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Department for Work and Pensions

Research Report No 141

Incapacity Benefits and Work Incentives

Anne Corden and Roy Sainsbury

A report of research carried out by the Social Policy Research Unit
on behalf of the Department for Work and Pensions
(formerly known as Department of Social Security)

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First Published 2001.

ISBN 1 84123 350 1

Views expressed in this report are not necessarily those of the Department for Work and Pensions or any other Government Department.

Printed by The Charlesworth Group (Huddersfield, UK).

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ACKNOWLEDGEMENTS

Thanks are due to all those people who took part in the research, and spent time talking to us about their views and experiences. Included here are clients and staff of the Benefits Agency, Employment Service and New Deal for Disabled People.

Jane Costello managed this project for the Department of Social Security and Department for Employment and Education, and we are grateful for her help throughout. We would also like to thank Nick Gilhooley for help with the initial practical arrangements in getting the project off the ground.

The team of researchers which undertook the fieldwork included Hilary Arksey, Jude England and Patricia Thornton. The administrative support for the project from Sally Pulleyn, Teresa Frank and Sarah Starkey was essential. Thanks particularly to Sally Pulleyn who was responsible for preparing the manuscript.

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GLOSSARY OF TERMS

All Work Test	The All Work Test (replaced by the Personal Capability Assessment in July 2000) assesses a person's ability to do any work, and is applied after 28 weeks of incapacity, for purposes of deciding entitlement to incapacity benefits. The test looks at ability to carry out a range of activities such as walking, standing and sitting, and includes an assessment of mental health where appropriate.
Disability Employment Advisers	Disability Employment Advisers, mainly based in Employment Service Jobcentres, deliver employment support and advice to disabled people and employers.
New Deal for Disabled People Personal Adviser Service	The New Deal for Disabled People Personal Adviser Service aims to assist people with an impairment or health condition who want to work to do so. The main client group for the service is people of working age in receipt of incapacity-related benefits, whose incapacity lasted for 28 weeks or more. In addition, people at risk of losing jobs because of ill-health may use the service. The pilot service is available in twelve areas.
Personal Adviser	Within the Personal Adviser Service pilot projects staff who work with clients on an individual basis, in a case management model, are known as Personal Advisers.
Volunteer	For purposes of incapacity benefits, a volunteer is a person engaged in voluntary work otherwise than for a close relative, where the only payment received is in respect of any expenses reasonably incurred in connection with that work.

SUMMARY

Chapter 1 - Introduction

The policy context

The Government is committed to helping people claiming incapacity benefits who would like to enter, re-enter or remain in employment. Strategies to provide active help and encouragement include a number of ‘work incentives’:

- therapeutic work
- voluntary work
- incapacity earnings provision
- Work Trial
- Jobfinder’s Grant
- Jobmatch payments
- 52-week linking rule

Therapeutic work, voluntary work and the linking rule have been generally available across the country; the other four measures were piloted in 15 areas of Great Britain for one year from April 1999 (Section 1.1).

Taken together, the measures provided a number of different ways of encouraging and helping people who have been receiving benefits on the grounds of incapacity and would like to work, by:

- increasing choices available about whether and how to work
- enabling people to try work without financial risks or penalties
- enabling people to work in ways that are most appropriate for them
- reducing risk of perceived insecurity through loss of benefit
- reducing risk of assumed drop in income
- helping to meet initial expenses of going to work
- making work financially worthwhile

Research aims and objectives

Greater understanding was required about clients’ experiences of these measures, and the way in which they were put into operation (Section 1.2). The aim was to inform decisions about the development of work incentive measures for people claiming incapacity benefits. Objectives were:

- to explore the way the measures helped people who wanted to work
- to explore clients’ perceptions and experiences, and the impact on decisions about work
- to explore how key staff promoted and implemented the measures
- to investigate the above in areas with and without a New Deal for Disabled People Personal Adviser Service pilot
- to provide pointers to making work incentive measures more effective (Section 1.3)

Research design and methods A phased approach included discussions with key staff in the Benefits Agency, Employment Service and New Deal for Disabled People Personal Adviser Service pilot projects; interviews with 34 clients who had used one of the measures; and group exercises with administrative staff. Work was conducted in five of the 15 pilot areas (Section 1.4). A qualitative content analysis was conducted, handling data manually (Section 1.5). Additional data from analysis of interviews with clients and staff of the New Deal for Disabled People Personal Adviser Service pilot projects, collected from a parallel evaluation study, were integrated into this study (Section 1.6).

Chapter 2 - Therapeutic work Therapeutic work must be done on the advice of a doctor. It must *either* help to improve, prevent or delay deterioration in the condition causing incapacity and be less than an average of 16 hours weekly; *or*, be part of a treatment programme in hospital; *or*, be done within a sheltered work environment. It seems likely that so far few incapacity benefits claimants have been doing any paid work. There has been some criticism of the measure, on the grounds of inequity in the way it works and some people whose condition is unlikely to change have found that this measure is not useful for them.

At the operational level, applications must be in respect of specific work. Benefits Agency decision makers decide whether therapeutic work is to be allowed, based on information from the claimant and GP (Section 2.1).

Users' views and experiences People were told about therapeutic work by staff in various agencies after identifying work they thought they might do, or beginning to think about working. Some had learned about therapeutic work from medical personnel during illness, and stored the information until they were ready to work. People wanted to do therapeutic work in order to:

- improve or stabilise their condition or prevent recurrence
- improve quality of life
- increase income
- take an early step towards moving off incapacity benefits

Delays in the application process could be stressful, and having to wait for permission was a problem if people were due to start work. Therapeutic work was generally helpful, and often improved quality of life and maintained or improved health condition. The additional money was welcome. Those who said the work had been a step towards more substantial work of longer hours, more security or greater responsibility were mainly people recovering from mental illness who used the measure for a few months. People who had spent long periods doing therapeutic work were generally people with more than one impairment, older people with poor health, and younger people who valued improved quality of life (Section 2.3).

*Views of people who had not done
therapeutic work*

Most people who had not done therapeutic work had not heard of it, or if they had, did not know the rules. There was considerable interest when the arrangements were explained especially among people in older age groups. However, people talked more about potential improvements in quality of life and increased income than about using therapeutic work as a step towards leaving incapacity benefits (Section 2.4).

*Putting therapeutic work into
operation*

Disability Employment Advisers and Personal Advisers expected to respond positively to clients' interest in therapeutic work and to suggest this to people if it seemed appropriate. Benefits Agency front line staff took different approaches to responding to general enquiries about the possibility of doing some work while claiming incapacity benefits. Staff perceived several roles for therapeutic work, some of which could be mutually opposing. There was some unease about the way in which the measure was being used, as well as recognition of its potential usefulness. Staff believed that for some clients higher income and increased quality of life achieved by doing therapeutic work could be a disincentive to change.

Benefits Agency decision makers had a range of views about implementation. Some favoured a strict interpretation of rules; others believed a more holistic and pragmatic approach supported current policy aims better. Such differences in interpretation meant that some clients might be asked to take an All Work Test relatively soon after starting therapeutic work.

Applications from people who wanted to work as self-employed were hard to deal with. Staff perceived disadvantage in there being no requirement on claimants to discuss progress while doing therapeutic work. Problems arose for clients who started work before seeking permission. Staff also perceived problems for clients claiming Income Support, who did not understand that any earnings over £ 15 weekly counted pound for pound against Income Support, whether or not the work was therapeutic. There had also been problems when the introduction of the minimum wage took people over the earnings limit (Section 2.5).

In the parallel study of the New Deal for Disabled People Personal Adviser Service pilots, few people had used therapeutic work, but those who had were positive about its scope and purpose, and perceived it as a step towards full-time employment (Section 2.6). There was some anxiety that employers might learn of a client's 'disabled' status when approached by the Benefits Agency. Personal Advisers perceived therapeutic work as useful both as a stepping stone, and as an outcome for some clients.

Issues for policy

- therapeutic work does help some people move towards leaving incapacity benefits
- there are currently some inequities in access as a result of different interpretations of the rules by Benefits Agency decision makers
- there was lack of awareness among clients, and relatively low understanding of the rules
- staff perceived a need for progress monitoring and more active management
- perceived and actual associations with the Personal Capability Assessment may deter some people from doing therapeutic work
- improved quality of life and increased income are valued, but there are inequities for other out-of-work people who might also like to do this amount of work
- perceptions that doing therapeutic work will identify users to employers as ill or disabled is likely to remain a barrier to use (Section 2.7)
- helping a client access therapeutic work is not an outcome in terms of Advisers' performance targets, which may limit time spent on helping clients make arrangements

Chapter 3 - Voluntary work

There is now no limit to the amount of work that may be done on a voluntary basis by people claiming incapacity benefits. Applications for permission are dealt with by the Benefits Agency in a similar way as applications to do therapeutic work, except that there is no medical input.

Previous research with lone mothers claiming Income Support and unemployed people had suggested that voluntary work tended to be a transitional activity or indirect route back to work.

Views and experiences of people who had done some voluntary work

There were many examples of participation in voluntary activities while claiming incapacity benefits. Not everybody realised they should have sought permission from the Benefits Agency. However, those to whom voluntary work had been suggested by health or social service personnel remembered also being told that permission was required.

Both reported and unreported voluntary activities could lead people closer towards paid work, or directly into work. When voluntary work had acted as a stepping stone in this way there was usually a good fit between the activity and the client's aspirations of the type of paid work they might eventually do. Nobody who had asked for permission to do voluntary work reported any problems (Section 3.3), but deterioration in health had sometimes brought voluntary work to an end.

Views of people who had not done voluntary work

There were some stereotyped conceptualisations of voluntary work, such as working in a charity shop, which tended to rule this measure out of scope for some people. Possible disadvantages perceived included obstructing the search for paid opportunities. Working without pay was

unacceptable to some people. It could be hard to understand the requirement to seek permission if there was no hours limit and no payment was received (Section 3.4).

Putting the measure into operation

Disability Employment Advisers and Personal Advisers perceived a number of positive roles for voluntary work in supporting moves towards paid work. They tried to present voluntary work as a means for further progression rather than as a way of life on benefits. Opportunities for voluntary work tended to concentrate in sectors such as services and administration, and there were few opportunities in information technology, construction or maintenance trades (Section 3.5).

Most examples of voluntary work reported by clients of the Personal Adviser Service pilot projects were in organisations in the public or voluntary sector (Section 3.6). Benefits Agency staff expressed less unease about the voluntary work provision than about therapeutic work, but believed they received fewer applications to do voluntary work.

Issues for policy

- participation in voluntary work may be fairly common, but not all activities are reported
- being able to do some work on an unpaid basis can contribute to moves off benefit
- not everybody is prepared to work without pay
- among those who might use the measure there is some lack of awareness, and some stereotyping of voluntary work which may act to limit identification of opportunities
- perceived and actual associations between doing unpaid work and being asked to take a Personal Capability Assessment may deter some people who might use the voluntary work provision
- helping a client to access voluntary work is not an outcome in terms of Advisers' performance targets, which may limit time spent on helping clients make arrangements (Section 3.7)

Chapter 4 - Incapacity earnings provision

Incapacity earnings provision allowed people to earn up to £ 15 a week (after permitted deductions) without the need for medical recommendation. This was a new measure, which had some similarities with the 'disregard' arrangements in Income Support. Benefits Agency administrative requirements were kept to a minimum to encourage use.

Views and experiences of clients

Those clients selected as having used the measure did not recognise that they had done so. It appeared to the researcher that in some cases Benefits Agency staff used the provision as a first stage in dealing with clients who applied for permission to do therapeutic work which they had already begun (Section 4.3).

Among people not recorded as having used incapacity earnings provision there was widespread lack of awareness, and after explanation, considerable confusion with Income Support disregards. It proved hard for people to

fit the measure alongside real job opportunities and family circumstances, and it was felt to have limited potential in helping moves towards full-time work (Section 4.4).

Putting the measure into operation

There was limited awareness and experience of the measure among staff, but indications that the measure was sometimes used as a step towards enabling therapeutic work (Section 4.5). Personal Advisers and Disability Employment Advisers who had some experience of the measure saw advantages in that it was relatively easy to implement and quick to set up, but saw it appropriate only for small-scale jobs.

In the parallel evaluative study of the New Deal for Disabled People Personal Adviser pilots there was limited awareness of incapacity earnings provision among clients and Personal Advisers felt that the measure was of limited usefulness to clients (Section 4.6).

Issues for policy

- levels of awareness among clients were low; the measure was hard to relate to real-life situations
- Personal Advisers saw limited value in the measure
- where it had been used, this was often as a first step in accessing therapeutic work, and there was evidence that the measure had been useful when used in this way

No new claims for incapacity earnings provision were allowed after 7 April 2000 (Section 4.7).

Chapter 5 - Work Trial

Work Trial is an Employment Service programme which places a person in a job for up to 15 working days to enable assessment of suitability by both the person and the employer. The person remains on benefit without wages, although daily meal and travel expenses are payable. The job tried must be at least 16 hours weekly and should be expected to last at least six months. The Employment Service has responsibility for assessing the workplace and monitoring participant's progress, and notifies the Benefits Agency about claimants who are participating.

Views and experiences of clients

Among clients recorded as having used Work Trial some would have been prepared to take their jobs without a Work Trial, but believed the employer had required a trial period. Others welcomed the opportunity to try the job. The financial implications of working while claiming benefits had different significance, according to personal circumstances. No problems were recalled about setting up the arrangements, but payment of expenses did not always go smoothly. Those who had done a Work Trial continued in those jobs and moved off incapacity benefits, but some jobs did not continue for long, if health broke down. All felt that the experience had been helpful, in the long term (Section 5.3).

Among people who had not used Work Trial there was generally limited awareness of the measure, and mixed views from those who offered

opinions after explanation. Working without pay was not acceptable to some, and some thought the employer would get to know more about their illness or impairment than they wanted (Section 5.4). Others saw advantages in being able to try out a job in a work environment, and would not mind extending their period on benefit, as long as they were not worse off.

Putting the measure into operation

Experience of arranging Work Trials was limited among Advisers. Positive views included the security of being able to try work while claiming incapacity benefits. The encouragement of the in-work visit by the monitoring staff could be helpful. Disadvantages included perceived bureaucracy and delay in setting up the Work Trial, and delay in recouping expenses. Working for no financial reward was unattractive to some clients. Work Trials were appropriate to relatively few incapacity benefits claimants so far as many clients needed a period of retraining or work preparation before entering employment situations. Some Advisers felt that, on balance, Work Preparation was a more useful programme for their clients (Section 5.5.2). One observation was that some employers were believed to exploit Work Trial, for example by using it to access unpaid labour (Section 5.5.1).

In the parallel evaluative study of the New Deal for Disabled People Personal Adviser pilots' clients who described having tried work before deciding to leave benefits did not always identify exactly which benefit or employment provision they had used. Staff interviewed in the Personal Adviser Service evaluation had limited experience of Work Trial (Section 5.6).

Issues for policy

- Work Trial can be an incentive to try work, and can lead to some people moving off incapacity benefits
- jobs achieved at the end of Work Trial may not last long especially if health deteriorates
- some employers may be exploiting Work Trial
- use may be constrained by perceptions of bureaucracy
- some clients do not want to work without pay, and/or prefer their employer not to know about their condition, and are thus unlikely to use Work Trial

Chapter 6 - Jobfinder's Grant

Jobfinder's Grant is an Employment Service provision which made available a one-off payment of £ 200 to people who moved off incapacity benefits into a lower paid job. It was designed to encourage people to consider a wider range of jobs by offsetting some of the costs of moving to work. Jobs had to be at least 16 hours weekly, expected to last six months, and paying £ 200 gross weekly or less, and the client must have had less than £ 2,800 in savings. Standard application forms were dealt with by Employment Service Payment Offices and grants paid by giro.

Views and experiences of clients All who had applied for a grant had already decided on a job before discussing the grant, and the availability of the payment was not a strong influence on their decision to take work. Not all applications were successful. Those who received the grant said it had been helpful, but they usually had to wait several weeks to receive it (Section 6.3). The money usually arrived after earnings had started coming in, so was used for a variety of household and job-related expenses. Knowing that the grant might have to be paid back if the job lasted a short time had been a worry for some.

Among people who had not applied for Jobfinder's Grant there was generally low awareness or understanding of the measure. Few felt it was likely to be a key influence on any decisions they might make about work although, of course, the additional money would be useful. The possibility of having to pay it back reduced the attraction of the measure (Section 6.4).

Putting the measure into operation Disability Employment Advisers and Personal Advisers had varied experience of advising clients about Jobfinder's Grant. Some felt that the grant did provide an incentive in reducing financial insecurities, but the time limits were tight. Some had lost confidence in promoting the measure after clients had to wait several weeks to receive grants or applications they had advised had failed (Section 6.5).

In the New Deal for Disabled People Personal Adviser pilots evaluation many clients interviewed had applied for Jobfinder's Grant but not all had been successful. Some Advisers appeared to be using the grant as a 'reward' rather than as an incentive. The New Deal Interventions Fund was being used to pay in advance some clients waiting for Jobfinder's Grant, or to make payments to clients refused Jobfinder's Grant (Section 6.6).

- Issues for policy*
- the grant was popular and welcome but did not always act as an incentive
 - in terms of reducing financial risks, this effect was reduced by late delivery
 - there were initially some operational problems which acted to clients' disadvantage
 - the measure was used by some staff more as a reward than as an incentive

During the study it was announced that Jobfinder's Grant would be replaced. From April 2001, a job grant of £ 100 will be available to a range of clients including people moving off incapacity benefits.

Chapter 7 - Jobmatch Jobmatch provided an extra weekly allowance of £ 50 for people moving off incapacity benefits into a job of fewer than 30 hours per week, and was paid for up to 26 weeks. The measure was originally intended as part of the 'tool kit' of a Disability Employment Adviser or Personal Adviser, to encourage people to take jobs they would not otherwise

consider. Jobmatch was offered at the discretion of Personal Advisers or Employment Service staff, within local budget allocations. Applications were made on standard forms, and payments made directly into bank or building society accounts or by giro. As part of Jobmatch, advisers undertook to help people manage the loss of payments at the end of 26 weeks, in ways appropriate to circumstances.

Experiences and views of clients

For some who had used Jobmatch, the main attraction had been the ongoing support that was offered by the adviser during the period in work. None of these people said they would not have taken their jobs without Jobmatch, but some felt it would have been harder to stay in work without the support. For others, the weekly payment was the attraction, and influenced the decision to take a job. People could find themselves no better off financially, however, and this could lead to giving up work (Section 7.3).

Awareness and understanding of Jobmatch was generally low among people who had not used it. There was considerable interest, after explanation, among people who thought they might aim towards a part-time job, but considerable risk was perceived, in respect of the loss of payments after 26 weeks (Section 7.4) and some concern about potential interactions with other benefits or tax credits.

Putting the measure into operation

There was limited understanding and experience of Jobmatch among staff. Personal Advisers expressed some unease about the form of discretion required from them, and the responsibility for providing full information, six months in advance, about options for clients at the end of the payment period. A further disadvantage was that Jobmatch did not support progressions from therapeutic work to more substantial jobs with the same employer (Section 7.5).

There was little experience of Jobmatch among clients or staff interviewed in the parallel evaluation of the Personal Adviser Service pilots (Section 7.6). There was a general feeling that tax credits were usually a more suitable form of help for people taking low paid, part-time work.

