

**EXPLANATORY MEMORANDUM TO**  
**THE SOCIAL SECURITY (ADULT LEARNING OPTION) AMENDMENT REGULATIONS**  
**2006**

**2006 No. 2144**

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

**2. Description**

2.1. The Adult Learning Option will test the impact on labour market and qualification outcomes of encouraging low skilled benefit recipients and their partners to access a Level 2<sup>1</sup> entitlement course whilst receiving financial support. Participation will be for a period of 52 weeks.

2.2. This is a set of legislative amendments to enable the implementation of the Adult Learning Option (ALO), an initiative which was announced in the Pre-Budget Report 2004.

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

3.1 None

**4. Legislative Background**

4.1 The primary purpose of these regulations is to enable the implementation of Adult Learning Option from September 2006. The changes to existing legislation affect Income Support and Incapacity Benefit customers. Where such a customer participates in the ALO, the changes enable them to study full time, receive a financial incentive and support for doing so, and remain entitled to their existing benefit without penalties. Customers getting other relevant benefits are already able to do those things under existing legislation.

4.2 Regulation 2 amends the Income Support (General) Regulations 1987. The change means that an IS customer going on the ALO can still be entitled to IS. The customer will fall within a prescribed category of person, and therefore potentially entitled to IS, when they are a full-time student on the ALO.

4.3 For Incapacity Benefit (IB) customers, the Social Security (Incapacity Benefit) Regulations 1994 are amended in Regulation 3. The change means that an IB customer going on the ALO can still be entitled to IB. Whilst they are on the ALO,

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<sup>1</sup> Any qualification equivalent in standard and breadth to 5GCSEs at A\*-C or a National Vocational Qualification (NVQ).

the customer will be treated as incapable of work, and therefore potentially entitled to IB, despite receipt of the training premium

4.4 Any training premium or training allowance paid to a customer on the ALO is made under section 2 of the Employment and Training Act 1973. The existing legislation means this extra income will not affect the customer's benefit. It is disregarded when calculating the customer's income (see for example paragraph 13 of Schedule 9 to the Income Support (General) Regulations 1987).

## **5. Extent**

5.1 Only those who live in the areas where ALO is offered will be affected by these regulations. Those areas are currently only in England.

## **6. European Convention on Human Rights**

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

## **7. Policy background**

7.1 ALO is part of the New Deal for Skills (NdfS), a package of measures to help unemployed and inactive benefit customers to improve their skills. The NdfS takes forward the recommendations of the March 2004 report Welfare to Workforce Development by the National Employment Panel; the 2004 Pre-Budget Report, "Opportunity for all: The strength to take the long-term decisions for Britain"; and an associated document "Skills in the Global Economy.

7.2 The ALO will provide an opportunity for jobless and inactive benefit customers to gain a Level 2 qualification if the lack of this qualification is considered to be a key reason for them being unable to get a job. Level 2 has been set as the ALO target qualification because it is the government's belief that this is the minimum qualification level for employability (OECD 2005: Education at a Glance).

7.3 The introduction of ALO will give the same access to a Level 2 course and entitlement to training premium as those available to lone parents and partners on New Deal for Lone Parents (NDLP) and New Deal for Partners (NDP), to all other customers on the specified benefits

7.4 ALO will provide evidence of the potential demand for this service; impact of financial incentives to encourage customers to take up learning for Level 2 qualification; and, through evaluation, will also provide evidence on qualification and employment outcomes

7.5 There are initially 5 areas of England where ALO will be available. The demographic distribution and volumes of eligible customers, the existence of other schemes such as Skills Coaching, and capacity constraints within Jobcentre Plus and Learning and

Skills Council were major factors in the selection process. All key stakeholders were consulted and have been involved in the design of the ALO.

7.6 The regulations were referred to the Social Security Advisory Committee for approval. The Committee decided that it would not formally refer the regulations. No further public consultation was required.

## **8. Impact**

8.1 A Regulatory Impact Assessment has not been prepared for this instrument, as it has no impact on business, charities or voluntary bodies.

8.2 There is no impact on the public sector.

## **9. Contact**

9.1 Anthonia Onuoha at the Department for Work and Pensions Tel: 0114 259 7750 or e-mail: [anthonia.onuoha@jobcentreplus.gsi.gov.uk](mailto:anthonia.onuoha@jobcentreplus.gsi.gov.uk) can answer any queries regarding the instrument.