

Hain to coax lone parents and over 50s back to work

By Colin Brown, Deputy Political Editor

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Lone parents are to be targeted with "tough love" as part of a radical overhaul of the welfare system aimed at getting 2.3 million people to take jobs and move off benefits.

A Green Paper delivered to the Cabinet last week by Peter Hain, the Secretary of State for Work and Pensions, will lay the foundation for the implementation of David Freud's report. It recommended that lone parents should be required to seek work if their youngest child is 12 years or over.

At present, lone parents do not have to make efforts to find a job until their youngest child is 16. Mr Freud, an investment banker who reviewed the Government's welfare-to-work strategy last year, said the threshold should be reduced to 12 years for the youngest child as part of efforts to get 300,000 more lone parents into work.

"Freud found that lone-parent families can be better off if the parent does manage to find work," said a senior government source. "We think this may be tough love but it can help people out of poverty."

Mr Freud said in his report that Britain could eventually shift to a Scandinavian-style system where single mothers have to seek work when their youngest child is three. Ministers admitted that was only a long-term idea, but suggested the age could be lowered from 12 in stages as Labour honours its pledge to provide all-day childcare from 8am to 6pm from 2010.

Mr Hain's paper is expected to reject a more complicated plan in the Freud report to merge all benefits into a single welfare payment but officials said the Cabinet had accepted that the "the main direction of travel" should follow the Freud findings.

Mr Hain will use the Green Paper due to be published this week to show that the reforming zeal of the Government has not been dimmed by the departure of Tony Blair. It will dismay left-wing Labour MPs who called for a let-up in reforms after Mr Blair was replaced by Gordon Brown, and it is likely to be provoke a rebellion if the Prime Minister seeks to introduce the legislation in the next session of Parliament.

It was not among the 22 Bills listed in the draft Queen's Speech last week, but has government support.

The Freud report could also be used to tackle the problems of deep and continuing poverty among ethnic minorities, particularly Bangladeshi families. "Many Bangladeshi women do not go out to work," said an official. "But the Freud report showed that if women do go out to work, it can have a dramatic effect on lifting families out of poverty."

The report said to achieve the Government's target of nearly full employment, with 80 per cent of the population in work, 2.3 million people currently unemployed must be persuaded to take jobs.

The Freud report said the Government should target 300,000 lone parents out of the current 780,000 claiming income support; one million older people out of 20 million aged over 50; and reduce the numbers claiming incapacity benefit by one million from 2.68 million.

It called for intensive support to get people back to work. Lone parents and partners of benefit claimants could be forced to go on to Job Seeker's Allowance.