Issues for policy

- the policy intention, of encouraging people to take part-time jobs they would not otherwise have considered, was not always met for those who received Jobmatch
- the support element offered as part of Jobmatch was attractive, and proved effective in helping people stay in work
- the payments could act as a financial incentive, but people did not always feel better-off in work, and this could contribute to decisions to leave work
- there was some unease among staff about their responsibilities in respect of this measure

No new awards of Jobmatch for people leaving incapacity benefits were made for jobs starting after 30 June 2000 (Section 7.7).

Chapter 8 - 52 week linking rule

The current linking rule has been in operation across the country since October 1998, and was introduced specifically to reduce risk and uncertainty in moving off incapacity benefits. The rule enables people to return to the same benefit if they become incapable again within the 52 week period following their leaving benefits for work or training.

Administration depends on people notifying the Benefits Agency within one month of ceasing to be entitled to incapacity benefits that they have started work or training. Their protection is recorded on the central computer. Reclaiming benefits requires new medical certification at this point.

Clients' views and experiences

Not everybody had heard about this rule before taking part in the research. Some discovered their protection through the rule only after leaving their job and trying to reclaim benefits; others knew about it while on benefits.

There was general appreciation, and some people valued the arrangement highly. Knowing about the rule had influenced some decisions to take jobs, and this incentive was reinforced for people who had used it successfully. Being influenced by the rule in taking a job and then experiencing problems or failure in accessing it could be a major blow, and a disincentive to take work again. There was some misunderstanding that the rule protected people against redundancy.

There was no evidence in this study that anybody deliberately gave up work at the end of 52 weeks in order to regain incapacity benefits.

Reclaiming benefits using the rule could prove harder than expected, involving more forms and new medical certificates which had not been anticipated (Section 8.3).

Putting the linking rule into operation

Disability Employment Advisers and Personal Advisers promoted the rule, often at an early stage in their interaction with clients. They believed it had strong influence (Section 8.4) and was an essential component in welfare to work initiatives for incapacity benefit claimants.

There was some surprise in the Benefits Agency that not more claimants had registered their protection, and belief that there might be a 'take-up' problem at this stage. They confirmed that some clients expected the process of reclaiming benefits to be a quicker and simpler process. Some Personal Advisers had also been surprised at what was involved for clients reclaiming benefits, and further training and information was required when they perceived they had not been giving proper advice (Section 8.5).

In the parallel evaluative study of the New Deal for Disabled People Personal Adviser pilot projects findings were similar to those reported

above. The rule had been a strong influence for some clients who had taken jobs, but problems had been experienced in reclaiming benefits (Section 8.6).

Issues for policy

- knowing about the rule can influence decisions to take work and the incentive is reinforced when people use the rule successfully
- the rule reduces some of the risks and anxieties about loss of income and security, and is generally appreciated by clients
- the incentive effect is currently reduced by lack of awareness, some anxiety that it will be hard to use, and experiences of problems in trying to use it
- implementation requires understanding and action by claimants, Benefits Agency staff and GPs; within this system, some people for whom the rule was designed do not get access (Section 8.7)
- problems in accessing the rule or reclaiming benefits can have serious negative outcomes for clients

Chapter 9 - Tax credits

Tax credits are key components in ‘making work pay’ and were introduced in October 1999. Administration is the responsibility of the Inland Revenue, which is conducting separate evaluative research. Although not the main focus of attention in this study, tax credits are important in the overall context of work incentives, and all clients were asked about their knowledge and experience.

Claims are made on a standard form, and sent to the Inland Revenue. Credits are paid, whenever possible, through the wage packet (Section 9.2). Estimates of clients’ likely entitlement to tax credits had been made in better-off calculations by Personal Advisers, and for some people these assessments had been influential in decisions about work, especially when entitlements were over £ 50 a week. Estimates of lower entitlements had been less influential, but people were pleased to have the credits (Section 9.3).

Awareness of availability of support to boost low earnings was widespread among those who had not used tax credits, but some were surprised that the Inland Revenue now had responsibility. Disadvantages perceived in tax credits were the household means test, and employers getting to know personal circumstances (Section 9.4). In the New Deal for Disabled People Personal Adviser pilots, the small number of current recipients of tax credits expressed general satisfaction with the help provided (Section 9.5).

Issues arising for policy

- when the tax credits acted as incentives, this was at the point of decision making when detailed financial information may be critical
- there was general awareness of availability of support to top up earnings, but people often did not realise the Inland Revenue was involved
- the potential impact of tax credits as incentives is limited by lack of knowledge, and the fact that expert help is often needed to work out potential entitlement (Section 9.6)

Chapter 10 - Conclusion	The chapter draws on views of clients and staff on the role of work incentives in decisions made about work, and discusses some general issues that might inform policy on how to assist people on incapacity benefits wishing to undertake some form of paid work.
<i>The overall context of decision-making</i>	Incapacity benefit recipients and former claimants did not often use the language of ‘incentives’. They talked generally about their views on working and how they made decisions. Key influences on decisions about working included their current and expected health and its impact on capacity for work, age, family responsibilities, availability of suitable work, practical support into and during work, and the maintenance of income security (Section 10.3).
<i>Dealing with the diversity of people’s lives</i>	Incapacity benefits claimants are people with a wide range of personal characteristics, different opportunities and responsibilities, different goals and aspirations, and at different distances from the labour market. People faced different obstacles and barriers when they considered moving towards work. Therefore some work incentive measures were relevant, others not, according to circumstances. An important issue is the concentration of the work incentive measures around the point of moving across the 16-hour threshold. Many incapacity benefits claimants are at an earlier stage in their progression towards work and might respond more to incentives to try work (Section 10.4).
<i>Risk and uncertainty</i>	Clients emphasised the importance of maintaining income security and adequacy. Barriers faced included the risk of losing incapacity benefits altogether, the transition period in moving off incapacity benefits onto earnings, feeling unable to afford work, being unable to sustain paid work, and not understanding the benefits and tax credits systems. In so far as the measures removed or allayed any such fears, they could be influential. In so far as the measures increased anxieties in any way or failed to allay fears, their influence as incentives to try work were muted (Section 10.5).
<i>Take-up of the pilot measures</i>	Management statistics show that take-up of the four pilot measures remained relatively low throughout the pilot period. General awareness and knowledge of the pilot measures among clients was low. The availability of the different measures to this client group was not always understood by front-line administrative staff in the Benefits Agency or Employment Service. The ways in which the work incentive measures were promoted were likely to have affected take-up. Sometimes the measures themselves were not suited to what clients needed to help them move towards work, or there were other, better-suited options available. Complicated administrative procedures can make some measures unattractive (Section 10.6).
<i>The role of advisers and benefit officials</i>	The knowledge and experience of advisers and benefit staff have an influence on the use and impact of work incentive measures. One danger

is that staff make decisions or weight their advice in order to achieve performance targets rather than necessarily in the optimal interest of their clients. Making claimants rely on professional advisers makes them vulnerable to mistakes and poor advice, and individuals wishing to pursue their own path back to work, without the intervention of an adviser, can put themselves at a disadvantage (Section 10.7).

The role of employers Employers can be as much ‘users’ of the measures as incapacity benefit claimants themselves. Research findings include a number of concerns and observations from clients and staff, including fears that use of a work incentive measure will be met with negative or discriminatory responses from employers, fears that some employers exploit work incentive measures, and difficulties in obtaining allowed expenses from employers.

The role of employers in the operation of the work incentive measures was not included in the terms of reference for this research. A fuller understanding would be obtained if employers are included in any future research (Section 10.8).

The future of ‘permitted work’ There has been particular policy interest in reforming therapeutic work, removing the requirement that work should have some therapeutic value, but introducing a time limit. Redefining ‘permitted work’ might transform the provision into a stepping stone to full-time employment. It would not help some claimants with possibly severe impairments who, under the current benefit rules, have found particular employment niches using therapeutic work but are unlikely to progress to full-time paid work (Section 10.9).

Concluding comment The range of benefit and employment measures that are aimed at disabled people and people with long-term health problems is diverse. Modifications and extensions to existing provisions add to the range of help available. They also bring added complexity and difficulty which can act against the interests of individual incapacity benefits claimants. There is scope in developing welfare to work policies aimed at people with impairments or long-term health problems to make progress in balancing these tensions to the advantage of claimants, employers, and policy makers alike (Section 10.10).

1 INTRODUCTION

This report presents findings from qualitative research which contribute to the evaluation of a number of measures designed to act as work incentives to people claiming incapacity benefits. The study was conducted by the Social Policy Research Unit (SPRU) at the University of York for the Department of Social Security and the Department for Education and Employment, and took place during 1999-2000.

1.1 The policy context

One of the key policy objectives of the current government is to help as many people as possible who want to do paid work to achieve this (DSS, 1998). Included here are people claiming incapacity benefits, who have not been working because they are disabled or have been ill; and those at risk of having to leave work and move onto incapacity benefits. The Government has adopted a number of strategies to provide active help and encouragement to such people to enter, re-enter or remain in employment. Ways of providing personalised advice and support and offering a range of options to help moves towards paid work are being tried in the New Deal for Disabled People Personal Adviser Pilot Projects (Arthur *et al.*, 1999; 2001) and innovative schemes (Blackburn *et al.*, 1999). Making work pay is being tackled through reform of the tax and benefit system (HM Treasury, 2000). Alongside go a range of measures which are designed to remove some of the obstacles or *disincentives* which result from the structural interface between earnings, benefits and tax, and to introduce new *incentives* which, it is hoped, will influence attitudes and behaviour, and act to smooth the path from incapacity benefits to work.

Responsibility for development and administration of these measures lies across a number of government departments and their agencies, which are encouraged to work together and share knowledge and understanding of the issues involved, as well as co-operate at a practical level within the thrust of joined-up government. Four specific measures were introduced in April 1999 and piloted for one year:

- *incapacity earnings provision* (which allows claimants to work for small amounts of money without their benefit being affected)
- *Work Trial* (which allows claimants to try employment by filling a job vacancy for up to 15 working days, during which time they are not paid but continue to receive benefit)
- *Jobfinder's Grant* (a lump sum paid to people entering employment and coming off benefit)
- *Jobmatch payments* (an earnings supplement for people entering employment)

Further details of each of these measures are presented in the introductions to Chapters 4-7 respectively.

Decisions about eligibility for incapacity earnings provision were made by Benefits Agency decision makers (formerly adjudication officers) at a local level. Work Trial, Jobfinder's Grant and Jobmatch were Employment Service programmes, but staff in the Benefits Agency and the New Deal for Disabled People Personal Adviser Service were also involved in advising and enabling access. The four measures were piloted in 15 areas of Great Britain, 12 of which had a Personal Adviser Service pilot project. Staff in the Benefits Agency, Employment Service, and where relevant the Personal Adviser pilots were told about the pilot measures, and encouraged to offer appropriate information and advice to clients, and where appropriate, practical help in accessing the measures. Promotion and advertising of the four measures was dealt with slightly differently across the 15 areas, according to resources and opportunities available such as different local sites for promotion.

These four pilot measures formed part of a wider package of measures generally available to people claiming incapacity benefits, including:

- therapeutic work (which allows claimants to work and claim benefit if the work is accepted by the Benefits Agency as therapeutic)
- voluntary work (which allows claimants to undertake unpaid work without their benefit being affected)
- a 52-week linking rule (which allows claimants who come off benefit to take up paid work to return to their former benefit if they have to leave work within 52 weeks of starting)

Further details of each of these measures are presented in the introductions to Chapters 2, 3 and 8 respectively. Responsibility for administering these measures lies solely with the Benefits Agency.

Taken together, the measures provided a number of different ways of increasing the options available to people who have been receiving benefits on the grounds of incapacity and would like to work, and removing some of the barriers, by:

- increasing choices available about whether and how to work
- enabling people to try work without financial risks or penalties
- enabling people to work in ways that are most appropriate for them
- reducing risk of perceived insecurity through loss of benefit
- reducing risk of assumed drop in income
- helping to meet initial expenses of going to work
- making work financially worthwhile

1.2 The need for research

The management team responsible for the four pilot measures kept closely in touch with administrative staff working in the 15 areas, to monitor the way in which the measures were being promoted, and their use by clients. Take-up of some of the measures was slow however, and there was a need for additional research about the effectiveness of different methods

of promotion; any potential barriers to take-up and how those barriers might be reduced.

At the same time, rather little was known about the other measures within the wider package of work incentives generally available to people claiming incapacity benefits. The Department of Social Security had little reliable information about the way in which therapeutic work and voluntary work worked in practice, and did not collect centralised administrative statistics. Administrative records of people using the 52-week linking rule were held on the central Benefits Agency computer, but there had not been a full evaluation of this rule.

There was thus a need for more information both in respect of the individual measures, and through looking across the whole package of measures, in a more generic approach. Policy-makers sought information about the way in which the measures were put into operation, including decision making by key administrative staff and interaction between the relevant agencies. They sought greater understanding of the way in which clients and administrators perceived and experienced the different measures, and the impact of work incentives generally. More detailed information would help policy makers achieve the most appropriate work incentives package for disabled people and people with long-term health problems.

Other important measures to increase work incentives are the new tax credits, Working Families' Tax Credit and Disabled Person's Tax Credit, which are administered by the Inland Revenue. Tax credits were not the main focus of attention in this research. However, the generic approach adopted in the study meant that it was likely to generate some important early findings about tax credits, which are also presented in this report.

1.3 Research aims and objectives

The aim of the research was to inform decisions about the development of work incentive measures available to people claiming incapacity benefits.

The focus was on seven specific measures:

- therapeutic work
- voluntary work
- incapacity earnings provision
- Work Trial
- Jobfinder's Grant
- Jobmatch payments
- 52-week linking rule

Research objectives were:

- to explore the way in which this package of measures helped disabled people and those with a long-standing illness to move into, go back to or retain work
- to explore clients' perceptions and experiences of these measures, and the impact on decisions made
- to explore the way in which key staff promoted and implemented the measures
- to investigate similarities and differences, in respect of the above, between areas which had a Personal Adviser Service pilot project and areas which did not yet have such a service
- to provide pointers and suggestions as to how work incentive measures might be made more effective

The intention of the study was to explore the value and operation of the measures themselves rather than to evaluate the pilot initiatives.

1.4 Research design and methods

A qualitative approach was appropriate for exploring the implementation and use of the work incentive measures, and the perceptions, views and experiences of clients and staff. As rather little was known thus far about some of the measures, a phased approach was adopted, using different methods of enquiry to build up an overall picture, as follows:

- discussions with key administrative staff
- interviews with clients
- group exercises with administrative staff

Qualitative research seeks to describe, clarify and explain, rather than providing data that is statistically representative. The techniques used in interviews and group discussions involve responsive and open ended enquiry which encourages people to describe their attitudes and behaviour, and to reflect on their reasons for holding certain views, or taking particular courses of action.

Qualitative research aims to provide explanations of perceptions, beliefs and experiences, but not to quantify the extent to which these exist in a wider population. Study groups are selected purposively to achieve diversity of characteristics and circumstances which enable the development of conceptual frameworks applicable to the broader population of interest.

The work for this study was conducted in five of the 15 pilot areas, three of which had a Personal Adviser Service pilot project and two of which did not. The section continues by describing each of the three components of the research.

1.4.1 Discussions with key administrative staff

The main fieldwork involved visits to the offices of the key agencies in four of the five study areas, including one area with a Personal Adviser Service pilot project led by the Employment Service, one area with a Personal Adviser Service provided by a consortium of mainly voluntary and private sector organisations which we call a Contract-led pilot project (see Arthur *et al.*, 1999, for a detailed explanation of the organisation and structure of the Personal Adviser Service pilot projects) and two areas which did not have this service. Group discussions and interviews were conducted with key staff.

In the Benefits Agency offices, staff taking part included managers and team leaders in the incapacity benefits sections, and staff who have direct responsibility for decision making and implementation of therapeutic and voluntary work provisions.

In the Employment Service offices, issues were explored with staff working in Jobcentres, including section managers, Disability Employment Advisers and advisers working within the New Deal for 18-24 year olds.

In areas with a Personal Adviser Service pilot project, the researchers met groups of Personal Advisers.

Overall, views and experiences were sought from 16 Benefits Agency staff, eight Employment Service staff and five Personal Advisers. All discussions were moderated using topic guides. Different guides were used for each agency, reflecting the different responsibilities of the participants, but similar areas were explored with all staff, including:

- knowledge and understanding of the work incentive measures
- general perceptions about the measures
- information-giving and advice to clients
- information-giving to and liaison with other agencies/ employers/ general practitioners
- any promotional activities
- putting the measures into operation
- views on clients' perceptions and use of the measures
- views on the effectiveness of the measures
- suggestions for improvements or strengthening the incentives

Full discussions took around one and a half hours, and were tape-recorded with permission from the participants. Shorter tape-recorded interviews were conducted with some staff who had a more specific responsibility but could not contribute across all the areas of interest. Appendix A presents further anonymised information about the staff who took part in the research.

1.4.2 Interviews with clients

A study group of 34 people was built to include some clients with experience of at least one of the work incentive measures except the linking rule. (The best evidence about incentives provided by the linking rule was likely to come from people who had not yet used it, as well as people who had returned to incapacity benefits, so the aim was to explore perceptions of the linking rule with all clients taking part.) Policy makers had particular interest in people who had done therapeutic work, about whom little was known.

The clients interviewed were drawn from four of the five study areas, including areas with and without a Personal Adviser Service pilot project. Appendix A provides details of the sampling and recruitment to the study group.

Most of the interviews took place in people's own homes. In order to enable representation and participation of people with particular kinds of illness and impairment there was one proxy interview with a parent, and two other interviews which involved a third person to help with communication. A topic guide was used to steer discussion across relevant areas, and the interviewers used a standard information card if it was necessary to explain details of the different measures. Areas explored included:

- personal and household characteristics
- experience of work
- personal and household income
- knowledge and understanding of work incentive measures
- process of involvement: gaining awareness; promotion and advice
- experience of implementation: service provision
- experience of use: usefulness, length of time
- views about impact and overall influence on achieving work
- suggestions for improvements or alternative measures

Interviews generally took between an hour and one and a half hours, and most were tape-recorded with permission.

1.4.3 Group exercise with administrative staff

During the life of the research project, policy makers within government continued to consider ways in which recipients of incapacity benefits could be encouraged and helped to move into or back to work. The overall policy aim was to create a new working and claiming environment in which claimants actively engage with public officials in moving towards work, rather than become merely passive recipients of social security payments.

Towards the end of the project, therefore, the research team convened a group of staff from the Benefits Agency, Employment Service and New Deal for Disabled People pilot projects to discuss and reflect on a number

of policy ideas under consideration. Some of these were in the public domain, such as the establishment of a new Working Age Agency (combining some of the functions of the Benefits Agency and the Employment Service), while others were in earlier stages of development or yet to be made public, such as the decision to replace therapeutic work with new provisions concerning permitted work.

A group of nine members of staff met in August 2000 in York to address the following questions:

- which kinds of work incentives might be helpful in the new working and claiming environment?
- what are the issues around work incentive measures for claimants and staff?
- what obstacles remain within the benefit system, and what would be needed to remove these?

Small group and plenary group discussions were tape recorded with permission and transcribed for analysis.

1.5 Analysis Analysis of the material from each phase of the research was handled separately, but the approach was similar in each case. Analysis began with a reading of the transcripts of tape-recordings and additional notes, and arrangement of material under key headings, reflecting the main topics for enquiry and additional themes emerging from the data. The data were handled manually, and the analysis was a process of sorting and comparison, making additional lists and charts, and cross-referencing. The material was considered in relation to the issues expected to be important by policy makers and was examined for new items and emphases. The researchers sought recurrent themes, patterns, exceptions, links and explanations.

