgment and, to some degree, of the adviser's discretion in determining to what extent a particular expectation has been fulfilled and to what extent there might be grounds that have put the claimant in a position where he or she has not been able fully to meet the precise letter of the requirements but has been willing to do so and has clearly done everything possible to engage with the spirit of what is sought.

Amendment 62 talks of the claimant's engagement, rather than compliance, with the requirements. That would offer an opportunity for a more subtle and graded approach that would draw on the adviser's expertise

and relationship with the claimant, and recognise that the process is one of collaboration and co-operation to the greatest degree possible.

Amendment 63 builds on amendment 62 by suggesting, as I argued in relation to the claimant commitment, that simply imposing obligations on a claimant is contrary to the intention to build the kind of co-operative, collaborative and supportive relationship that claimants need to have with their advisers if their chances of moving into sustainable employment are to be maximised. Therefore, rather than the Secretary of State specifying actions and requirements that the claimant is required to fulfil, we propose that those actions and requirements be agreed between the claimant and the adviser on behalf of the Secretary of State.

There is an unnecessary wariness on the part of the Minister to see the relationship between the adviser and the claimant as positive and constructive. In my many years of experience of talking both to claimants who have gone through the Jobcentre Plus process and Jobcentre Plus personal advisers themselves, I have learned that in most cases we see that kind of collaborative, co-operative approach. There is no reason whatsoever not to assume that as the norm and frame it in the legislation, and the amendments reinforce that point.

Chris Grayling: I understand where the hon. Lady is coming from and why, but I fear that we will not agree on the matter. The key issue is that within the job search process there are obligations that the Secretary of State places upon individuals, whether they agree with them or not: the obligation to look for a job, the agreement to apply for jobs, and the obligation to turn up for a certain number of work-focused interviews and to do the fortnightly signing-on. I fear that the amendments would water down the Secretary of State's ability to apply conditions.

Let me be clear: the detail of job search must be a collaborative process, and it must be done more thoughtfully. One reason why we have devolved funding to the front line for Jobcentre Plus advisers is to enable them to provide more individual support, whether that is ensuring that someone is able to travel to an interview, ensuring that they do a particular training course, or providing some other element of support. Our intention is genuinely not to create a confrontational system, but there must be a fundamental back-up when it comes to applying for jobs that says, "You have to do this whether you like it or not. " If people turn round and say, "I don't want to look for a job," we must be able to say, "You will therefore face consequences." Under amendment 63, however, conditions would apply only if a claimant has agreed a particular action with the Secretary of State. Such a provision would simply not be possible with regard to the requirement to look for a job, because it would give someone ongoing unconditional access to the welfare system.

As I keep saying, I very much respect the view of the hon. Lady, who is very knowledgeable, but I am afraid that this is one area in which we will not agree.

Kate Green: I am grateful to the Minister for his reiteration of the collaborative approach and for the fact that he expects that to prevail in the vast majority of cases. When we come to later clauses relating to sanctions, we will discuss further what motivates people to participate and engage. In the context of the clause under discussion, however, I note and welcome the Minister's intention. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 25 ordered to stand part of the Bill.

Clause 26

Higher-level sanctions

4.15 pm

Anas Sarwar: I beg to move amendment 39, in clause 26, page 12, line 12, at end insert—

'(1A) The Secretary of State shall, before exercising their powers under subsection (1) above, advise the Claimant of their right of appeal in relation to any decision to impose a sanction under section 26 or section 27.'.

The Chair: With this it will be convenient to discuss the following:

Amendment 40, in clause 26, page 13, line 8, at end insert—

'(9) Regulations may provide for the appeal process which will apply when a Claimant has been informed that they will face sanctions in the event of a failure by the Claimant which is sanctionable under this section or section 27.'.

Amendment 80, in clause 26, page 13, line 8, at end insert—

'(9) Where a claimant is sanctioned under this section, the claimant must be provided with a written explanation of the terms of the reduction, the reasons the reduction has been made and the claimant's right to appeal.'.

Amendment 55, in clause 26, page 13, line 8, at end insert—

'(9) Regulations will provide for an appeal mechanism.'.

