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Dear Colleague,

I am writing following the second sitting of the Committee on the Welfare Reform and Work Bill on 9 December on behalf of myself and Baroness Evans of Bowes Park.

Care Leavers

The Earl of Listowel raised concerns about the life chances of care leavers and care-experienced adults. The Government acknowledges that the outcomes of care leavers continue to be significantly worse than for their peers. Contributory factors include the enduring impact of the trauma that led to them being taken into care; high levels of special educational need (SEN) (around 70% of care leavers were identified as having SEN at Key Stage 4); high levels of poor mental health (a third of care leavers have a Strengths & Difficulties Questionnaire score that is a cause for concern); and disrupted education. These contribute towards the fact that only 12% of children in care achieve 5 good GCSEs, which limits the pathways open to them as they move into adulthood.

The Government publishes data on children in care and care leavers in two annual statistical publications. The first of these provides data on the numbers of children in care and numbers entering and leaving care. It also includes data on placements, children who go missing from care, and outcomes for care leavers including their economic activity. The second publication provides outcome data for children in care such as educational attainment at Key Stage 2 and Key Stage 4. These data provide a transparent account and are used by virtual school heads (someone appointed by the local authority to promote the educational achievement of all the children looked after by that council) and local authorities to review progress and support delivery.

The Government is taking action to ensure those engaged with the care system are able to fulfil their potential. It launched the first cross-Government care leaver strategy in 2013, and published a one-year-on document that confirmed that all of the actions in the strategy had been implemented, or were on track.

The Government introduced a new inspection framework that, for the first time, requires Ofsted to make a specific judgement about the quality of services for those leaving care. The Government also introduced the Staying Put duty, which provides for those in foster care to remain with their former foster family to age 21. New data collected for the first time show that nearly half of 18 year olds who are eligible for Staying Put have taken up the option – a much higher take-up rate than in the pilots.

Children in care attract the highest rate of funding through the Pupil Premium Plus, and from December this will be recognised in the education performance tables, meaning that schools, local authorities and other organisations will be able to scrutinise progress more easily and draw useful comparisons with other disadvantaged groups. At local level the Government has given local authorities £44 million over three years to support all young people to continue living with their foster families after age 18, helping provide a stable setting at a key point of transition.

There is, of course, much more to be done. The Government is looking at how to build on and refresh the existing cross-Government strategy on care leavers. The focus of the refreshed strategy will be on: looking at how Government can strengthen the local support that care leavers receive; measures to help care leavers into employment; helping care leavers to access and sustain suitable accommodation; and improving care leavers' access to mental health support. The Department for Education will be organising events with care leavers, local authorities and organisations that support care leavers, to share ideas and hear views, with a view to publishing a refreshed strategy in the spring.

Life Chances Measures

With regard to introducing an income measure into the life chances clauses, the Government's view is that an income measure – even one intended to focus action on those on the edge of care as the Noble Earl Listowel suggested – will not drive the right action, since it will ultimately focus Governments on the symptoms of poverty, not the root causes.

This Government wants to transform lives, not just push families one pound above a poverty line. That is why we have introduced statutory life chances measures of educational attainment, for all and disadvantaged pupils, of worklessness, and of long-term worklessness. This approach will drive the right action and focus Government on those areas that will make the biggest difference to children's lives, including those engaged in or on the edge of the care system. We will also develop a wider suite of non-statutory indicators of other root causes, including addiction, problem debt and family stability, and will set these out in a Life Chances Strategy.

Employment and Support Allowance: work-related activity component and Universal Credit: limited capability for work element

A number of noble Lords including Lord Patel, Baroness Meacher and Baroness Grey-Thompson raised the point that people in the Employment and Support Allowance (ESA) Work-related Activity Group (WRAG) had higher costs due to their health condition or disability, and suggested that the changes proposed in the Bill would increase the financial pressure on people to return to work before they are physically and mentally fit enough. Lord McKenzie also stated that the changes would hinder rather than help people take steps towards work.