1.6 Additional material While this study was in progress further opportunities arose for collecting data about the work incentives during the latter part of the full evaluation of the New Deal for Disabled People Personal Adviser Service which was running in parallel. (The principal researchers in this study of work incentives were also engaged in the collection of data from clients and staff in the Personal Adviser pilot project evaluation, and had responsibility for analysis and reporting of that material.) Sixty people who had been in touch with the Personal Adviser Service, across all twelve areas in which the service was established were asked about their use of and views of the work incentives. Some of the interviews and group discussions with Personal Advisers in that study also generated further material about Advisers' views on the work incentive measures and their experiences of advising clients about them. This additional material has been integrated into this report. The final report from the evaluation of the Personal Adviser Service pilot projects (Arthur *et al.*, 2001) provides details of these series of interviews and discussions.

1.7 The framework of the report

Chapters 2-8 address each of the work incentive measures separately, and Chapter 9 is concerned with tax credits. These chapters integrate the research evidence from staff in the Benefits Agency, Employment Service and Personal Adviser Service pilot projects, clients who have used the measure and those who have not. Additional qualitative material collected during the full evaluation of the Personal Adviser Service pilot projects is also used in these chapters. Chapters 2-9 conform to a common format:

- policy context; rules of entitlement and administrative procedure; and what was known already from research
- clients' perspectives on the role of the measure, perceived usefulness, and impact on decision making
- putting the measure into operation: staff views and experiences
- additional findings from the parallel research on the New Deal for Disabled People Personal Adviser pilot projects
- issues arising for policy

The final concluding chapter looks at the overall context, and draws together what has been learned about the role of work incentives for people claiming incapacity benefits, and the implications for policy development.

2 THERAPEUTIC WORK

2.1 Introduction The Benefits Agency assesses whether people are incapable of work for purposes of qualifying for:
2.1.1 *The policy context*

- Incapacity Benefit
- Severe Disablement Allowance¹
- Income Support, on the basis of incapacity for work
- the disability premium within Income Support, Housing Benefit and Council Tax Benefit, if entitlement depends on incapacity for work
- National Insurance credits for incapacity

In some circumstances, people may undertake some kinds of work without being treated as capable of work, and there has long been provision to allow so-called ‘therapeutic work’. Therapeutic work must be:

- done on the advice of a doctor *AND either*
- must help to improve, prevent or delay the deterioration in the disease or disablement which causes the incapacity to work, and be less than an average of 16 hours weekly *or*
- be part of a medically supervised treatment programme while a person is a patient at a hospital or similar institution *or*
- be done as part of a sheltered work scheme for disabled people

In all cases earnings must not exceed £ 58.00² (net of income tax, National Insurance contributions and one half of contributions to an occupational or personal pension scheme, work expenses and up to £ 60 a week of permitted child care charges).

The provision enables people to do some work on the basis of medical advice. In addition to the medical and therapeutic effect, the measure might also help some people to stay in touch with work, and maintain confidence and skills which will be helpful if they are eventually able to move into work.

At the time of the interviews with clients and staff in the earlier stages of the project, the therapeutic work provision outlined above was still in operation. By the end of the project and the final group exercise with staff, it was known to the research team that new provisions relating to permitted work were planned to replace therapeutic work in 2001. Discussion of the possible impact of changes in the permitted work arrangements is contained in the final chapter.

¹ Under the Welfare Reform and Pensions Act 1999 Severe Disablement Allowance will be abolished for new claimants from April 2001.

² 1999-2000 rate, when the study was conducted.

2.1.2 *What was known already*

Systematic data about the numbers of people claiming incapacity benefits who are allowed to do some therapeutic work have not been routinely collected, but it seems likely that few incapacity benefits claimants have been doing any paid work. A survey of 2,263 people who left Incapacity Benefit during 1996 (Dorsett et al., 1998) showed that only four per cent had done any paid work during the spell on benefit, and two per cent some unpaid work. Six per cent of participants in the New Deal for Disabled People Personal Adviser Service pilot projects surveyed in 1999 (Arthur et al., 1999) reported having done some therapeutic work while claiming incapacity benefits. If we look to studies on other groups of clients, there is some evidence that small jobs of fewer than 16 hours a week can boost working prospects (Iacovou and Berthoud, 2000). It seems possible that for some disabled people or people with a long-term health condition, doing some therapeutic work might be a step towards a more substantial job, and could therefore act as a work incentive.

There has been some criticism of therapeutic work on the grounds of inequity in the way that it works (Mental Health Foundation, 1996; Social Security Advisory Committee, 1997). The requirement that the work must improve, or prevent or delay deterioration in their condition does not fit the situation of some people whose impairment or health condition is unlikely to change, for example some people with learning difficulties. Some have found that this measure is not useful for them, and have felt constrained in the opportunities they might take to do some work (Simons, 1998). Some people believe that applying for therapeutic work has triggered a review of eligibility for incapacity benefits (O'Bryan et al., 2000). Believing that this might happen may make people reluctant to try work.

2.1.3 *Administrative procedures*

The general expectation is that a person who is interested in doing some work using the therapeutic work rules contacts the local Benefits Agency office by telephone or letter, and the enquiry is eventually dealt with by staff who are short-term *benefit raters*. The rater takes basic details of what the work involves, and explains the rules. The application must be in respect of specific work, so the Agency requires information about the nature of the job, what it entails, the name of the employer, the hours of work and level of earnings. A letter from the person's GP is also required to progress the application, and if further information is required the Benefit Agency writes directly to the GP, enclosing a form for provision of medical information, and views on the relationship between the proposed work and the patient's medical condition.

The application form and supporting letter from the GP is then forwarded to a decision maker. The decision maker usually has no direct contact with the incapacity benefits claimant, but decides whether therapeutic work is to be permitted, based on the information available. The rater then explains the decision, and if permission has been given, seeks confirmation in writing that the person is doing the work agreed. Any

work undertaken before the GP has given advice is not permitted as therapeutic work.

2.2 The approach taken

This study provided an opportunity to explore further the experiences of people who had done therapeutic work while claiming incapacity benefits, and to assess whether this way of working had helped people move to more substantial work. It was possible to ask those who had not done any therapeutic work about their knowledge and understanding of this measure, and whether they believed that it might be useful to them in the future.

Staff who administer, or provide advice about therapeutic work include Benefits Agency raters and decisions makers, Employment Service staff and New Deal Personal Advisers. The way in which therapeutic work is currently explained is likely to be critical in encouraging people to use the measure, especially as the measure has not previously been actively promoted as a 'step towards work' for incapacity benefits claimants. We therefore explored with staff from all the agencies their views about therapeutic work and their experiences of the way the measure is put into operation.

2.3 Users' views and experiences

This section presents the views and experiences of people who had done some therapeutic work. People were selected for the study because they were recorded as currently doing some therapeutic work and had applied for permission within the last two years. There were therefore no examples, in this study, of people who had been doing therapeutic work for several years.

2.3.1 *Finding out about therapeutic work*

Among the users some only discovered the arrangement after identifying work they thought they might do, or after they were beginning to think about going back to work. People investigated what would happen to their benefits if they took work after seeing a job advertisement, or being approached by a previous employer or a friend who knew about their situation, or when they were just feeling better. They were told about therapeutic work by Benefits Agency staff, Employment Service Disability Employment Advisers, Personal Advisers or other advice workers. Some had been told about therapeutic work by a doctor or psychiatrist during their illness, and stored this information until they felt well enough to start thinking about options for moving on.

2.3.2 *Perceived role of therapeutic work*

People who had made applications were motivated by wanting to do small jobs in order to improve or stabilise their condition, or prevent recurrence; to improve their quality of life; to engage with the world of work, and, for some, to increase their income.

People with mental health problems stressed their hope that doing some work would contribute to recovery, for example by increasing their confidence, concentration, and social interaction. Having even a small

job would also be an important demonstration to themselves that they were going to get better, and would help to maintain morale for themselves and their families. People with musculo-skeletal problems hoped that having some work would help to maintain mobility, or take their mind off pain. Other expected improvements in quality of life included the relief of boredom, getting out of the house, and having people to talk to.

People taking an early step towards work typically described being on medication, or still attending day centres or day hospitals for treatment for mental illness. They still had distressing symptoms, fatigue, loss of confidence, and for some, problems relating to other people. They were not expecting and did not want to move off incapacity benefits at this stage, but saw therapeutic work as an opportunity that suited them.

People varied in the importance attached to being able to increase their income. The additional income could be much less important than having the work. For those with pressing financial problems, and those who had previously been family breadwinners, being able to have earnings on top of benefits was important. There had been some surprise in discovering how much they were allowed to earn.

2.3.3 Making the arrangements

It was hard for people to remember exactly how arrangements for therapeutic work had been made if they had various interactions with the Benefits Agency and their GP. People who were unsure whether they should try a job remembered talking to their GP first, but others wanted first to know about the rules, and implications for their benefits. GPs and consultants had generally been supportive and encouraging; nobody had felt pressured by medical staff to move more quickly than they wanted, and nobody was put off the idea for medical reasons.

Benefits Agency staff with whom matters had been discussed at a local office or using Freephone numbers were also generally remembered as helpful, even when explaining to people who had already started work that they should have asked for permission first. Criticism about information available came from a person who had been unable to work out, from the Benefits Agency leaflets obtained, whether people were allowed to have two separate jobs.

Those who found the application form hard to deal with were generally people with dyslexia or mental illnesses which made it hard to concentrate. Benefits Agency staff who had helped with forms were generally remembered as helpful. Waiting for a reply could be stressful, however. Some doctors took a long time to deal with their form, or sent incomplete forms or wrong information; and some applicants were asked for further information. People whose illness meant that they suffered extreme anxiety, panic attacks or paranoia sometimes nearly gave up at this stage. Having to wait for permission was worrying if people were due to start work. Anticipation of this kind of difficulty could lead to non-declaration

of work. Another reason for starting work before getting in touch with the Benefits Agency was wanting to test out whether the job was suitable before dealing with forms and enquiries.

A person who had been refused permission on the grounds that the work described seemed unlikely to improve her condition had felt humiliated that she had not been believed. She had continued to do the same work, using the Income Support disregard provision, and was certain that the work helped her mental condition.

2.3.4 Perceived usefulness

By the time of the research interview, people had spent different lengths of time doing therapeutic work. Continuous periods of therapeutic work ranged from four to 15 months, and completed spells of therapeutic work included periods of two to five months.

In general, people who were doing therapeutic work, or had used this arrangement in the past, thought it had been helpful. The jobs, as people had hoped, had provided structure to their lives, motivation, interest, companionship and social status. The social interactions required improved mental conditions or helped to prevent relapse. Disliking a job, or finding it boring could still be a generally helpful experience, proving to a person that they could do more and should move on.

A wide range of jobs had been done as therapeutic work including teaching, shop and garage work and cleaning. Hours worked varied; while some people thought there might be an opportunity to build up current hours in the same job, others were engaged on activities which were likely to remain small-scale.

The additional money was welcome. Those who had hoped earnings would ease financial pressures started to clear bills. Being able to afford additional items was appreciated. People generally saw positive outcomes from their therapeutic work, whether or not they had moved any further towards financial independence.

Policy interest in therapeutic work focuses mainly on whether it has helped people to move off incapacity benefits, or brought them any nearer towards this. In this study, people who said that doing therapeutic work had been a definite step towards more substantial work were mainly people who had been recovering from mental illness. Their jobs had helped their condition, leading them to take a second part-time job and move off incapacity benefits, or start applying for full-time jobs, hopeful that they would soon be off benefits. Periods of therapeutic work could be fairly short for such people, sometimes just a few months, but people whose condition improved very gradually could spend 15 months doing therapeutic work before taking the next step towards leaving incapacity benefits.

There were also examples of people who believed that they would be moving towards work again later on, and said their current therapeutic work was serving to keep them in touch with work. Such people were often still receiving hospital treatment, but hopeful that their condition would improve in the long term. Included here was a person whose therapeutic work had already lasted 12 months.

Those who did not expect to come off incapacity benefits in the foreseeable future were generally people with more than one impairment, older people whose health was generally poor, and younger people with severe conditions who valued their therapeutic work more as a means of improving quality of life than as a step towards full-time work. In this group were people whose therapeutic work had already been 12-15 months, and who hoped they could continue to go on working in this way.

2.4 Views of people who had not done therapeutic work

People who had not done therapeutic work were asked for their views on the measure, and whether they had thought of working in this way. Most had not heard of therapeutic work. A few who had heard it was possible to do some work with their doctor's permission had not thought hard about this, either because they were aiming at full-time work eventually, or because they were not yet ready to move towards work. Those who had heard about therapeutic work often did not know the rules. A few who had talked to a Personal Adviser about the possibility of doing some therapeutic work or begun an application had gone no further, either because the job opportunity had gone or their health had let them down. It also appeared that applications to be allowed to do some paid work on a therapeutic basis had sometimes been dealt with by the Benefits Agency under the incapacity earnings provision, and this is discussed later.

Among those who had not heard of therapeutic work were people who did not know what the word 'therapeutic' means.

It could be a surprise to discover from the researcher that some people were allowed to earn as much as £ 58 (1999 rates) on top of incapacity benefits, and some people were shocked and angry that they had not known this. Not everybody believed that the researcher's information was correct. There was, however, considerable interest, especially among people in older age groups. Some had often thought that what they needed was '*a little job*' to get them out of the house, moving around and interacting with other people but had believed this was forbidden. Those who thought it would be relatively easy to find part-time work, such as a morning's cleaning work, a few hours' driving, or catalogue delivery thought their GP would agree this would be good for them. Such people talked more about potential improvements in quality of life and increased income than about using therapeutic work as a step towards more substantial work.

Anxieties and possible disadvantages identified included:

- problems in getting authoritative information about what was permitted
- a possibility that some (other) people might be reluctant to move off incapacity benefits
- loss of Income Support, and valued passported benefits
- loss of, or reduction in, Housing Benefit
- being reassessed as capable of work, and losing incapacity benefits altogether
- not wanting to be stigmatised by associations with ‘therapy’
- attitudes of employers towards people doing therapeutic work

2.5 Putting the measure into operation

This section presents the views of staff in the three key agencies about the role of therapeutic work and the way in which it is used, and their experiences of putting the measure into operation.

2.5.1 Information dissemination

Staff in all agencies believed that among the general population there was widespread awareness that people claiming incapacity benefits were allowed to do small amounts of work. However, real understanding of different arrangements, including therapeutic work, was believed to be low.

Benefits Agency front-line staff in the pilot areas expected to provide full information about therapeutic work if this was requested. They also said they tried to be helpful if people made general enquiries about whether it was possible to do any work while claiming incapacity benefits, for example suggesting that a Personal Adviser or Disability Employment Adviser could discuss options and possible moves towards work. By contrast, in a Benefits Agency office outside the New Deal for Disabled People Personal Adviser Service pilot areas front-line staff were instructed to respond to general enquiries with strong advice that people were not allowed to claim incapacity benefits and do paid work. This illustrates the ‘change of culture’ that has to be achieved at the administrative level in order to encourage more incapacity benefits claimants to think about trying or returning to work.

Personal Advisers and Disability Employment Advisers expected to respond positively to interest in therapeutic work, and to suggest this to people if it seemed appropriate. Disability Employment Advisers suggested that they were particularly likely to suggest therapeutic work to people who felt they could only do a few hours’ work, and people who felt they needed some form of work experience before going further with their plans to work. It was important to explain the rules carefully and help people think how their intended work fitted both their medical condition and capacity for work, and the requirement that the work would be ‘therapeutic’. Disability Employment Advisers said that some incapacity

benefits claimants who knew that an All Work Test³ was due came into Jobcentres at this point to check out what would happen if they lost their incapacity benefits, and this provided an opportunity to discuss various ways of going back to work. Indeed, some clients decided to come off incapacity benefits themselves at that point, rather than ‘fail’ the All Work Test. Those whose eligibility for incapacity benefits was confirmed after an All Work Test, however, might then go back to the Disability Employment Adviser to discuss therapeutic work.

2.5.2 *Perceived role of therapeutic work*

Staff in the key agencies perceived various ways in which people used therapeutic work:

- to test the suitability of a job
- to test their capacity for work, and the impact of work on health or impairment
- to gain some experience of work after a period out of the labour market, or to make a first move towards work
- to increase income
- to improve or maintain quality of life

Perception of such variety in roles, some of which could be mutually opposing, led to some scepticism, dissatisfaction and unease about the way in which the measure was currently being used, as well as recognition of its potential usefulness. Added to this were the general confusions and misunderstanding which they perceived among incapacity benefit claimants, which could obscure its role. For example, staff in all agencies believed that some people thought that therapeutic work was a purposeful arrangement to enable incapacity benefits claimants to boost incomes.

Staff believed that for some people, therapeutic work did provide an incentive to try work but that it rarely had an effect as a stepping stone, because people were often reluctant to take the next step towards more substantial work. Staff believed that the level of incomes that could be achieved by a combination of benefits and therapeutic work, plus the consequent improvement in claimants’ quality of life could be a strong disincentive to change.

2.5.3 *Implementation*

Benefits Agency decision makers had a range of views about the implementation of therapeutic work. One view was that the rules of entitlement were strict. Hence, applications were often disallowed, especially for people with physical impairments or back problems, while it could be easier to agree that mental health problems would be improved by some work. Staff who interpreted rules strictly also emphasised that the work must be helpful to the person’s main disabling condition. This

³ The All Work Test was replaced by a Personal Capability Assessment in April 2000. In this study, clients and staff talked in terms of the All Work Test, and this term is used throughout, when reporting their views and experiences.

could lead to disallowed applications if people or GPs laid stress on the value of the work in helping a secondary condition, for example depressive illness that had developed since the person last worked. Some staff said that strict interpretation of the rules would mean that they should only accept applications instigated or suggested by the GP.

A different view was that the rules allowed some flexibility in interpretation. This allowed a more holistic and pragmatic approach to applications for therapeutic work which supported current policy aims, especially for people who had been away from work for a long time, and people who did not understand the formal rules. Disability Employment Advisers and Personal Advisers recognised that different decision makers could take different approaches, and some Benefits Agency staff pointed to a difference in culture between themselves and Personal Advisers as to the role of therapeutic work and what arrangements should be allowed.

Difference in interpretation between individual decision makers also led to different approaches to decisions about when to ask clients who applied to do therapeutic work to undertake an All Work Test as a condition of continued receipt of incapacity benefits. Two distinct approaches were identified in the research. Some Benefits Agency decision makers took a rigid approach and required claimants to undertake an All Work Test relatively soon after beginning therapeutic work. They might, for example, bring forward the date for a routine re-assessment of the claimant's incapacity benefits award. Other decision makers took a more flexible and pragmatic approach which they saw as supporting claimants' efforts to establish themselves in the labour market. Decision makers taking this approach saw no advantage in bringing forward the timing of an All Work Test, which they thought might undermine people's confidence and increase their anxiety about losing their benefits. They saw their approach as reinforcing current policy aims of encouraging people to try work.

Applications from people who wanted to do therapeutic work on a self-employed basis, for example on a family farm or doing craft work, were often hard to deal with, in terms of verification of earnings or hours of work.

Reviews of incapacity benefits claims with therapeutic work provision were reported to take place either at six monthly or 12 monthly intervals, but do not routinely have any new medical input. This was seen as a disadvantage by staff in the Benefits Agency. They perceived a missed opportunity to review the claimants' overall situation, and suggested that some people who might have been encouraged to move towards work could become '*stuck*' on therapeutic work, because there was no requirement to discuss progress with anyone. Some claimants were reported to have been doing therapeutic work for several years.