Amendment 56, in clause 27, page 14, line 4, at end insert—

'(10) Regulations will provide for an appeal mechanism.'.

Amendment 83, in clause 27, page 14, line 4, at end insert—

'(10) Where a claimant is sanctioned under this section, the claimant must be provided with a written explanation of the terms of the reduction, the reasons the reduction has been made and the claimant's right to appeal.'.

Anas Sarwar: The Bill does not appear to contain any formal appeals process for someone who receives a sanction under clauses 26 and 27. Amendments 39 and 40 would provide an opportunity for the Minister to make a clear statement about the appeals process applying in such circumstances. There is an existing framework under the current system, yet the Bill does not state whether that framework will continue or a new one will be introduced. Appeal processes are important given that sanctions could be imposed as a result of clerical error or because the individual concerned has made a genuine mistake. The removal of benefits can have a massive impact on individuals, and problems need to be addressed swiftly and fairly. Universal credit also gives rise to heightened concern that an application on one element might result in a sanction on the entire credit. No detail has been given about whether elements of universal credit will be firewalled. I will explain that further in a moment.

[Anas Sarwar]

The new benefits system must be fair and just, and poor administrative processes should not impact upon an individual's entitlement. More vulnerable individuals who are less likely to know their rights might make unclear statements on their applications. When advice agencies are losing funding, there is a chance that mistakes could increase, and there will be a higher risk of people receiving sanctions. Will the Minister state clearly the Government's intentions regarding any appeals process? Will the existing appeals process continue under secondary legislation, or a new appeals process be created? Will an appeals process framework be put in place, and when will the Minister make the detail available?

I mentioned firewalling—will the universal credit have elements that are firewalled? I will explain what I mean. At the moment, when there is a problem with one benefit, it does not necessarily affect all other payments, except in severe cases. However, combining all elements into a universal credit might mean that a sanction on one application, for example a fraudulent claim for housing benefit, will automatically impact on everything else, for example income support. Preventing this from happening with universal credit may require separate administrations so that parts can be paid independently of each other. Clarification on that issue would be helpful.

Also, it is proposed that universal credit will be calculated and paid to households rather than to individuals, so I am interested to know if sanctions on one individual will impact upon the entire household and the total payment. Will there be individual or household firewalling? Currently child benefit, housing costs, and so on, are all rolled into one, and there are campaigns to ensure that some payments remain separate—for example child benefit to the main carer, housing benefit to the person paying the mortgage or the rent—so that payments that are needed will be paid. Some clarity on those issues would be appreciated.

Stephen Timms: My hon. Friend raised some telling points and posed some good questions. The amendments also raise questions in my mind about a written statement and appeals in the case of sanctions. Sanctions are a matter on which we must tread with care; they have an important role in the system, and it is right that the failure to meet requirements should have consequences if those requirements are to be effective, but they must be implemented with care. The Bill will give the Secretary of State the power to impose some very harsh penalties indeed, including the loss of benefit for three years, which is an enormous penalty to impose. We do not yet know how this system will operate, or how frequently penalties of that magnitude will be handed out. There clearly should be an opportunity for appeal, and as the Minister pointed out this morning, European law requires that, if nothing else. It is right that claimants should have the right for their cases to be heard again, and for the decision to be revoked or changed if necessary.

The written statement required by the amendments would provide a clear record that could be referred to on appeal. It would include an explanation of the sanctions that had been applied so that there was no room for confusion, an explanation of why the sanctions had been applied, and details of the claimant's appeal rights so that there was no possibility that they could be unaware of them. When I suggested in a previous amendment that a written statement would be helpful, the Minister suggested that that would be too bureaucratic. I hope he would accept that, if somebody's benefits are being taken away for three years—at the upper end of what is permissible here—then it is important that the reasons should be set out in writing.

I think that Members on both sides of the Committee will agree that we need to take all possible care to ensure that the sanctions imposed do actually encourage people into work, and do not force them further from the labour market. Some of the NGOs following our debates have pointed out instances where sanctions can have the opposite effect, pushing people further away from the labour market, and potentially causing those people serious problems. Those include creating rent arrears, or possibly causing them to lose their home, and nobody is going to be looking effectively for a job if they are dealing with homelessness.