The proportion of people in relative poverty who live in a family where someone is disabled has fallen since 2010. Existing ESA claimants will not be affected by these changes. Nor do the changes affect the ESA severe disability premium or the enhanced disability premium which are paid to qualifying claimants on income-related ESA. Personal Independence Payment will continue to help meet some of the extra

costs of living faced by disabled people. These changes will work in tandem with the funding for additional practical support announced at the Budget to provide the right incentives and support to help people with limited capability for work to move closer to the labour market, and when they are ready, into work.

Baroness Meacher raised concerns about the work capability assessment (WCA) and said that most people in the WRAG should actually be in the support group instead. Eligibility for ESA is not based on a person's condition but rather on the way any conditions limit their function. The Government has made many improvements to the WCA, which it inherited from the previous Government. As a result the assessment process has been improved and every effort is made to get assessments correct from the outset. The Secretary of State for Work and Pensions' speech on 24 August set out a vision for a welfare system that protects those most in need and helps those who can realise their potential in work.

In addition, Lord Beecham raised points about the recent research linking the WCA to suicide. Suicide is a tragic and complex issue and is an issue which the Government takes extremely seriously. However, the research does not provide a causal link between the WCA and increases in the general rate of suicide, mental health and use of anti-depressants. The authors themselves caution that no conclusions can be drawn about cause and effect. Whilst any death is extremely distressing for the family no causal link whatsoever can be made between the likelihood of dying and the fact that someone is claiming benefits.

Baroness Meacher spoke about conditionality for people with health conditions and disabilities. Work Coaches and Work Programme Providers assess an individual claimant's needs, the support required by, and available to, the claimant, and will agree the frequency, content and duration of the work-related activity with the claimant. Claimants are not asked to undertake any activity that would put their health at risk. There is a great deal of flexibility in the types of work-related activity that claimants may be asked to participate in and activities must be appropriate and reasonable for each individual claimant taking into account their circumstances and capabilities, including their health condition or disability.

Baroness Meacher asked about a freedom of information request on progressive diseases. The response to the freedom of information request provided a cumulative total of the number of claims with a progressive disease in the WRAG over a five year period (October 2008 to September 2013). Details of the number of claimants on ESA with progressive conditions (the caseload at February 2015) were published in September 2015. The full figures can be found in the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/459427/esa-claimants-with-progressive-conditions.pdf

Baroness Meacher also stated that 'disabled lone parents stand to lose £3,500 a year if they are put on the JSA rate of the WRAG and later claim Universal Credit because at least for a time they can return to work'. The addendum to the Peers briefing document (copy attached) sets out the Government's approach to supporting disabled lone parents in Universal Credit. No existing claimants will lose out in cash terms as a direct result of being moved on to Universal Credit, including ESA claimants who receive the Work Related Activity Component. These claimants will be given transitional protection to avoid cash loss at the point of change.

Finally, Baroness Doocey raised the point that there are costs associated with being sick or disabled, including the costs of travelling to medical appointments. Financial support for visits to hospital is available from the NHS in England, Scotland and Wales. The Healthcare Travel Costs Scheme is available as part of the Low Income Scheme. Eligible individuals are able to claim a refund for the cost of travelling to hospital appointments arranged by their doctor.

Universal Credit: work-related requirements

Noble Lords spoke about conditionality for carers and parents of disabled children. The addendum to the Peers briefing document for Clause 15 (copy attached) sets out further information on the conditionality for these groups of people.

Additionally, Baroness Hollis asked about the potential for a lone parent to voluntarily leave a job and be subject to a sanction, and the ability of Jobcentre staff to deal with the sensitive issues around this. Let me assure her that in the situation she described, there is no box-ticking involved; decisions concerning benefit payment are not taken lightly.

In every case whether the decision is to sanction or not will depend on whether the person claiming has good reason for their action. What is good reason will vary depending on the individual and their situation at the time. Children's care is a good example of this as each child's requirements will be different depending on a wide number of factors such as age, health, educational issues, or whether they have the support of family members living nearby.

Decision Makers reach their decisions based on all the evidence available to them, including all the circumstances of the claimant. They will seek additional information or clarification from the claimant when they feel this is required in order to ensure they fully understand what prompted the claimant to act as they did. Decision makers are trained to take all circumstances into account when making their decision.

A copy of this letter will be placed in the House library.

*Yours sincerely,
David*

LORD FREUD

MINISTER OF STATE FOR WELFARE REFORM