2.5.4 *Problems perceived*

A number of problems were perceived by staff in the Benefits Agency, Employment Service and New Deal pilots.

Benefits Agency staff felt that a lack of proper understanding of therapeutic work by incapacity benefits claimants led to unnecessary administration, and, in combination with lack of ongoing medical review, led to inappropriate use. Some claimants found themselves in a difficult situation when they reported having already started work when they applied for permission. This could lead to misrepresentation of circumstances; financial penalties and discouragement.

Disability Employment Advisers and Personal Advisers had observed the negative consequences of refusal of an application, or the bringing forward of an All Work Test. They felt that the different roles which therapeutic work filled, along with the difference in culture and approach between themselves and the Benefits Agency, and difference in interpretation by individual decision makers had led to lack of clarity of purpose, and unfairness in access.

Staff believed that people claiming Income Support (with or without incapacity benefits) sometimes did not understand that any earnings over £ 15 counted pound for pound against their Income Support whether or not the work was therapeutic. This could lead to financial problems, in addition to disappointment and frustration.

Staff in all agencies in areas in which there were specialist facilities for people with learning difficulties reported problems that had developed since the introduction of the minimum wage. Clients who had found particular niches in a work environment, receiving small payments for limited tasks, had lost jobs and/ or benefit when the minimum wage was introduced. If employers had raised wages in line with the minimum wage, some clients were taken over the earnings limit for therapeutic work, and lost incapacity benefits. If employers took the view that clients were not productive enough to be paid the minimum wage, some lost jobs. Staff reported how serious the implications had been for their clients, and were themselves frustrated by what had happened, especially if setting up the previous arrangements had involved major investment of staff time and inter-agency co-operation.

Disability Employment Advisers and Personal Advisers pointed out that helping clients access therapeutic work did not count in terms of their own work-related targets. Inevitably, this was likely to constrain the amount of time they spent on such work, and some opportunities for clients were lost.

2.6 Evidence from the New Deal for Disabled People Personal Adviser pilots

Clients of the Personal Adviser Service pilot projects who took part in the evaluation research were at different distances from the labour market when interviewed. At one end of the spectrum were people who had

lost contact with the labour market and were economically inactive, and others who were in the early stages of a possibly long path back to work. At the other end, some people were in paid work and no longer in receipt of incapacity benefits, or were close to the full-time labour market, perhaps working in a part-time or voluntary capacity, or actively looking for jobs. It was this latter group who were most likely to have heard of therapeutic work, though there were few clients in the study who were using it.

Knowledge about the principles of therapeutic work, i.e. that it was permissible to work up to a maximum number of hours within an upper limit on earnings, was generally correct. However, New Deal clients were less certain of the details. There were varying estimates of the upper limit on earnings and some uncertainty about whether or not there was a time limit attached to the provision.

Almost all clients who had either heard of, or used, therapeutic work generally commented positively about its scope and purpose. For some, therapeutic work was either already providing or, it was hoped, would help to provide a transitional step back to full time employment. For example, therapeutic work had meant that it was possible to try work without risk of losing benefit, and thus bring security needed to make further progress. It had been possible to take advantage of opportunities that arose for small jobs that suited people's circumstances and health condition or impairment. Some problems had arisen for people doing therapeutic work. One person with earnings close to the upper limit had to ask to reduce her hours when the minimum wage was introduced. Having to pay travel expenses could mean being no better off financially as a result of working. Some kinds of work were hard to fit with the therapeutic work rules, for example taking part in one-off performance arts events.

Not all New Deal Personal Adviser Service pilot clients saw therapeutic work as a transitional stage. Some older clients found the arrangement suitable to their needs, and hoped to continue.

Among clients who had not done therapeutic work there was some anxiety that an employer might learn of their 'disabled' status when approached for details about the job by the Benefits Agency. This had led to decisions not to apply for therapeutic work. Others were anxious that doing therapeutic work might be interpreted by the Benefits Agency as capacity for work, and lead to loss of incapacity benefits.

Personal Advisers interviewed in the New Deal for Disabled People Personal Adviser Service evaluation research were generally knowledgeable about the eligibility rules. They saw therapeutic work as serving one of two purposes. First, it could represent an 'outcome' for their client, an employment status beyond which they did not want to progress. Secondly,

it could be a stepping stone to full-time employment, a period during which their client gained experience and confidence, and after which they would progress to work of over 16 hours.

2.7 Issues for policy Findings from incapacity benefits claimants and staff in key agencies suggest that:

- being able to do some work while still claiming incapacity benefits does help some people move towards more substantial jobs, and eventually leave incapacity benefits
- the current therapeutic work rules provide one avenue along which some people can move to achieve this progression
- there are currently inequities in access to therapeutic work, as a result of different interpretations of what constitutes ‘therapeutic work’
- among those who might use the measure, awareness is low
- among those who are aware of the measure there is relatively low understanding of the rules, which leads to perverse outcomes in terms of increased administration; and non-purposeful breaking of rules, such as starting work before seeking permission
- there may be some loss of opportunity for incapacity benefits claimants to get active help in arranging therapeutic work because Disability Employment Advisers and Personal Advisers perceive no direct outcomes in terms of their own performance targets
- a staff view was that if the measure is to be generally adopted and promoted as a way of helping people progress from benefits to work, there is a need to monitor progress and provide more active management and advice
- perceived and actual associations between doing therapeutic work and being asked to undergo a Personal Capability Assessment are likely to deter some people who might do therapeutic work
- applications are slowed by the requirement to seek medical opinion. However, some clients valued the input from their GP, if they were anxious that working would make their condition worse
- apart from its role as providing a way of taking a step towards more substantial work, therapeutic work has an important role in enabling people who do not expect to be able to take further steps towards work to improve their quality of life, both in financial terms and in respect of the personal satisfaction which work brings. This role is highly valued. However, this brings into focus inequities with other groups of out-of-work people, for example long-term unemployed people, who might also like to increase their benefit income by up to £ 58.50 (2000-2001 rate)
- the current name of this measure has negative connotations for some people who associate it with ‘therapy’

- some people do not want their employers to know about their health history, and a belief that using measures which might identify them as 'ill' or 'disabled' is likely to remain a barrier to the use of measures such as therapeutic work (even when this belief is wrongly founded)
- the introduction of the minimum wage has led to particular problems for some clients who lost incapacity benefits or jobs when wage rises took them over the earnings limit for therapeutic work

3 VOLUNTARY WORK

3.1 Introduction

3.1.1 *The policy context*

Voluntary work is another permitted work activity for people receiving incapacity benefits or National Insurance credits on the grounds of incapacity to work. There is now no limit to the amount of work that may be done as a volunteer, a previous 16 hours limit having been removed in October 1998. Definitions applied to voluntary work are slightly different, according to which benefit the volunteer is claiming. This may lead to some differences in the way that Benefits Agency decision makers interpret rules at a local level (see Glossary).

For some people, doing some work in a voluntary capacity may be a helpful step on the way into or back to work. Working in a voluntary capacity may provide opportunities to test interests and try out skills, and to gain experience in social interaction. It may be seen as relatively 'risk-free' as there are no direct effects on the level of benefit received. In addition to a role in helping some people move towards paid work, voluntary work also provides an opportunity for interesting and fulfilling activity for some people who may be unlikely to be able to sustain paid work.

3.1.2 *What was known already*

There are no centralised administrative records relating to this measure. In a survey of early participants in the New Deal for Disabled People Personal Adviser Service pilot projects (Arthur *et al.*, 1999) 19 per cent had been doing some voluntary work. Disabled people interviewed in that study explained that doing some voluntary work could help to maintain activity and quality of life while claiming benefits, and could provide opportunities to maintain or develop skills, which might be useful when the time came to think about working.

If we look to other client groups, among lone mothers claiming Income Support, and unemployed people, voluntary work was more of a transitional activity or an indirect route back to work than a direct stepping stone into employment (Thomas *et al.*, 1999).

3.1.3 *Administrative procedures*

In general, administrative procedures for dealing with applications for permission to do voluntary work are dealt with by local Benefits Agency offices in a similar way to applications to do therapeutic work, except that there is no medical input. Again, the application must be in respect of a specific activity, and to prevent loss of benefit people are advised to seek permission in advance of starting work. The Benefits Agency rater assembles information from the client about the nature of the job, what it entails, the name of the employer, hours of work, and details of any expenses which the client expects to claim. This information is then forwarded to a decision maker who decides whether the voluntary activity is to be permitted.

At the time of the study, people engaged on activities on employers' premises as part of a Work Preparation⁴ programme organised by the Employment Service were also required to make an application so that this activity could be allowed under the voluntary work provision.

3.2 The approach taken In this study, all clients were asked whether they had considered doing voluntary work while claiming incapacity benefits or credits, whether they had sought permission from the Benefits Agency for their activities, and what impact the activity had made on moves towards work. Those clients who had been selected for the study as people to whom the Benefits Agency had given permission for voluntary work were asked about their experience of this procedure. Staff in all agencies were asked about their experiences in advising clients about voluntary work, and the way the measure is put into operation.

3.3 Views and experiences of people who had done some voluntary work This section presents the views and experiences of people who had been engaged in some activity on a voluntary basis while claiming incapacity benefits or National Insurance credits. Not all these activities had been reported to the Benefits Agency.

3.3.1 Activities undertaken Across the group as a whole, there were many examples of involvement in activities that the Benefits Agency might have considered could be categorised as 'voluntary work' for which permission should be sought. People explained that they had been active workers in residents' associations, community support groups, advocacy and self-help groups; had helped at local youth clubs or schools; used their vehicles to drive disabled or elderly people; or taken part in performance arts. People welcomed such opportunities for companionship, filling their time and getting out of the house, sometimes maintaining skills or gaining new ones.

3.3.2 Seeking permission Those who had told the Benefits Agency about their activities included people who were keen not to do anything that might get them into trouble or jeopardise their benefits. They had learned from previous experiences, their friends or supporting agencies that it was sensible to let the Benefits Agency know what they were doing, although not everybody realised that they should have sought permission in advance. Some had been taking part in Work Preparation courses and Employment Service staff had explained how to get in touch with the Benefits Agency.

⁴ Work Preparation is an individually tailored programme for disabled people, organised by the Employment Service. The aim is to assist people to overcome work-related barriers in order to return to or join the labour market. The average length of participation is six weeks. Work placement as part of Work Preparation is now allowed under the approved work regulations introduced in April 2000, and thus no longer categorised as voluntary work.

Those who had not been in touch with the Benefits Agency about their activities had often just not thought of doing this. They had not thought that what they were doing constituted formal work, but talked about their activity as '*my hobby*', '*just helping out*' or '*doing them a favour*'. In the minds of such people 'voluntary work' sometimes had more stereotyped connotations, such as working in a charity shop or befriending/ counselling needy people. Some were surprised to learn from the researcher that they might have been expected to seek permission for their own activities, but when told expressed irritation and frustration about bureaucracy rather than anxiety that they might have been doing wrong.

Several people remembered suggestions made to them about trying activities on a voluntary basis, mentioning a range of professionals, including GPs and consultants, staff in psychiatric services, Employment Services staff, Personal Advisers, and supporting organisations. In general, staff who made such suggestions had explained that people should get in touch with the Benefits Agency, and sometimes offered help with applications.

3.3.3 Perceived usefulness

There were examples of both reported and unreported voluntary activities leading a person closer towards paid work, or directly into work. Community activities had led to an invitation to apply for a full-time job doing similar work. Helping children to read at school had led to taking paid part-time work at the school, as therapeutic work. In most situations where voluntary work had acted as a stepping stone in this way, there was a good fit between the activity and the client's aspirations of the kind of paid work they might eventually do. Where there was not this fit, initiatives taken to try voluntary work as a purposeful step in the direction of paid work were less successful. Working in a charity shop for many years was thought, in retrospect, to have held a person back and delayed her development.

Voluntary work which had been arranged with an intermediary, for example a Personal Adviser, had generally been helpful. These included work placements which were part of Work Preparation courses. Other examples included support from a mental health project to try office work, which led to increased confidence, increase in hours and the hope of making further progress towards paid work. People who had sought permission from the Benefits Agency had generally not met obstacles, although there was some anxiety about possible repercussions in terms of continued entitlement to benefit.

3.3.4 'Users' of voluntary work provision

Those people who had been selected on the basis that they were recorded as having done voluntary work fell into two groups. One group of people consisted of those who were trying a work environment, with a view to moving towards paid work. In this group, the activities had been arranged with the help of a Personal Adviser, occupational therapist, or staff providing Work Preparation courses. All in this group said that

the experience had been positive and useful; those who had not continued moving towards paid work were people whose health had deteriorated.

In the other group of 'users' were people who did not remember reporting an activity to the Benefits Agency while claiming incapacity benefits, and one person who had applied for formal permission to spend time at a 'drop-in' for company and a cup of tea, being anxious that activity of any sort might jeopardise entitlement to benefits. It seemed that her letter, and the formal reply she received had been dealt with administratively under the voluntary work provision.

3.4 Views of people who had not done voluntary work

People who said they had not done any activities on a voluntary basis, either reported or unreported, knew in a general sense that benefit claimants were allowed to do some kinds of voluntary work, although many were hazy about any rules or processes that might be involved, or had out-of-date information and expected the amount of work allowed to be very limited. Conceptualisation of voluntary work was often stereotyped - charity shops were often mentioned.

When current rules were explained, and people were asked what would influence their own consideration of undertaking voluntary work, they said that this would depend on their health, and what opportunities arose or were suggested. It would be important to some to check the rules carefully - concern remained about possible effect on benefits. A further concern was not wanting to let the employer down if their health condition meant that they had to stop doing the work. Some observed that doing voluntary work could distract their search for paid opportunities, or take up time that might be better spent on a training course. Some did not want to spend time working without pay. There was a feeling that having to report activities to the Benefits Agency would limit spontaneous helping and participation in society, and it could be hard to understand why there was a requirement to ask for permission if there was no hours limit and no payment was received.

3.5 Putting the measure into operation

This section presents the views of staff in the three key agencies about the role of voluntary work and the way in which the voluntary work provision is used, and experiences of putting it into operation.

3.5.1 Information dissemination

Benefits Agency staff in the pilot areas said that they were trained to explain the rules about voluntary work, when asked. If incapacity benefits claimants expressed interest in doing voluntary work when talking to front-line staff, staff would suggest they get in touch with local volunteer bureaux; indeed, some staff might make preliminary telephone calls on clients' behalf, to arrange appointments or get a contact name.

Personal Advisers and Disability Employment Advisers said they responded to interest, and clients' own suggestions about doing voluntary work, and might themselves suggest this way of working. They stressed, however, that they tried to present voluntary work as a means for further progression, rather than as a way of life on incapacity benefits.

3.5.2 *Perceived role of voluntary work*

Disability Employment Advisers and Personal Advisers perceived voluntary work as filling a number of roles:

- it could provide a means of improving confidence, social skills and readiness for paid work
- it could provide a way of taking a first step into a work environment, and was thought to be especially useful when a helping agency was working alongside the client
- work opportunities available to clients were increased if employers not offering *paid* jobs were willing to provide openings for voluntary work
- it could be helpful in combination with other provision such as training, for example in Work Preparation courses
- it fitted well with other forms of support for some disadvantaged people, for example people recovering from severe mental health problems and people with severe learning difficulties, who were receiving intensive support in the community

Benefits Agency staff, generally, did not have such a wide view of the various roles of voluntary work, as they were less familiar with the range of arrangements and activities, but there was less unease and scepticism about voluntary work than about therapeutic work. Again, there was some stereotyping of voluntary work, as work for charities, or volunteer driving.

3.5.3 *Implementation*

Benefits Agency staff said they had fewer applications for permission to do voluntary work than from people who wanted to do therapeutic work, and some felt that this might be because people expected to be paid for any work they undertook. Applications tended to be simpler and quicker to deal with, since there was no medical input. Applications were carefully scrutinised by decision makers however, who had to decide whether the amount and type of activity fitted the grounds for claiming incapacity benefits. Some surprise was expressed that there was no requirement for a medical opinion; some clients doing voluntary work appeared to be doing more energetic and demanding work than many doing therapeutic work.

3.5.4 *Problems perceived*

Staff perceived fewer problems arising in respect of voluntary work than with therapeutic work. Benefits Agency staff said that, as with therapeutic work, clients tended to report work already started rather than seeking permission first, but they were unlikely to take any further action about such a situation. It could be hard for clients to understand refusals of

permission, since there was no money involved, but refusals were thought to be relatively unusual.

Disability Employment Advisers and Personal Advisers regretted that there were some clients who were unlikely to be able to use this measure, even if it would be helpful, because of the kind of work they wanted to try. Their experience was that there were very few opportunities for voluntary work in sectors such as information technology, construction or maintenance trades. They also pointed out that work done in helping clients access voluntary work often did not count in their own work-related targets, and this constrained the amount of help they offered clients who might benefit from doing some work on a voluntary basis.

3.6 Evidence from the New Deal for Disabled People Personal Adviser pilots

There were relatively few participants in the New Deal for Disabled People Personal Adviser Service evaluation research who had tried or were actively engaged on voluntary work. Among those who were doing voluntary work when interviewed, jobs were as varied as those described above in Section 3.3, for example working for a charity organisation, helping in the office of a disability organisation, working in a play scheme or local school, office and administrative work, reception duties and helping in a supported employment scheme. Most of these examples of voluntary work are in organisations in the public or voluntary sectors. Not everybody expected their voluntary work to lead them closer to paid work, but some who would have liked to find a paid opportunity to do similar work thought this would be hard.

There was evidence from the interviews that some clients had not reported their voluntary work to the Benefits Agency and among those who had there was some resentment and confusion at the need to do this.

Again, working without pay was unacceptable to some people, and one man felt that his partner would expect him to seek paid work, rather than working in a voluntary capacity.

One additional finding came from follow-up interviews with clients interviewed some six to twelve months earlier in the study. Some people who had been doing voluntary work at the time of the first interview had either returned or were planning to return to the same voluntary position after having made attempts to enter the paid labour market. Paid work had proved too demanding, or job interviews had proved difficult and distressing. For these people, voluntary work had not been the stepping stone to work they had expected. They had learned that moving to work was likely to take longer than at first thought, but had not necessarily given up the idea.

3.7 Issues for policy Findings from clients and staff in the key agencies suggest that:

- there is a lack of clarity in the definition of voluntary work, for benefit purposes
- participation by incapacity benefits claimants in activities which might be considered voluntary work by the Benefits Agency may be fairly widespread, but not all such activities are reported
- there are likely to be significant problems in ensuring that relevant activities are reported to the Benefits Agency, because of stereotyped conceptions of voluntary work, and the fact that the work is unpaid. Raising levels of understanding and changing people's beliefs and attitudes may be hard, and too heavy a focus might be counter-productive in terms of reducing spontaneous helping and participation in society
- being able to do some work on an unpaid basis while still claiming incapacity benefits does help some people move towards paid work, and can contribute to eventual moves off benefit
- there are currently inequities in access to the use of the voluntary work provision, as opportunities to do unpaid work are not evenly spread across all sectors of industry and all types of work
- not everybody who might consider the measure is prepared to work for no pay, but among people who might do voluntary work there is some lack of awareness of the opportunity, and some stereotyping of voluntary work which may limit identification of opportunities
- there may be some loss of opportunity for incapacity benefits claimants to get active help in arranging to do unpaid work, because Disability Employment Advisers and Personal Advisers perceive no direct outcomes in terms of their own performance targets
- perceived and actual associations between doing unpaid work and being asked to take a Personal Capability Assessment are likely to deter some people who might otherwise consider doing voluntary work

4 INCAPACITY EARNINGS PROVISION

4.1 Introduction

4.1.1 *The policy context*

The incapacity earnings provision was one of the four pilot work incentive measures introduced in April 1999, providing another way of enabling some people to do some paid work while retaining benefits on the grounds of incapacity. The measure allowed people to earn up to £ 15 a week (net of income tax, National Insurance contributions and one half of contributions to an occupational or personal pension scheme, work expenses, and up to £ 60 per week of permitted child care charges). The maximum number of hours allowed was not specified, but the national minimum wage provided an indicator to Benefits Agency staff making decisions.