We must also bear it in mind that, to continue to support individuals after sanctions have expired, advisers need a relationship of trust. I have been encouraged by what the Minister said about moving to an arrangement whereby, as far as possible, an individual will work with one rather than a series of advisers. The amendments are intended to clarify how part of such a relationship will work in practice. I hope that the Minister will take the opportunity that is afforded by the amendments to offer the Committee reassurances about how the sanctions arrangement will work in practice.

Kate Green: I join my right hon. Friend and my hon. Friend the Member for Glasgow Central in asking that the Minister treads with great care in relation to the application of sanctions. Evidence on sanctions, as one of the witnesses in the evidence sessions told us, is mixed—they work well for some claimants. The evidence on lone parents, however, shows that sanctions are not particularly effective at getting people into sustainable work. They cause stress, anxiety, depression, health problems, family strain and even sometimes family breakdown. I therefore strongly support the amendments, which would force a real degree of clarity about the purpose of sanctioning, which will have to be transparent to the claimant too.

Claimants are frequently unaware why they have been sanctioned or what the sanction is intended to achieve. Often they are unaware that they have been sanctioned at all, so the effects on their labour market behaviour are negligible. The most vulnerable groups—those who have had little education, work experience or who face other barriers to employment—incur sanctions most frequently.

We are particularly concerned that sanctions should be applied only when great care has been made to ensure that the claimant understands them. Claimants must be fully informed about what the sanctions are and the intention behind them, and advisers should be careful to make claimants aware of what their impact will be. My hon. Friend the Member for Glasgow Central has highlighted concerns about the impact of sanctions on different members of the household, which is particularly important in relation to health issues.

We are clear that the sanctions will form a part of the map of welfare reform and of the universal credit. The amendments are absolutely not designed to say that

there should be no sanctions at all, but that sanctions should be applied in a framework that gives the greatest possible protection to the vulnerable.

Chris Grayling: If the Committee will forgive me, I shall keep my remarks brief on this group of amendments. We will return to the detail of sanctions in the next sitting, when I shall answer a number of the questions that have been raised. Unfortunately, I have to appear before a Lords Committee at 4.35 pm, so we will have to finish at 4.30 pm. I apologise for that.

Let me take advantage of the few minutes available simply to offer a clear reassurance about the process to Opposition Members. Individuals have an absolutely clear statutory right of appeal to the first-tier tribunal, which is provided for under the Social Security Act 1998. Paragraph 45 of schedule 2 to the Bill brings the universal credit within the scope of the decision-making and appeal system that was established under the 1998 Act. Claimants who receive a sanction under universal credit will therefore have equivalent rights of appeal to those in the current system.

Those clear systems operated under the previous Government, so hon. Members should feel comfortable that the statutory requirement is in the provision. The right is statutory and, as I set out earlier, also applies under the Human Rights Act 1998. We have no intention whatever of changing that.

Under the provisions, people who are likely to be subject to a sanction will be clearly informed and will be given notice of the decision. Such a notice will include details of the claimant's appeal rights and other options on how to dispute the decision, such as requesting a written statement of the reasons for the sanction.

In addition, we expect the claimant commitment to include a summary of an individual's rights. We will do everything necessary to ensure that people are aware of their rights and are able to respond to them. Currently, claimants may appeal to the tribunal any decision to reduce or stop their benefit within a month of being notified. Decisions that result in a sanction are overturned if the tribunal finds that the claimant had good reason for not meeting their requirement. My reassurance for this set of amendments is that there is no reason for concern, because the legislation as set out in the Bill contains those rights of appeal. I shall address the other issues regarding sanctions when we meet again after the Easter break. I conclude my remarks by wishing all the Committee a peaceful Easter recess and I look forward to reconvening the debates later this month.

4.30 pm

Ordered, That the debate be now adjourned.—*(Miss Chloe Smith.)*

Adjourned till Tuesday 26 April at half-past Ten o'clock.