Incapacity earnings provision enabled people to undertake some work without the need for medical recommendation, and to gain financially from that work. The measure went some way to providing opportunities for some people who did not want to work on an unpaid basis, and some people for whom the therapeutic work rules were not helpful.

The introduction of both incapacity earnings provision and Work Trial for incapacity benefits claimants required regulation changes in order to conduct the pilot. The regulations were written in such a way that the areas affected by the regulation changes were specified by postal code within each pilot area (OSD Benefit Support, 1999).

The pilot work incentives were managed by an Inter-Departmental project team, who explained the policy background and discussed arrangements for promoting the measures with staff in the key agencies in the 15 pilot areas. Practical arrangements for promotion and advertising differed in each area, depending on resources and opportunities. Staff within the Benefits Agency were asked to make as many claimants aware of the incentives as possible, but in no way to exert pressure.

4.1.2 *What was known already*

This was a new measure for incapacity benefits claimants. As explained in Chapter 2, there was evidence that some people who would have liked to do some paid work were unable to do therapeutic work because the medical requirement did not fit well with their condition. The incapacity earnings provision had some similarities with the ‘disregard’ arrangements in Income Support. Among Income Support claimants, generally, knowledge of the earnings disregard rules has been limited (Shaw *et al.*, 1996) and there is some evidence that among lone mothers and unemployed people claiming Income Support, earnings disregards were sometimes perceived to act as a disincentive to part-time work (Thomas *et al.*, 1999).

4.1.3 Administrative procedures It was considered important, in piloting this measure, that administrative requirements were kept to a minimum, in order for this new rule to be seen as an encouragement. It was intended that notifications from claimants that they were using the incapacity earnings provision should be dealt with by raters, and there was no requirement for verification of earnings. Staff were advised that the date on which the All Work Test was due to take place should not be brought forward as a result of claimants' participation in incapacity earnings provision.

4.2 The approach taken The approach taken was similar to that described in previous chapters. Those clients selected on the basis that they were recorded as having used the measure were asked about their experiences and views, and what impact there had been on any moves towards work. Knowledge about the measure was explored among all other clients, and views sought. Staff in all agencies were asked about their experience in advising clients about the measure and the way it was put into operation.

4.3 Views and experiences of clients recorded as having used incapacity earnings provision None of those people who had been selected as having used incapacity earnings provision recognised that they had used this measure; nor did any recognise properly the name of the measure. The researcher was sometimes, but not always, able to interpret the circumstances described in ways that might have fitted use of this measure. For example, one person described having done a little work for a friend, and receiving £ 15 a week for a few weeks until he decided that the work did not suit him. When interviewed, this person was currently doing some voluntary work, but was not expecting to try paid work again in the foreseeable future. Other situations described suggested that some people had applied to the Benefits Agency for permission to do therapeutic work after starting a job, and while the application for therapeutic work was being processed they were allowed to keep £ 15 of earnings, using the incapacity earnings provision. Those who were still doing therapeutic work when interviewed found this helpful and wanted to keep their jobs. They thought their poor health would make it hard to take more substantial work. Deterioration in health was the reason why one client had stopped working already.

None of those who were recorded as having used incapacity earning provision described having received support from a Disability Employment Adviser or Personal Adviser in getting their work. Findings suggest that in this small group of people, use of the incapacity earnings provision was more to do with the use of the measure by Benefits Agency staff in order to be helpful to clients than with understanding and purposeful notification of use of the measure by clients.

4.4 Views of people not recorded as having used incapacity earnings provision There was little recognition of the name of this measure; only one person remembered a Personal Adviser mentioning it. After explanation by the researcher, some people said they had heard of something like that, but it was clear that many were confusing the measure with the Income Support disregard.

Those who did grasp some of the basic rules during discussion with the researcher saw possible advantages in that the measure offered one more option for people who wanted to try work. A perceived lack of bureaucracy was welcome. However, several disadvantages were perceived:

- the earnings limit meant that the amount of work allowed would be too small to test a job
- the earnings limit would not allow the client to be responsive to an employer's request for even one hour's extra work
- lack of involvement of the GP might encourage some people to undertake harmful work
- there was a possibility of rent increases as a result of interaction with housing benefit
- some people might get stuck in low level, poorly paid situations which did not help them progress
- some people were likely to be no better off financially if they had heavy work expenses, or the working arrangement was long-term

Confusions with the Income Support disregard remained, and people who had experience of working in that way described negative experiences such as frequent queries, recall of order books for adjustment, and feelings that Benefits Agency staff were suspicious of their activities.

Those who tried to compare incapacity earnings provision with therapeutic work generally came down in favour of therapeutic work, because there seemed greater clarity in this arrangement and people could earn more money. Jobs available seemed to fit therapeutic work better, in terms of earnings limits. The high child care allowance in incapacity earnings provision interested some women. However, it was hard to understand why such high levels of child care might be involved for work with such low earnings and people could not relate such arrangements to their own experience.

4.5 Putting the measure into operation

4.5.1 Information dissemination

Awareness and understanding of incapacity earnings provision among staff was variable, and staff generally had little to say about this measure in the interviews and discussions. Benefits Agency staff recognised the name, and remembered some discussion in their office at the time it was introduced. Few could remember having dealt with claimants using incapacity earnings provision, and most said they would have to check the rules to remind themselves about how it should be implemented. There was a general feeling that very few clients enquired about this measure.

There had been some promotion of incapacity earnings provision by Personal Advisers, and some Disability Employment Advisers, but some disappointment was expressed about lack of momentum in inter-agency working to advertise and promote the four pilot measures generally, at a local level, once they had been launched.

4.5.2 *Perceived role of incapacity earnings provision*

Those Personal Advisers and Disability Employment Advisers who had some experience of advising clients about this measure said that they had sometimes suggested its use as a step towards therapeutic work, which took longer to arrange.

Other advantages perceived by Personal Advisers and Disability Employment Advisers were that the measure was:

- easy to implement, without GP involvement
- quick to set up and thus responsive to opportunities that arose
- a way of maintaining momentum in moves towards work

Some disadvantages perceived were that the measure was only appropriate for small-scale jobs and might trigger an All Work Test. (As explained in Section 4.2, use of the measure should not have affected the timing of an All Work Test.)

4.5.3 *Implementation*

Those Benefits Agency staff who believed that their office had dealt with claimants using this measure worked in an area which had an Employment Service Personal Adviser Service pilot project. Their recollection was that there had been applications for therapeutic work which had been dealt with initially under the incapacity earnings provision.

Otherwise, nobody had clear recollection of implementation. Staff did recall some discussion at the beginning of the pilot period as to how the permitted earnings would be dealt with for purposes of Housing Benefit, and what happened if clients were also claiming Income Support which has a lower disregard level (£ 5) for some claimants, but staff could not remember the outcome of these discussions. Benefits Agency staff found it hard to believe that this measure could act as an incentive as the limit on earnings was so low.

4.6 *Evidence from the New Deal for Disabled People Personal Adviser pilots*

Very few Personal Adviser Service clients had heard of the incapacity earnings provision and it appears that only one had actually made use of the measure. When asked in interviews what they had discussed with their Personal Advisers regarding the effects on their benefits of working only one person referred to incapacity earnings provision.

There was a general feeling among the Personal Advisers and pilot managers interviewed that the measure was rarely suited either to the aspirations of their clients, many of whom were looking towards full-time work or at least making significant strides towards working, or to their own ways of moving clients along. They had other, more suitable, provisions available to them through, for example, therapeutic work, Work Trial or training allowances.

None of the pilots reported anything more than very occasional use of the incapacity earnings provision.

4.7 Issues for policy

Findings from this study suggest:

- levels of awareness and understanding of incapacity earnings provision among incapacity benefits claimants in the pilot areas was low
- staff of the Personal Adviser Service pilots saw only very limited value in the incapacity earnings provision in moving clients towards work
- there was limited impact of any advertising or promotion of incapacity earnings provision and the measure was little used
- when it was used, this was often as a first step in accessing therapeutic work. Advisers sometimes suggested this role to their clients. Benefits Agency staff who wanted to be helpful to clients sometimes saw incapacity earnings provision as a positive way of dealing initially with applications for therapeutic work made after starting work, without seeming to be obstructive
- as a first step towards therapeutic work, the measure had been useful
- there was little evidence in this study of incapacity benefit claimants actively opting for incapacity earnings provision, although some Personal Advisers thought that there had been a few examples

The Department's own management information statistics showed that take-up of incapacity earnings provision had remained low throughout the pilot period, and no new claims for incapacity earnings provision were allowed after 7 April, 2000.

5 WORK TRIAL

5.1 Introduction

5.1.1 *The policy context*

Work Trial is an Employment Service programme which was extended to include incapacity benefits claimants and supported with changes in the benefit regulations, and was another of the four pilot work incentive measures introduced for this client group in 15 areas in April 1999.

The programme allows a person to fill an actual vacancy for up to 15 working days. This gives a potential employer an opportunity to assess whether the person can do the job, and enables the person concerned to make an informed decision about whether the job is suitable for them. The person doing the work remains on benefit during the trial, and receives no payment, although daily meal expenses of up to £ 1.50 and travel expenses of up to £ 10 per day may be paid. The job tried should be at least 16 hours per week and should be a job which would last at least six months. The person working may leave the placement at any stage.

Entry to Work Trial is a matter for the Employment Service, which notifies the local Benefits Agency about participants so that they are recorded as permitted to work. In the Personal Adviser Service pilot areas, participants may be routed to the programme by the Personal Advisers.

5.1.2 *What was known already*

The interim evaluation of the New Deal for Disabled People Personal Adviser service pilot projects (Arthur *et al.*, 1999) showed that incapacity benefits claimants surveyed identified a number of bridges which could be helpful in preparing them for work. Those considered important by people taking part in the New Deal for Disabled People included knowing about the job before beginning and training to get ready for work (Table 3.27). Knowing that they would be able to continue on the previous benefit if the job did not work out was also very important (Table 3.28). Work Trial goes some way to meeting some of these requirements.

Evaluation of Work Trial as used by other client groups has found that the measure is effective in helping unemployed people into work (CEI, 1990). Employees recruited via Work Trial valued the opportunity to try out a job in a work environment. For employers, Work Trial widened the pool of potential applicants for jobs, and helped to improve their selection process (Atkinson *et al.*, 1997).

5.1.3 *Administrative procedures*

Administrative procedures are a matter for the Employment Service. Briefly, the work environment must be monitored for health and safety before a claimant is placed, and then at intervals according to discretion. There are requirements on employers to have insurance which will cover

the participant, and to have undertaken risk assessment. There must be a formal work agreement before the participant starts work, and the employer receives a briefing which includes some personal information about the participant. The participant's progress is monitored by visiting the work premises at least once during the trial period. The participant's work expenses are normally paid by the employer who is reimbursed by the local Employment Service office. If the participant is offered the job at the end of the Work Trial, this counts as a 'placing' for staff monitoring purposes in the Employment Service.

5.2 The approach taken

The approach taken was similar to that described in previous chapters. Clients selected on the basis that they were recorded as having used Work Trial were asked about their experiences and views, and what impact there had been on any moves towards work. Knowledge about the measure was explored among all clients, and views sought. There was little to discuss with Benefits Agency staff about this measure, since they have a limited role. Employment Service staff and Personal Advisers have a key role in promoting this measure and enabling access, and they were asked about their experience in advising clients, putting the measure into operation, and their views on how useful this measure had been.

5.3 Views and experiences of clients recorded as having used Work Trial

Those who had been selected on the basis of having used Work Trial recognised the name of the measure and discussed their experiences.

5.3.1 *Perceived role of Work Trial*

All had been in touch with a Personal Adviser or Disability Employment Adviser, found a job in which they were interested and started discussing the job with the employer and their adviser. In one local area the clients felt they had little choice in the matter of whether they used Work Trial; it was explained to them more as a probationary period, as part of the particular employer's requirements. At the time these people would have been prepared to take the jobs anyway as they were keen to be in work. However, the possibility of trying the job before committing themselves was welcome to people who were concerned that materials used in the workplace might affect health, and people who had been out of work for a long time, and they were pleased when their adviser suggested this.

Not everybody who had used Work Trial recognised it as a way of trying work. One person had already accepted a full-time post but was anxious about managing the household budget while waiting for the first salary cheque. Exploring all options on her behalf, a Personal Adviser realised that doing a Work Trial in the job would extend her period on Income Support long enough to secure the lone parent Income Support and Housing Benefit extensions, and the client thought this was very helpful.

The financial implications of working while claiming benefits had different significance, according to personal circumstances. A man with a family, with pressing financial problems, would have preferred to have been paid immediately for his full-time work, so felt frustrated that there seemed little choice about doing a Work Trial. On the other hand, for a person with substantial private resources, the fact that she would be working initially for a benefit income and then be paid below the minimum wage level was not that significant. For the parent who wanted the out-of-work benefit extensions, it was essential that she stayed on benefits for another two weeks.

5.3.2 Making the arrangements

No problems were recalled about setting up the arrangements, but the payment of expenses did not always go smoothly.

5.3.3 Perceived usefulness

Those who agreed they had done a Work Trial had all continued in their jobs at the end of the trial and moved off incapacity benefits. People whose health broke down again, those whose pain increased, and those who found the work too hard left their jobs in the following three months, and one employer ended the job after six months. At the time of the interview there was a mix between people back on incapacity benefits and looking for other opportunities, and those in full-time work, or work-related activities such as re-training as a result of the experience on Work Trial. There was general agreement, in retrospect, that there had been long-term advantages for those who had done a Work Trial.

The advantage to the employer of having work done without having to pay for it was also stressed, however, and one employer was described as exploiting Work Trial and the New Deal provisions generally.

The group also included a well-qualified person who was currently trying to get a job with a Work Trial but was finding it hard to find an employer who would agree to this. He commented that Disability Employment Advisers had poor links across geographical areas, either to companies and employers or to other Disability Employment Advisers.

5.4 Views of people who had not used Work Trial

Most of the people in the study group appeared to hear about Work Trial for the first time from the researcher. Among those who offered opinions there were mixed views. Some felt they were currently so far from work that it was hard to think about Work Trial in relation to themselves. People who felt there was a possibility of their doing paid work again and were closer to the labour market saw advantages in being able to try out a job in the work environment, to see how they managed and whether they liked the job, especially if there was a real job at the end. Such people did not mind the idea of extending their period on benefit for such purposes, although it would be important not to be any worse off financially while trying the job.

A number of disadvantages were identified. People with fluctuating conditions thought that 15 days would not be long enough to see whether they could manage. Some people thought that the employer would get to know more about their illness than they wanted to share, a view expressed particularly by people with mental health problems. Others found the idea of employers getting free labour exploitative and unacceptable. Not everybody believed that the Benefits Agency would honour the arrangement, and there was a suggestion that the staff made empty promises to pressure people into work.

5.5 Putting the measure into operation

5.5.1 Information dissemination

In the pilot areas not all Employment Service front-line staff knew of the availability of Work Trial to incapacity benefits claimants. However the Disability Employment Advisers and Personal Advisers all understood the availability of Work Trial to their clients, and expected to respond to any enquiries with full information, suggest it to clients when it seemed appropriate, and offer help with making arrangements as far as possible. Arrangements differed in local areas. In Personal Adviser Services with staff seconded from the Employment Service access to Work Trial could be arranged directly. Otherwise, Personal Advisers referred clients to points of access in the Jobcentres.

As with incapacity earnings provision, there was some disappointment among Disability Employment Advisers that local initiatives to advertise and promote the measure, and build up contacts with local Benefits Agency staff, seemed to have run out of steam during the pilot period.

All Benefits Agency staff had heard of Work Trial, but direct experience was generally limited to making computerised records that incapacity benefits claimants were undertaking a Work Trial, when notified by the Employment Service. If their clients enquired about a Work Trial, they expected to refer them to the Employment Service. One observation was that some local employers were believed to exploit Work Trial arrangements - this comment was made by Benefits Agency staff working in the same area as the client referred to in Section 5.3.3 who felt she had experienced exploitation.

5.5.2 Perceived role of Work Trial

Experience of helping incapacity claimants to use Work Trial was limited among the Personal Advisers and Disability Employment Advisers taking part, and there were mixed views. Positive views included the following:

- Work Trials offered another opportunity to some people in moving towards work, especially people who had not been away from work for too long or were going into work they had not tried before
- the security of remaining on benefits during the Work Trial was seen as welcome
- the encouragement of the in-work visit by the monitoring adviser could be helpful

However, there were some disadvantages:

- the measure seemed bureaucratic and took a long time to set up, especially if the employer had not taken anybody on Work Trial before, and an assessment on employer's premises was necessary
- the bureaucracy and delay that could be involved in recouping work expenses could be a further problem for clients, especially if employers were not prepared to pay these directly
- working for no financial reward, especially if incurring high expenditure that was not quickly recouped was unattractive to some clients, and the measure was often not perceived to offer much incentive
- employers expected that people offered a Work Trial would be able to do the job, and it was important not to disappoint them, in order to maintain their participation in the programme. The advisers' experience was that incapacity benefits claimants often needed a period of retraining or work preparation, and Work Trials were appropriate to relatively few, so far

Some Advisers felt that, on balance, Work Preparation (see Footnote 4) was a more useful programme than Work Trial for a greater proportion of their clients claiming incapacity benefits. Work Preparation was easier and quicker to set up, and allowed a longer trial period with more supportive input from the provider service.

5.6 Evidence from the New Deal for Disabled People Personal Adviser pilots

In interviews with clients who had been through some form of trying out work before deciding whether to take up a permanent paid post there was a lack of clarity about exactly which benefit or employment provisions they had been using at the time. References were made to placements, work experience and to trials. One client did describe moving into a job after a three week trial but it was unclear whether this was a formal Work Trial or a coincidence of timing.

Staff of the Personal Adviser Service pilots were generally positive about the potential value to some clients who were not quite ready to take on a job, but they had used Work Trials only rarely for a number of reasons. Some of these have been noted above, such as the time taken to set up the arrangement via the Employment Service. Additionally there was a feeling that other provisions were often better suited to their clients' needs, especially if a trial period of, say, one day a week for an extended period was required.

5.7 Issues for policy

Findings from clients and staff in key agencies suggest that:

- Work Trial can be an incentive to some incapacity benefits claimants to try work, offering a relatively risk-free opportunity to try out work
- Work Trials can lead to people moving off incapacity benefits, or other outcomes perceived as helpful such as retraining
- jobs achieved at the end of Work Trial may not last very long, especially if health deteriorates

- some employers may be exploiting Work Trial arrangements
- staff who might promote the use of Work Trial to incapacity benefit claimants can be discouraged by perceptions that access is bureaucratic and lengthy
- clients who find it unacceptable to work without wages, and those who do not want employers to know about their health or impairment are unlikely to respond to Work Trial as an incentive

6 JOBFINDER'S GRANT

6.1 Introduction

6.1.1 The policy context

Jobfinder's Grant is an Employment Service provision which was extended to people moving off incapacity benefits in April 1999 during the pilot period. This measure made available a one-off payment of £ 200 to people who started work in a lower-paid job. The payment might be used as people wished, but was designed to offset some of the initial expenses that people may face when they take a job, such as buying suitable clothes or meeting living costs while waiting for first wages. The availability of Jobfinders's Grant might, it was hoped, help to encourage disabled people or people with a long-term health problem to consider a wider range of jobs than otherwise. Such people might then take work in which they could boost earnings with Jobmatch or Disabled Person's Tax Credit, measures which are described in later chapters.

The grant was available to people who had been incapable of work for at least 28 weeks, who moved from incapacity benefits into a job of at least 16 hours weekly, which was expected to last six months and paid £ 200 gross weekly or less. The person must have had less than £ 2,800 in savings.

6.1.2 What was known already

People who are interested in a move off incapacity benefits often view the transition period as potentially risky (Arthur *et al.*, 1999). It can be hard to pay rent or mortgage and other normal household expenses without benefits while waiting for first wages or pay cheques. People without savings or other significant sources of income may see no alternative to borrowing to tide them over, and there is a fear of debt and its consequences. These problems of transition from out-of-work income to earnings, especially for people whose earnings are low, also affect non-disabled unemployed people (Shaw *et al.*, 1996). They are thus well-known, and people claiming incapacity benefits may already have previous experience of these difficulties or have in their households other people who have had similar problems.

In addition to worrying about how they will pay ordinary household expenses while they are waiting for wages, people may have new work-related expenses. The cost of fares and clothes to work are often higher for disabled than for non-disabled people (Berthoud *et al.*, 1993). Among early participants in the New Deal for Disabled People who were surveyed in 1999, 43 per cent said that having suitable clothes for work would help them move from benefits into work (Arthur *et al.*, 1999, Table 3.27). Jobfinder's Grant might go some way to providing the financial resources which would help.

The grant was initially piloted with long-term unemployed people in 1994 (Moore and Dickinson, 1995) and launched nationally in 1995 (Balchin, 1996). A study based on administrative statistics of some 29,000 Jobfinder's Grants awarded during 1995-97 to people who had been long-term unemployed, with a follow-up survey of a sample of clients, showed a relatively high level of deadweight in the grant acting as an incentive to take low-paid work (Dickinson and Broome, 1998). The grant seemed to have most effect where the financial decision was tight. However, there was evidence that the grant did smooth the transition back into work, and encouraged people to stay in work. Gardiner (1997) has reviewed 42 different 'welfare to work' measures. There were nine schemes where there was sufficient data to allow comparison on three measures of effectiveness: value for money, additionality and take-up. On these measures, Gardiner identified the Jobfinder's Grant and Jobmatch as the most successful. However, Beyer *et al.* (2000) suggest that in the context of movement off incapacity benefits, the potential effectiveness of such measures may be rather different from their impact in the context of easing transitions from unemployment.

6.1.3 Administrative procedures

The intention was that people interested in work were made aware of the availability of the grant in advance of taking a job, perhaps at the stage when they were thinking of starting to look for work, and thinking through the financial implications. Personal Advisers and Disability Employment Advisers were encouraged to explain the amount of money available, and how it might be useful. Some Personal Adviser Service pilot projects incorporated the availability of Jobfinder's Grant and Jobmatch in their own local advertisements and promotion of the New Deal for Disabled People.

There were standard application forms, seeking information about the client's personal circumstances and the job offer. The first page of the form had to be completed by the Adviser (local Employment Service staff or Personal Advisers) and constituted a certificate of eligibility for the grant. Completed forms were dealt with by Employment Service Payment Offices, and grants were paid by giro through a post office.

Completed forms had to be received by Payment Offices within 14 calendar days of starting work. Entitlement to the grant was not automatic, and some discretionary decisions were made by staff in Payment Offices.

6.2 The approach taken

Clients who had been selected to take part in this study on the basis that they were recorded as having received a Jobfinder's Grant were asked about their views and experiences, and what impact this measure had in influencing their decisions about taking a job. General awareness and understanding of the measure was explored among all clients, and those who had not yet used Jobfinder's Grant were asked whether they believed such a grant might be useful to them in the future. Disability Employment Advisers and Personal Advisers were asked about their experiences in

promoting and implementing the measure, and their views on its usefulness as an incentive to take a job.

6.3 Users' views and experiences

6.3.1 *Finding out about Jobfinder's Grant*

In this study group all who had applied for a grant, who included some selected because they had used another measure, had already decided on a job before Jobfinder's Grant was discussed with the Personal Adviser or Disability Employment Adviser, and most already had a start date. Advisers told such clients about the grant as they talked about financial aspects of moving into work. One client who had heard about the grant from a friend waited for the Personal Adviser to mention this, but when this did not happen, raised it himself. Those who had found a job were anxious about the transitional period while they waited for their first earnings, and some were also seeking practical help with applications for tax credits at this stage.

6.3.2 *Perceived role of Jobfinder's Grant*

People who had applied for grants generally said they were going to take the jobs anyway, and the availability of Jobfinder's Grant was not a strong influence on their decisions. Some pointed out that they did not know if their applications were going to be successful, so it would not have been wise to base decisions on expectation of receiving the extra money. To people in this study group, the grants seemed more like a reward for initiative, or a help along the way.

6.3.3 *Making the arrangements*

There were generally no problems with the initial application. Waiting times varied, and one application was delayed because the wrong wage rate had been reported initially.

One application had failed, but the client did not understand why and did not pursue the matter. This client was recorded as having received a Jobfinder's Grant, but he was certain his application had been refused and concerned to hear that he was recorded as having received money.

6.3.4 *Perceived usefulness*

Those who had been hoping to use the grant for work clothes or basic living expenses during the transition period were disappointed to have to wait for several weeks, and said that this experience would be a disincentive for any future occasions.

In retrospect, everybody who had received a grant said it had been helpful. There was a boost to income, and for some, a boost to confidence and lowering of anxiety. In general, the money went towards household expenses, fares to work and clothes. As explained, the money usually arrived after earnings had started coming in, so some people used it to buy clothes for their children, and one person bought work-related books. Another person who had been surprised to receive such a large amount lent most of it to a friend.

Knowing that the grant might have to be paid back if they left the job after a short time had been a worry for some, however.

6.4 Views of people who had not applied for Jobfinder's Grant

Apart from those who had received or applied for a grant, few people had heard of this measure, and those who thought they might have heard of it had hazy knowledge.

When the researcher explained the basic rules and procedures most people who offered views said that the availability of Jobfinder's Grant was unlikely to be a key influence on any decisions they might make about working. What would be more important was the suitability of the job and their health. However, a £ 200 grant would certainly be a help in the transition period if they did move off incapacity benefits, going towards household expenses, clothes, bus fares, tools or equipment, or preventing the need to borrow. Views varied on the amount of the grant. Those who thought the amount should be higher if it was really going to help towards clothes or tools for work were generally people who had previous experience of higher paid work. Some people said they would be quite wary, and would need to be certain of all the rules before applying for the grant. The possibility of having to pay it back was identified as a disadvantage, which would worry people and reduce the attraction of the measure. It was considered important that if the grant was advertised the savings limit should be made clear, or false hopes might be raised.

There was some evidence that Jobfinder's Grant was sometimes being promoted in ways which policy makers had not intended. One person showed the researcher an application form already authorised and signed by an Adviser, which he was keeping in case he got an interview for a job. He believed he could send in the form if he got an interview, in order to receive money for a suit to wear, and did not realise that getting the grant depended on having a job.

6.5 Putting the measure into operation

6.5.1 Information dissemination

All front-line staff in the Employment Service and Benefits Agency had heard of Jobfinder's Grant, but not all knew that it was available to people in their area claiming incapacity benefits.

Front-line Employment Service staff said that the measure was fairly well-known among other client groups seeking work. Disability Employment Advisers and Personal Advisers expected to provide information and advice about the measure, to include it in discussions about moving towards work, and give practical help with applications where appropriate.

In areas which had a Personal Adviser Service pilot project, Personal Advisers had direct experience of advising clients about this measure. Advisers in the Employment Service Personal Adviser Service pilots could issue the application pack themselves, were familiar with procedures and had not met many problems. At the time of the research interviews, Advisers in the Contract-led Personal Adviser Service pilots (see Section 1.4.1) had to refer clients to the local Jobcentre to obtain the grant and were less familiar with rules and procedures. Disability Employment Advisers understood the procedures, but not all had experience of helping clients on incapacity benefits to access the grant.

6.5.2 *Perceived role of Jobfinder's Grant*

There were differences of opinion about how well the grant worked as an incentive. Personal Advisers and Disability Employment Advisers agreed that clients were very interested in the grant. Some felt that the availability of the grant could be a strong influence, and they believed that it did provide an incentive by reducing some of the financial risks and insecurities associated with moving off incapacity benefits.

However, it sometimes did not work out as clients expected. Personal Advisers in the Contract-led Personal Adviser Service areas said that the time limits were tight for the people they advised, in view of the need for clients to apply separately to the Employment Service. Several applications made by clients they had advised had been refused, for various reasons, including spent time limits and clients' levels of savings. Those grants which were awarded often took up to six weeks to arrive, which led to complaints from clients and reports of financial problems. As a result of these experiences, some Advisers had lost confidence in the measure and some felt uneasy that they had been promoting an incentive which was not delivered. Some thought they had become '*very careful*' about promoting the measure, and tended to tell clients that getting Jobfinder's Grant to help a move to work was not always easy.

Complaints about delays in receipt of Jobfinder's Grant and refusals of applications were sometimes received by staff in the Benefits Agency, who felt that the delivery time and the savings limit for this measure should be better advertised.

6.6 Evidence from the New Deal for Disabled People Personal Adviser pilots

Many of the clients in the Personal Adviser Service research who were in work had learned of the Jobfinder's Grant through their Personal Adviser. Some had successfully applied for the grant. Several had been refused, however, either because their job would not last six months, their pay was too high or because their savings exceeded the permitted limit.

There was evidence in the accounts of the clients interviewed and of the Personal Adviser Service staff that the Jobfinder's Grant was being treated differently from its original purpose of encouraging people to take jobs they would not otherwise have considered, as a result of costs of going into work. As well as being used as a means of overcoming people's barriers to work in this way, it was also being marketed and used more as a direct financial inducement to take work, like a reward. Some pilots mentioned the availability of the £ 200 grant in their advertising and publicity material.

There were also examples of Personal Advisers using their Interventions Fund in a number of ways linked to Jobfinder's Grant. (The Interventions Fund is a ring-fenced amount of money allocated to Personal Adviser pilots to use on a discretionary basis to provide financial assistance to clients moving towards or into work.) The most common examples were using the fund to offer clients loans of £ 200 until their application

for Jobfinder's Grant had been processed, and giving clients whose application had failed the same amount as the grant. Loans were expected to be paid back when the Jobfinder's Grant eventually came through. The use of the fund in this way was justified because it overcame the problem for clients of waiting for money which was needed earlier. Payments to clients refused by the Employment Service were justified on the grounds that some people in need of assistance were excluded from Jobfinder's Grant by eligibility criteria such as savings limits.

Several clients referred to receiving money they hadn't expected, one mentioned being given '£ 200 cash' which was 'a surprise'.

As noted above, the Jobfinder's Grant did not seem to work mainly as an incentive to take paid work and come off benefit. It was welcomed by recipients, most of whom acknowledged its usefulness.

6.7 Issues for policy

By the time most of the fieldwork for the research had been completed it was announced by the Secretary of State for Social Security that Jobfinder's Grant would be replaced in 2001. From April 2001 a job grant of £ 100 will be available to a range of clients, including people moving off incapacity benefits.

Although Jobfinder's Grant as such will not continue, there are several issues for consideration by policy makers that have emerged from the research:

- the study confirms that some people receive Jobfinder's Grant who would have taken their jobs anyway, and thus the measure did not always act as an incentive
- in terms of reducing financial risks during the transition from incapacity benefits to earnings, late delivery of the grant reduced its effectiveness
- initially, there were operational difficulties in some local areas which acted to clients' disadvantage in accessing the measure, and some Personal Advisers lost confidence in promoting Jobfinder's Grant and advising clients
- the measure was not always promoted appropriately by staff
- although it sometimes did not work in the way intended by policy, a lump-sum grant after moving off incapacity benefits into work was welcome, and did ease some household budgets

7 JOBMATCH

7.1 Introduction

7.1.1 The policy context

Jobmatch was the fourth measure piloted from April 1999 in 15 areas. Jobmatch aimed to encourage people to gain work experience with one or more part-time jobs (if a full-time job was inappropriate or not available). It provided an extra weekly allowance of £ 50 on top of wages, for people who had been incapable of work for at least 28 weeks and moved off incapacity benefits into a job of less than 30 hours per week, for an employer other than the one they last worked for. Jobmatch was paid for up to 26 weeks as long as the person remained in work. The payments counted as gross income for Working Families' Tax Credit and Disabled Person's Tax Credit, Housing Benefit and Council Tax Benefit, but were not assessable for purposes of National Insurance contributions or income tax.

Jobmatch was originally intended for people who took up unsubsidised part-time jobs of between 16 and 30 hours, or more than one small part-time job, although they might have preferred a full-time job. The original intention was that the measure would not be marketed, but would be part of an Adviser's 'tool kit'; not an entitlement but an additional payment which would be offered at the discretion of the Adviser to people who would not ordinarily consider part-time work. It was used with some flexibility in some local areas for disabled people who wanted to limit their hours of work (CPAG, 1999).

7.1.2 What was known already

A survey of early participants in the New Deal for Disabled People Personal Adviser Service pilot projects showed that more than half of those who wanted to do paid work would have liked a full-time job (Arthur *et al.*, 1999, Table 3.20). However, barriers to work perceived included problems in finding the kind of work that would suit, and the lack of suitable local job opportunities (Table 3.25). More than 40 per cent of participants worried that they would be worse off financially if they started work. Jobmatch might go some way to removing some of these barriers, enabling some people to find suitable job opportunities which they could afford to take.

Tax credits are also available to boost low earnings of people working over 16 hours, and tax credits can be renewed at the end of the six month payment period. However, the tax credits are based on household income and savings, and there are particular eligibility criteria in terms of receipt of qualifying benefits, which rule out of eligibility some incapacity benefits claimants who move into work, for example people receiving Income Support without a disability premium. Some of those people might see Jobmatch as a way to raise overall income level, although Jobmatch is not available to self-employed people.

As explained in the previous chapter, Jobmatch has been available to other client groups over a longer period. A number of evaluative studies were conducted on Jobmatch pilot schemes (SIA, 1995; Loyd and Hussey, 1996; Clemens, 1997). Findings were that Jobmatch, as available to long-term unemployed people, was a popular scheme which could act as an incentive to some unemployed people to take part-time work, and could be a stepping stone towards full-time work. Early qualitative work (SIA, 1995) showed that for some participants, a fear of what would happen at the end of the Jobmatch period was important. However, follow-up survey research (Clemens, 1997) showed that the majority of participants were still in work 12 months after starting Jobmatch, and 30 per cent had increased their hours to 30 or more per week. Jobmatch was included in Gardiner's review (1997) of 42 different welfare-to-work measures. Among nine of these schemes for which there was sufficient information to enable comparison on value for money, additionality and take-up, Jobmatch and Jobfinder's Grant were identified as the most successful.

7.1.3 Administrative procedures

Jobmatch was offered at the discretion of Personal Advisers or Employment Service staff, within local budget allocations. Applications were made on standard forms, which collected details of the client's circumstances, job and earnings, with the Adviser's 'declaration of eligibility', and forwarded to Employment Service Payment Offices. Payments were made directly into a bank or building society account or by giro. Jobmatch includes an Adviser support component, the formal purpose of which is to help people manage the loss of their Jobmatch payments at the end of the 26 week period, in ways appropriate to circumstances, for example by encouraging and helping them to increase their hours or earnings. Advisers decide how to offer this support component, according to circumstances and requirements of individual clients. In some cases, this may involve in-work contacts or visits during the six month period of receipt.

7.2 The approach taken

The approach taken was similar to that described for other measures, exploring experiences and views of clients who had used Jobmatch; understanding of the measure among other clients, and their views about possible usefulness for themselves, and the experiences and views of staff in key agencies.

7.3 Views and experiences of people who had received Jobmatch

Those who had used Jobmatch learned about it first when they were discussing, with a Personal Adviser or Disability Employment Adviser, a job they had been offered of less than 30 hours.

7.3.1 Finding out about Jobmatch

7.3.2 Perceived role of Jobmatch

Most of those who had been offered a job had not been looking for full-time work, as they felt their health condition or impairment limited the amount of work they could do. The main attraction of Jobmatch for some had been the support that the Adviser would provide. Indeed, it was clear that some people thought of Jobmatch more as a scheme to

provide in-work encouragement and support than as a financial measure. People whose main hesitation was whether their health would stand up, such as people who had had long periods of mental illness, felt they needed support while in the job, and Jobmatch, as described to them, sounded ideal. For them, the £ 50 payment sometimes seemed like an added bonus. For those whose main anxiety was whether they could do the work, the payment of £ 50 was also less important than the suitability of the work, and continuing support if they could not continue the job, although the weekly payments were welcome. None of these users felt that they would not have taken the jobs without Jobmatch, but those recovering from mental illness said that it would have been harder for them to stay in the job without the support and encouragement from the Disability Employment Adviser or Personal Adviser.

For others, however, the weekly payment was the main attraction. A man who had found a job of three days per week could not afford to take it without financial support, and Jobmatch, he believed, made the move viable financially. He would not have taken the job without the extra payments.

7.3.3 Making the arrangements

The application process was not recalled as problematic. The only negative comment came from a person who wished he had known about Jobmatch earlier in his plans to return to work.

7.3.4 Perceived usefulness

When interviewed, those who had been mostly attracted by the support element of Jobmatch were in work and felt they had made a successful transition. People who had kept well were working for more than 16 hours weekly, either in the same or different jobs. Loss of Jobmatch payments had been softened for some by increased earnings or receipt of tax credits. Those still working short hours either felt that this was right for them, or had started to think about increasing their hours. People still receiving Jobmatch, who knew this would come to an end shortly, were optimistic about being able to manage financially when payments ended.

The person who had responded to Jobmatch because he needed the money had left work by the time of the interviews. Even working 28 hours with Jobmatch payments, he felt no better off financially; there was pressure from the employer to work longer hours which he could not manage, and a work aid he had asked the employer to provide had not arrived.

7.4 Views of people who had not used Jobmatch

Apart from those who had used Jobmatch, most clients thought they had not heard of this before. There was some confusion with 'job matching' services offered by the Personal Adviser Service.

People who had not heard of Jobmatch or were unsure about the way it worked listened to the researcher's explanation. There was considerable

interest among people who thought they might aim towards part-time work. The general feeling was that Jobmatch could be useful if there was a realistic job offer. The main concern was what would happen at the end of six months, in financial terms, if people were not able to increase hours of work or earnings. Losing £ 50 a week seemed a big loss, and considerable risk was perceived. People were also concerned about the possible impact of Jobmatch on other benefits and interaction with tax credits. There was a feeling that the money payments were too short-term, and using the measure would introduce too many long-term risks for it to be a real incentive to leave incapacity benefits for part-time work.

7.5 Putting the measure into operation

7.5.1 Information dissemination

There was limited awareness and understanding about this measure among staff. Some Benefits Agency staff had heard of it, but had not been certain it was available to people moving off incapacity benefits until the discussion with the researcher.

Front line Employment Service staff did not feel equipped to discuss the measure themselves with incapacity benefit claimants if that situation should ever arise. Most Disability Employment Advisers had no experience of discussing the measure with incapacity benefits claimants. Personal Advisers had discussed the measure with colleagues, but there was very limited experience of providing information and advice to clients.

7.5.2 Perceived role of Jobmatch

In general, Personal Advisers had reservations about Jobmatch. The end of payments after six months with no opportunity to renew an application, in contrast with Disabled Person's Tax Credit, was thought to introduce elements of considerable risk for clients. Great care was needed in discussing with clients what might happen at the end of six months, and what options might then be available. Detailed information could be required about availability of in-work benefits, including housing benefits, and tax credits, across a range of options including changes in family circumstances or partner's work situations. This put considerable responsibility on the Adviser to provide accurate information.

A further concern was a perceived potential for misuse. Personal Advisers were keenly aware that it was their judgement as to whether the client was only looking for full-time work, if they acted strictly according to the rules. They had other clients who were prepared to take part-time work and would be worse off financially than on their incapacity benefits income. They tried to find solutions, and it was hard not to be able to recommend Jobmatch. It could be tempting to point out to clients the significance of the way they talked about working hours, in order to help them describe plans in ways that would legitimise offers of Jobmatch. Advisers speculated on the appropriateness of this form of discretion, which might be open to abuse. (We saw in the previous section that some users of Jobmatch told the researcher they had been looking for part-time work all along, but we do not know why they had been considered suitable applicants for Jobmatch.)

An additional problem staff identified for clients was that a person could not move from therapeutic work to working for the same employer with Jobmatch, which might be a progression which would suit some people.

In general, Advisers preferred to promote Disabled Person's Tax Credit to people with low earnings, which was more transparent and could be renewed at the end of six months.

7.5.3 Implementation Only one Personal Adviser had experience of helping a client access Jobmatch, and this was reported as a relatively straightforward matter.

7.6 Evidence from the New Deal for Disabled People Personal Adviser pilots There was very little experience of Jobmatch among the New Deal clients interviewed in the Personal Adviser Service research project. Only one claimant had actually used the measure. This person said that the administration of payments had taken a long time, partly because the claim form had not been fully completed by her Personal Adviser. Out of pocket for a while, this person continued working in order not to lose the chance of having a job, but the job proved unsuitable, and soon ended, for health reasons.

The staff of the pilots offered the general comment that Jobmatch could be useful for some claimants but they had used it on few occasions. There was a general feeling that tax credits were usually a more suitable form of help for people taking low paid, part-time work. However, if a client was ineligible for tax credits Jobmatch might be a useful alternative.

7.7 Issues for policy Although Jobmatch was little used by incapacity benefits claimants, several issues for consideration by policy makers emerged from the research:

- findings suggest that the policy intention, of encouraging clients to take part-time jobs with Jobmatch if they were not able to get full-time jobs, was not always being met
- in this small study, the support component of Jobmatch was identified as more important than the money payments by some clients
- there was evidence that this support had helped people to stay in jobs and to move forward to more substantial paid work
- there was evidence that the money payments could be an incentive to take part-time work, but that clients who responded to this incentive did not always feel financially better-off than when on benefits
- there was lack of experience of the measure among staff in all agencies, and some unease about the discretionary component of information and advice-giving

The Department's own management information statistics showed that take-up of this measure remained low throughout the pilot period. No new awards of Jobmatch for people leaving incapacity benefits were made for jobs starting after 30 June 2000.

8 THE 52 WEEK LINKING RULE

8.1 Introduction

8.1.1 *The policy context*

The current 'linking rule' has been in operation since October 1998, and was introduced specifically to reduce risk and uncertainties faced by people considering a move into work. It was known that some people feared the possible reduction in income level and income security that would result if they found they were unable to sustain paid work. The measure enables people to return to the same benefits⁵ they were receiving before they started work or training, if they became incapable again within the 52 week period following their leaving benefits or credits received on the grounds of incapacity to work. Work or training for work must start within seven days of the last day of benefit entitlement, to ensure that this was the reason for leaving benefit. The rule also requires the claimant to notify the Benefits Agency within one month of ceasing to be entitled to benefit that they have started work or training.

The legal provisions apply across the whole country, but are particularly important in protecting people participating in the New Deal for Disabled People pilot projects, who may be encouraged to try work or training.

Benefits Agency decision makers take decisions about qualification to use the rule when the person concerned seeks to return to benefit, using records held on the central Benefits Agency computer. Qualification thus depends on having previously notified the Benefits Agency properly about moving off incapacity benefits to start work or training.

8.1.2 *What was known already*

Sustaining daily work on a regular basis may seem hard, and some people need regular breaks from work through the day (Arthur *et al.*, 1999). People worry that working arrangements will not be flexible enough to enable them to continue working. Health conditions which fluctuate over time lead to additional anxieties about moving to work. People who face unpredictable onset of debilitating back pain, for example, or the possibility of recurrence of symptoms of mental illness, worry about what will happen if they get ill again, after they have taken a job (Arthur *et al.*, 1999). People perceive risks both in income and security: having to return to lower-level sickness benefits after what might prove to be just a short time in a job, and the requirement for new medical certification and assessments which might lead to loss of incapacity benefits altogether.

⁵ The rule enables people previously claiming Incapacity Benefit or Severe Disablement Allowance to return to the same rate of benefit. Those previously claiming Income Support and other income-related benefits may return to these if they are accepted as continuing to be incapable of work, but the amount they then receive depends on their circumstances when they reclaim. Even without a linking rule people can claim Income Support and other income-related benefits if they are accepted as incapable of work, and their circumstances allow it. The linking rule, however, removes the need for people to re-serve the qualifying periods for disability premium and mortgage interest if a person subsequently claims again because of their incapacity.

Anxieties about having to leave work again are well-founded. Research on people who moved from incapacity benefits into work by using Disability Working Allowance (the precursor of Disabled Person's Tax Credit) showed that two out of three subsequently left because of ill health or disability (Arthur and Zarb, 1997).

8.1.3 *Administrative procedures*

Administration of the linking rule depends to a considerable extent on people notifying the Benefits Agency when they leave incapacity benefits to start work or training. At the end of a period on benefits or credits on the grounds of incapacity the Benefits Agency sends the claimant a letter, with a form to return if they start work or training within seven days of the last day of benefit entitlement. Notification must be received by the Benefits Agency within one month of the last date of receipt of incapacity benefits or credits. (These limits aim to give people time to deal with paper work during a change in circumstances, but ensure that the reason for leaving incapacity benefits or credits was indeed to start work or training.)

The letter to the claimant also asks them to pass it on to their new employer. This is because if they become sick again within 52 weeks their employer will not have to pay them Statutory Sick Pay, but should give them a form which can be used to reclaim the previous incapacity benefits or credits. In practice, implementation of the linking rule depends to some extent on former claimants and employers remembering what to do and dealing appropriately with the relevant letters and forms.

When the Benefits Agency receives the notification that a claimant has started work or training, the information is entered onto the central computer. From that point the computer displays show that the person has 52 weeks protection whenever their record is accessed. Should he or she then reapply for benefits, their entitlement to return to previous benefits becomes clear. Medical certification from a GP is required if the claim is for more than seven days until such time as the client undergoes another Personal Capability Assessment. Reminders are sent to clients who have not submitted certificates, but if none are forthcoming within around three weeks, then the Benefits Agency will send out a questionnaire as the first stage of a Personal Capability Assessment in order to give a definite decision about entitlement.

8.2 *The approach taken*

No clients were invited to take part in this study on the basis that they had used the 52 week linking rule. The approach taken was to ask all clients interviewed what they knew about the rule, how far they understood the procedures and implications and whether they felt this measure might be useful in the future, or influence any future decisions about working. Discussions revealed that some people did have experience of reclaiming, or trying to reclaim incapacity benefits, and their views were valuable.

Benefits Agency staff were asked about their experience of implementation of the rule and issues arising, and Employment Service staff and Personal Advisers were asked how they discussed the rule with their clients, and how influential this measure appeared to be.

8.3 Clients' views and experiences

8.3.1 Knowledge and understanding

People who said they had never heard about the linking rule included some whose health condition meant that they were not currently thinking about work, and had not recently been in touch with a Jobcentre, or talked to a Personal Adviser or Disability Employment Adviser. It was perhaps surprising that some clients who were currently receiving advice and support from a Disability Employment Adviser or Personal Adviser also said that they did not know about the linking rule. The researchers' own experience during the discussions was that it was sometimes hard for people to understand the purpose of the rule and how it worked, even with careful explanation.

People who did know about the rule when interviewed included some who had discovered what it meant only after they had left their jobs. They tried to claim sick pay or reclaim benefits and were told that their situation was protected and they could return to their previous incapacity benefits. This suggests that some people fill in the forms required when they leave benefit without properly understanding the purpose.

Others, however, knew about the rule before it came into operation for them, or during the period on incapacity benefits or credits. There was evidence that information is flowing from a variety of sources, including front-line Employment Service and Benefits Agency staff, Disability Employment Advisers, Personal Advisers, training providers and support organisations. Nobody mentioned their GP as a source of information. There was also evidence that people search for and value written information about the linking rule in standard Benefits Agency leaflets. For some people, it is important to see authoritative written information about an issue which can be of great importance.

8.3.2 Perceived usefulness

The general view, among those who were working when interviewed and those who were thinking about work or engaged on work-related activities, was that this was a helpful arrangement. It took some of the risk out of coming off incapacity benefits, and provided some reassurance and confidence. However, there was some misunderstanding, in that people sometimes believed that the rule protected them if made redundant, or if they gave up work for reasons other than health or impairment, without also satisfying the conditions of entitlement in respect of incapacity for work.

Those who said that knowing about the linking rule had influenced decisions about taking a job or doing a training course included people who had partners and children to support from earned income; people who had fluctuating and unpredictable conditions; people who expected

continued pain, fatigue or symptoms of mental illness, and people who had not had recent work experience.

Those who had been influenced by knowing they could return to benefits had sometimes had to use the rule, when health failed or symptoms got worse. The experience of being able to go back to benefits and finding that the rule did work for them encouraged those people when they were ready to try work again, and the group included some people who had already used the rule and then returned to work feeling confident of some income security in the future. Knowing about the rule, and experience of using it successfully, could both act to influence decisions about leaving incapacity benefits. As we see in Section 8.3.3, being influenced in taking work by the security offered by the linking rule, and then experiencing problems or failure in accessing it, could be a big blow, and a disincentive to try work again.

There was no evidence that anybody in this study group deliberately gave up work at the end of the 52 weeks in order to regain incapacity benefits. However, one person said that when she found her work too hard and began to think she would be unable to continue, she decided to give in her notice before the eighth week because she knew her claim to incapacity benefits would be linked back to the earlier claim.⁶

People who had discovered the rule after they had decided to take a job or already moved into work said that this had been '*a great relief*' and '*very reassuring*'. They felt that knowing about this rule was likely to be influential if their circumstances changed, and they found themselves again thinking about moving to work from incapacity benefits in the future.

People who were further away from work when interviewed generally expressed positive interest in the rule. For some the current key influences on thinking about work were their health or impairment, or the availability of suitable work, but such people often said that the linking rule was something to keep in mind for the future, or something they might want to know more about later on. Among those who first learned about the rule from the researcher were people who regretted their previous lack of knowledge and might have made different decisions. One man currently doing therapeutic work said that he probably would not have turned down a previous full-time job offer if he had known about the linking rule. Some anxieties were expressed that the rule would be hard to access, and that there would be unforeseen disadvantages.

8.3.3 *Experience of administration*

Experiences of reclaiming or trying to reclaim benefits using the linking rule were variable. For some this had been relatively straightforward. People who had been upset when they had to leave work appreciated being dealt with sympathetically in the local Benefits Agency office.

⁶ This is a separate 'link' in benefits.

Some, however, had found the process harder than expected. Having to get new medical certificates had not been expected, and some people had not done what was required within the time limits. Finding the process could take three months to sort out was a disappointment and put people off the idea of relying on the rule in the future.

One person spoke of his experience with bitterness. Although he had visited the local Benefits Agency in person to explain that he had started work this notification had not been entered onto the computer, and he found he was not entitled to return to incapacity benefits when his job ended after several periods of sick leave. He claimed Jobseeker's Allowance, and subsequently experienced serious financial problems. Believing he could rely on the linking rule had been a strong influence on taking the job, and, understandably, this person was angry and critical.

8.4 Putting the linking rule into operation

8.4.1 Information dissemination

Staff in the Benefits Agency expected to provide information and advice about the rule on request, but not actively to promote it. In one area the Benefits Agency office had arranged special training for staff in the local Personal Adviser Service pilot project, when it became apparent that Personal Advisers did not have full information about procedures for implementation, and some of their clients had been wrongly advised.

Disability Employment Advisers drew many clients' attention to the linking rule. When discussing with incapacity benefits claimants possibilities for trying or going back to work the 52 week linking rule was often one of the measures that they mentioned at an early stage, especially if a client expressed anxiety about risks of loss of income or income security. In general, Disability Employment Advisers did not have detailed knowledge about procedures for setting up eligibility, or reclaiming benefits using the rule, and expected to refer clients to the Benefits Agency for full information.

Personal Advisers also mentioned the rule at an early stage in discussion with many of their clients. The literature and advertising produced by some of the pilot projects promoted the 52 week linking rule as a way of helping incapacity benefits claimants move into work.

8.4.2 Perceived role

Disability Employment Advisers and Personal Advisers perceived the linking rule as a powerful incentive for people who were thinking about work. Their experience was that potential loss of incapacity benefit income and anxieties about being able to sustain work if health deteriorated were major barriers to some of their clients. Knowing that they could return to the same benefit at the same level at any time within the first year of employment provided some with sufficient reassurance and confidence to go forward. They saw the rule as an essential component in welfare to work initiatives for incapacity benefits claimants.

When things did not work out as expected, and their clients found it hard to access the rule, this could be a disappointment with serious consequences for clients, and undermined the confidence of Advisers.

8.5 Implementation

Surprise was expressed in some Benefits Agency offices that there had been relatively few clients who had returned a form at the end of a period of incapacity benefits, providing information which would entitle them to use the linking rule. There was no statistical information to back up their feelings, but they believed that there might be a 'take-up' problem at this stage and that some clients who tried to reclaim their benefits in the future would be unsuccessful.

Their experience was that some clients had not understood that returning to benefits was not automatic and required new medical certification, nor that Own Occupation and All Work Tests started to come into operation again. Clients who had not expected these conditions could be disappointed and upset.

Disability Employment Advisers taking part in this study knew little about clients' experience of implementation. Personal Advisers had mixed experiences. In one area, they had not been told about particular problems. However, in another area Personal Advisers had been surprised to discover some of the details of implementation, through their contacts with clients who had tried to reclaim benefits. They had not understood requirements for medical certification, or work tests, and regretted that some clients had been given wrong information by the project. Arrangements had been made with the local Benefits Agency office for a training and information programme for the Personal Adviser Service project, to fill some of the gaps in staff knowledge.

8.6 Evidence from the New Deal for Disabled People Personal Adviser pilots

The findings from the Personal Adviser Service research regarding the 52 week linking rule are similar to those reported above. Many of the clients interviewed who were either in work or close to work had been told that their former level of benefit was protected if they had to leave their jobs. For many this had been an important influence in their decision to take work. Everyone who knew about the linking rule thought it was a useful provision. Again, there was mistaken belief that the rule protected people against redundancy, without understanding that protection depended on satisfying the conditions of entitlement in respect of incapacity for work.

There were also examples of people experiencing unexpected difficulties in reclaiming benefit if they did leave their job. Filling in application forms and having to obtain further sickness certification came as a surprise to some. From some people's accounts of their experiences, it appeared that they had to make a completely fresh application for benefit, perhaps because they had not satisfied one of the administrative requirements of the linking rule.

A small number of clients learned about the linking rule from a source other than a Personal Adviser. For example, one client heard about it in the course of claiming Disability Working Allowance, another client was told by the local Citizens Advice Bureau. Some people interviewed described circumstances that suggested to the researcher that they might have benefited from the linking rule but appeared not to have known about it. There are indications, therefore, that knowledge about the principles and purpose of the linking rule is generally common among most Personal Adviser Service staff (and outside organisations) but that there is some variability in the information given to their clients.

8.7 Issues for policy

There are several issues regarding the 52 week linking rule that have emerged from the research which have implications for policy:

- knowing about the 52 week linking rule can influence decisions to move into work
- the rule reduces some of the risks and anxieties about loss of income and security attached to moving into work, and is generally appreciated by clients
- the incentive effect is currently reduced by lack of awareness of the rule
- the incentive effect is also reduced by anxiety that the rule will be hard to access, and some people's experience that this is indeed the case
- putting the rule into operation requires understanding and action by the Benefits Agency, clients and GPs. There is some evidence that within this system, some people for whom the rule was designed do not get access
- problems in accessing the rule, or failure to reclaim benefits, can have serious negative outcomes for clients, which in turn act as a disincentive to further moves and reduce confidence in the measure, both in the claiming population and among Advisers
- there was evidence that the details of the linking rule were not initially fully understood by staff promoting its use

9 RELATED ISSUES: TAX CREDITS

This chapter is concerned with tax credits. Although not the main focus of the study, tax credits are important in the overall context of work incentives.

9.1 Tax credits

9.1.1 *The policy context*

Working Families' Tax Credit and Disabled Person's Tax Credit are key components in the government's strategy to 'make work pay', and were introduced in October 1999 replacing Family Credit and Disability Working Allowance. The policy objective of Disability Working Allowance was twofold: to encourage disabled people who wanted to work to leave incapacity benefits, and to provide financial assistance to disabled people who were already in work (Rowlingson and Berthoud, 1996). The aim of Disabled Person's Tax Credit is 'to make work pay for disabled people whether in work or returning to work' (HM Treasury, 2000). It probably acts both as a long-term subsidy to low-paid employment and as a short-term support for people whose earnings are reduced for a time during ill-health, and its role in job retention has been strengthened in October 2000 by creation of a fast track to Disabled Person's Tax Credit for people who are currently off work sick but have a job to go back to. Knowing about Disabled Person's Tax Credit and/or Working Families' Tax Credit while claiming incapacity benefits might influence decisions about working.

The eligibility criteria for Disabled Person's Tax Credit are complex. The person must have a physical or mental disability which puts them at a disadvantage in getting a job; and must be, or have been, receiving an incapacity or disability benefit. The amount of entitlement depends on the hours of work, the size of the person's family, the ages of any children and whether any are disabled, and any child care costs. The maximum amount available for each set of circumstances is then reduced by 55 per cent of the amount by which family income exceeds a 'threshold' figure. Administration of tax credits is the responsibility of the Inland Revenue.

By January 2000, when the current study was conducted, there were some 15,000 people receiving Disabled Person's Tax Credit and some 6,000 with on-going Disability Working Allowance claims.

9.1.2 *What was known already*

The Inland Revenue has commissioned research to explore the views and experiences of their clients claiming tax credits and their administrative staff.

Previous research on Disability Working Allowance showed that this was largely unsuccessful in encouraging disabled people who wanted to work to leave incapacity benefits. During 1992 to 1995 only two per

cent of working age recipients of the main incapacity benefits moved into full-time work, and most of those did this without the help of Disability Working Allowance (Rowlingson and Berthoud, 1996). Rowlingson and Berthoud discussed possible reasons for this lack of success including lack of expectation of working among people who saw their impairment as a major barrier to work; the desire, especially among men, of having a 'proper job' which meant independence from the state; low awareness of the benefit, and just not taking the benefit into account when looking for jobs.

There is some evidence that knowing about the tax credit can reassure disabled people that they can afford to take a job (Beyer *et al.*, 2000). There is also evidence that people interested in moving towards work from incapacity benefits value informed advice about in-work financial support including tax credits, and information provided on an individual basis with 'better-off calculations' including tax credits can influence people's views about working (Arthur *et al.*, 1999).

Economic studies of in-work credits for working families such as Family Credit and the Earned Income Tax Credit in the USA (see, for example, Eissa and Liebman, 1996) generally suggest that such credits have the potential to raise labour market participation among poorer families. We do not yet know whether any such patterns can be seen in relation to Disabled Person's Tax Credit.

9.1.3 *The approach taken*

Tax credits were not a focus for attention in this study, being the responsibility of the Inland Revenue which is conducting evaluative research. However, the generic approach taken in looking at the overall package of work incentives for disabled people and people with long-term health problems meant that it would be inappropriate to ignore tax credits, which were anyway likely to emerge in discussions with respondents.

Thus, all clients were asked about their knowledge and understanding of tax credits, especially Disabled Person's Tax Credit and where clients had experience of these, views were sought on their influence on decisions about work. Findings are relevant to the general development of work incentives overall, and help to throw further light on the way that clients perceive tax credits as an incentive to work. The researchers did not attempt detailed explanations about the tax credits for clients who had little knowledge, but told people who were interested how they might get more information.

Views about tax credits were not systematically explored among staff participating in this study.

9.2 *Administrative arrangements*

Briefly, people claim Disabled Person's Tax Credit on a standard form which is sent to the Inland Revenue. Entitlement is calculated and

claimants informed of decisions and amounts of entitlement. The Inland Revenue generally tries to make arrangement for credits to be paid by employers in the wage packet, and employers deduct monies paid out from their own overall contributions. Where payments are not made through employers, credits are paid by giro or into bank or building society accounts (for example to self-employed people).

Credits remain in payment for six months, with no adjustment for most changes in circumstances, and claims may be renewed for as long as eligibility criteria are met.

9.3 Users' views and experiences

In this study group, people claiming tax credits when interviewed had generally had help with applications from Personal Advisers. Some lone parents were very familiar with this kind of in-work financial support, and had assumed that a transition from benefits would involve Working Families' Tax Credit but learned about Disabled Person's Tax Credit from their Adviser. Other people were claiming Working Families' Tax Credit because they had not been on benefit long enough to qualify for Disabled Person's Tax Credit, or because a claim for Disabled Person's Tax Credit had been refused and they had successfully claimed the other credit while waiting for an appeal to be heard. Estimates of likely entitlements to tax credits had been made in 'better-off' calculations by Personal Advisers and, for some, these assessments had been influential in decisions about working. This was especially the case where people had high entitlements of £ 50 or over weekly.

Estimates of lower amounts of entitlement had been less influential in decisions about work, but people agreed that *'every little helps'*.

9.4 Views of people who had not used tax credits

Among those who had not used a tax credit, or the benefits which immediately preceded these, few had never heard of them at all. Most had some idea that there were ways of topping up earnings, although not all realised that responsibility had passed to the Inland Revenue. The general view was that the time to get detailed information about such measures was when people had an actual job in mind, when they would need to *'go into it all'*.

Where anxieties were expressed, these related to dealing with the Inland Revenue for the first time, and for some, reluctance to involve the employer because s/he would get to know about a history of ill-health. Some people were generally put off by the idea of a *'means test'*, and others expected a complex procedure.

9.5 Evidence from the New Deal for Disabled People Personal Adviser pilots

In the research into the experiences of Personal Adviser Service pilot project clients, several had had experience of Disability Working Allowance and/or tax credits. Among the small number of current recipients there was general satisfaction in the help that tax credits provided. One self-employed client, for example, referred to the importance of a

stable source of income in the early stages of setting up and trying to establish his business.

Seeing 'better-off calculations' including Family Credit, Disability Working Allowance or the tax credits could be critical in decisions made. While some of the earlier entrants to the service had felt that Advisers lacked knowledge and competence in these areas of financial support, there was some evidence that this part of the service had been strengthened as it developed. There was evidence, however, that some clients had received wrong information about tax credits. In one case this led directly to return to incapacity benefits.

9.6 Issues for policy

In this small study, in which tax credits were not the main focus of enquiry, findings suggested that:

- when the tax credits acted as incentives, this was right at the point of decision-making, when detailed financial information may be critical
- knowing generally about tax credits at earlier stages in thinking about moving to work had rather little influence, unless people had previous positive experiences of receipt of this kind of support
- there was general awareness that there were ways of boosting low earnings, but people had out-of-date information, and often did not realise the Inland Revenue was involved
- the potential impact of tax credits as an encouragement to move into work is limited by lack of knowledge and the fact that expert help is usually needed in order to work out entitlement

10.1 Introduction This report has presented findings from qualitative research into the experiences of incapacity benefits claimants and staff of the Benefits Agency, Employment Service and New Deal for Disabled People Personal Adviser Service pilots of a number of measures designed to act as work incentives.

Four measures were introduced for incapacity benefit claimants in April, 1999 and piloted for one year:

- incapacity earnings provision
- Work Trial
- Jobfinder's Grant
- Jobmatch payments

We refer to these as the four *pilot measures*. Another three measures included in this research were generally available to people claiming incapacity benefits:

- therapeutic work
- voluntary work
- the 52-week linking rule

These seven measures are conceptually different: variously intended to enable people to try the work environment; to ease the transition to work; to boost low earnings and make work pay; or to provide safety nets or anchor lines to enable people who find they cannot work to reclaim benefits.

In the course of the research we also gathered information on people's experiences of Disabled Person's Tax Credit and Working Families' Tax Credit which can be of relevance for people starting or returning to work. Chapters 2 - 9 have presented findings about each of the work incentives and have concluded with some issues for future policy. This final chapter presents an overview. Drawing on views of clients and staff on the role of work incentives in decisions made about work, we discuss some general issues that might inform policy on how to assist people on incapacity benefits wishing to undertake some form of paid work.

10.2 Scope of the study It is important to remember that the measures on which the study focuses were not put together as a coherent package of work incentives, but were more a grouping of established arrangements within social security and employment schemes, some of which were being newly extended to incapacity benefits claimants for a pilot period.

The study was small-scale and exploratory, and the researchers had to be flexible in dealing with the complexities involved in identifying and sampling clients who had used some of the measures. We believe that the study has made a useful contribution to understanding how clients perceive what in policy terms are called work incentives, and when and why these are influential in decisions about working. The study has also thrown light on the way in which key staff interpret the role of the measures, and their own role in putting these into operation.

This study was not designed to evaluate the pilots, and staff who participated in the study were not always those who had key roles in managing or implementing the pilots. Care must therefore be taken in drawing conclusions about the way in which the pilot was conducted in the areas studied, or the way in which the measures were promoted. Some useful lessons did emerge, however. There was a feeling among staff that initial energy and commitment to general promotion of the four pilot measures (as compared with advice-giving to individual clients) had been high at the beginning of the pilot period, but lessened as the year went on. It was suggested that this may have been related to resources available, for example in promoting the measures, in addition to complexities of working across agencies.

10.3 The overall context of decision-making

An important general finding for policy-makers is that the language in which people chose to discuss the influence of the various measures was one of *'enabling'* or *'helping them'*, or *'making things easier'*. It was often not the language of *'incentives'* - a word which people attached more to concepts of motivation or being persuaded to do something unattractive, which did not fit their attitude towards working.

Clients talked generally about their views on working and how they made decisions. Key influences on decisions about working included:

- current health condition or impairment and how this affected their capacity for work
- expectations of developments in their health condition: hopes for improvement or stabilisation, or expectation of deterioration or relapse
- age, stage in life cycle and family responsibilities
- availability of a suitable job
- practical support into and during work
- maintaining income security and adequacy, or, at least, avoiding too great a risk

Discussion showed that the work incentive measures were influential in so far as they made a contribution to any of the above.

10.4 Dealing with the diversity of people's lives

As this and other research has shown, incapacity benefits claimants are people with a wide range of personal characteristics with very different opportunities and responsibilities, so each of the above factors had different

significance for individual people. As clients explained, a person in pressing financial need might be more strongly influenced by the need for financial security than a person who had additional sources of financial support, from pensions or other household members. A person with few skills, no experience of work and many constraints as a result of their health condition might be particularly influenced by the availability of practical support than somebody who had greater choice in the labour market and more confidence. To the extent that people faced different barriers and obstacles in moving towards work, some measures were relevant to them, and others not.

This helps us understand some of our findings, for example why some people attached such high value to the support component of Jobmatch while others thought mainly about the money involved, and why some people emphasised that although Jobfinder's Grant had been welcome, it could never be influential, because for them the key factor was finding an opportunity that was suitable.

People also considered the various measures according to where they saw themselves in a progression from not working at all, to trying some work, to working full-time and coming off incapacity benefits altogether. People had different plans and aspirations, which spanned different time scales. This helps us understand why some of the measures seemed out of scope altogether, while some were of immediate importance and relevance. Somebody who felt they were only ever going to be able to do a few hours work found it hard to engage with a measure such as Work Trial, whereas when such a person learned, in the interview, about the possibility of doing therapeutic work, the content and direction of the discussion itself, the interest shown and the questions asked were a demonstration of the potential influence of this measure on such a person. On the other hand, people currently applying for full-time work did not see voluntary work as relevant to themselves.

One issue here is the concentration of the work incentive measures around the point of moving across the 16-hour threshold, or the period just after. Many incapacity benefit claimants are at an earlier stage in their progression towards work and might respond more to incentives to *try* work.

10.5 Risk and uncertainty

The work incentive measures covered in the research are designed partly to reduce risk and uncertainty. Clients emphasised the importance of maintaining income security and adequacy, and obstacles perceived included:

- the risk of losing incapacity benefits altogether
- a risky transition period in moving off incapacity benefits onto earnings
- belief that they were unable to afford work
- belief that work will not lead to being better off

- being unable to sustain paid work
- not understanding the opportunities and constraints of the benefits/ tax credits systems

In so far as the measures appeared to provide ways of overcoming these barriers, thus removing or allaying anxieties, they could be influential. Thus the 52 week linking rule was thought to be a very important 'safety net' for people who were not confident their health would stand up, which influenced behaviour. The tax credits and Jobmatch could help people who thought they could not earn enough for a job to be financially viable. Knowing about measures which smoothed the transition could be influential - mentioned here were benefit 'run-ons' in Income Support and Housing Benefit. The influence of such measures, again, depended on people being aware of the measures, people understanding the rules and believing they would work properly for them.

In so far as the measures appeared to create new obstacles, thus increasing anxieties or failing to allay fears, their influence as incentives to try work were muted. If trying to do some therapeutic work or voluntary work could result in failing the All Work Test and subsequent loss of incapacity benefits, this was a big disadvantage and too great a risk to take. The anticipated ending of Jobmatch after six months introduced a new form of insecurity and reduced its potential positive influence. Measures which might involve an employer knowing about a health condition were avoided by some people, as this was perceived as introducing new risk. People saw problems in terms of the timing and levels of relevant knowledge which they might attain. In addition, people were wary that, in the real world, delays, administrative confusions, errors and inefficiencies meant that systems which worked in theory might let them down. This acted to reduce the incentive effect.

10.6 Take-up of the pilot measures

Management statistics indicate that take-up of the four pilot measures remained relatively low throughout the pilot period, and this study throws light on some of the contributory factors. General awareness and knowledge of the pilot measures among clients, and indeed measures such as therapeutic work, was low. The availability of the different measures to this client group was not always understood by front-line administrative staff in the Benefits Agency or Employment Service. The idea of encouraging incapacity benefits claimants to do some work has not been the traditional approach of the Benefits Agency, and it is taking time for staff to adjust to this new way of working.

The ways in which the work incentive measures were promoted were likely to have affected take-up. In some cases the policy was to advertise widely, for example for Jobfinder's Grant, but other measures were promoted among staff as part of their 'tool kit' for helping their clients rather than entitlements that people could claim. As mentioned above findings have also shown that some incapacity benefit claimants do not

make applications for some kinds of help because they do not want to be labelled as 'disabled', or do not want existing or potential employers to know about their health condition or impairment.

Sometimes the measures themselves were not suited to what clients needed to help them move towards work, or there were other, better-suited options available, such as Work Preparation instead of Work Trial. Some people could not take advantage of a measure because they fell outside the eligibility criteria, for example the Jobfinder's Grant earnings or savings limits. Complicated administrative procedures can make some measures, such as Work Trial, unattractive, or the value of the measure may be too small to attract takers (such as the £ 15 incapacity earnings provision).

10.7 The role of advisers and benefit officials

The extent to which the measures have been used partly reflects the input from advisers and benefit staff. Their knowledge and experience will have an influence on when, if at all, they discuss or recommend particular work incentive measures to their clients, who are therefore dependent on advisers to use their knowledge efficiently and effectively in their interests. There is the danger that incentive and rewards schemes adopted by the Benefits Agency, Employment Service or New Deal agencies encourage advisers and officials to make decisions or weight their advice in the direction of outcomes that contribute to the achievement of performance targets rather than necessarily being in the optimal interest of their clients.

While the measures can be seen as attempts at adapting existing policy to respond to known barriers in returning to work, the resulting complexity of arrangements can have negative consequences. It is unlikely that many clients would ever be in a position comparable to advisers of having sufficient knowledge about work incentive measures to weigh up all the possible options open to them. Any individual wishing to pursue their own path back to work, without the intervention of an adviser, can therefore put themselves at a disadvantage.

Making claimants in effect *dependent* on professional advisers also makes them vulnerable to mistakes and poor advice. This research has shown examples of where clients have suffered as a result of errors in decision making or advice which is ill-suited to their particular needs.

10.8 The role of employers

The role of employers in the operation of the work incentive measures was not included in the terms of reference for this research. Employers can be as much 'users' of the measures as incapacity benefit claimants themselves. There is some research evidence from claimants and from advice and benefit staff about the role of employers, including:

- the observation that employers, as well as claimants, need to know and understand the work incentive measures if they are to be effective
- clients' fears of negative or discriminatory attitudes of employers who might learn of an employee's background

- fears that some employers exploit work incentive measures, by for example, ending jobs when subsidies run out, paying wages below the statutory minimum wage, or using periods of Work Trial as unpaid labour
- beliefs that some employers would be reluctant to become involved with the administrative work required with tax credits
- concerns that employers would find the monitoring of some measures (such as Jobmatch and Work Trial) time-consuming and disruptive
- difficulties in obtaining allowed expenses from employers
- the lack of opportunities for voluntary work in some types of work

A fuller understanding of the operation and impact of any new work incentive measures would be obtained if employers are included in any future research.

10.9 The future of ‘permitted work’

There has been particular policy interest in the operation and impact of therapeutic work. A number of observations and insights from the research, drawn particularly from the group exercise carried out towards the end of the project, might be useful here in future thinking about the extent to which claimants of Incapacity Benefit should be allowed to engage in ‘permitted work’ while still in receipt of benefit.

For example, relaxation of the eligibility criteria for therapeutic work, such as removing the requirement that work should have some therapeutic value, would have a range of effects. First it would allow people whose conditions are stable to increase their incomes from a limited amount of work. (This would answer one of the long-standing criticisms of therapeutic work mentioned in Chapter 2.) The need for any medical input would be removed, thus reducing the administrative burden on staff, speeding up decision making, and reducing the burdens of time and hassle on claimants. Some of the inequity in decision making, arising from the subjective nature of GPs’ assessments of their patients and decisions made by different Benefits Agency decision-makers, would also be removed.

Introducing time limits of, for example six months, for the receipt of ‘permitted work’ is another policy option. This would have the effect of stopping claimants spending long periods doing therapeutic work, which then becomes effectively a form of permanent earnings supplement. One question raised by this approach is how to deal with people after the permitted time of six months. The overall policy objective of helping people move off incapacity benefits into work may not be well served if the period is limited. For some clients of the Employment Service or an organisation running a New Deal type service, six months may be an insufficient period to test their ability to sustain full-time employment. Extending the period for a further period if a client is on the active caseload of an adviser is a possible option. This would be to the advantage

of some clients but leaves the policy question of how to deal with people who need help beyond the extended period, and those who do not want to be ‘case-managed’.

Introducing a specified time limit would require claimants to notify the appropriate authorities that they had started work. This is a requirement under the existing therapeutic work arrangements but would assume a greater importance if the end of the six months (or whatever time period) had to be calculated. Compliance with this requirement is also important in order to prevent unnecessary and possibly intrusive intervention from fraud investigation officers notified of a suspected ‘working and claiming’ case.

There is an opportunity here for clarifying the timing of Personal Capability Assessments for claimants undertaking some form of ‘permitted work’ for either an initial six-month period or for an extended period.

Redefining therapeutic work as ‘permitted work’ by removing medical input and introducing time limits might transform the provision into a stepping stone to full-time employment rather than a final outcome of a person’s move towards work. It does, however, remove one intermediate employment status (that is, between full-time employment and unemployment) that suits some incapacity benefit claimants well, increasing their incomes and promoting their social inclusion. Policy needs therefore to consider how the benefit system should treat claimants with possibly severe impairments who, under the current benefit rules, have found particular employment niches and who are unlikely to progress towards full-time paid work.

10.10 Concluding comment

The current government policy aim of moving people away from dependence on welfare towards full-time work is being promoted by a range of active policies across the Departmental responsibilities of the DSS, DfEE and the Inland Revenue. These policies have been developed within the context of a social security system which has traditionally been a passive provider of cash benefits, and in which there has not been a specific benefit provision for people with a *partial capacity* for work.

It has been known for a number of years that the benefit system acts as a barrier to many people who want to move towards work. The work incentive measures that have been the subject of this research are the latest in a series of policy changes designed to remove or reduce those barriers. The findings have shown that each of the measures has the potential to help some people on the path into work. The research has shown how and why the measures have helped, indicated where problems and difficulties can arise for some people, either due to the substantive content of the measure or because of shortcomings in implementation, and explored the reasons why some have been little used.

The range of benefit and employment measures that are aimed at disabled people and people with long-term health problems is wider and more diverse than at any time in the recent past. While modifications and extensions to existing provisions add to the range of help available, they also bring added complexity and difficulty which can act against the interests of individual incapacity benefits claimants. There is clearly scope in developing welfare to work policies aimed at people with impairments or long-term health problems to make progress in balancing these tensions to the advantage of claimants, employers, and policy makers alike.

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APPENDIX A RESEARCH METHODOLOGY

A.1 Fieldwork areas The four 'pilot' measures were operating in 15 areas, but there was variable use of these measures when the research was commissioned. The decision was taken to conduct fieldwork, primarily, in four areas:

- two areas with an Employment Service Personal Adviser Service
- one area with a Contract Personal Adviser Service
- one area without a Personal Adviser Service

The areas were chosen so that there might be some comparison between places with and without a Personal Adviser Service, and between places with Personal Adviser Services led by the Employment Service and on a Contract basis. This was important, as it was possible that there would be different kinds of working arrangements and relationships between staff in different agencies, and different approaches to promotion and advertising. The four areas were chosen to achieve a mix of labour markets and local characteristics. Also taken into account were the early indications of take-up of the various measures in different areas, based on early management information statistics. It was important to choose areas which might be expected to generate enough clients who had used measures, to build up a study group. There were also logistical and resource implications in the choice of areas for study.

The first phase of the research based on discussions and interviews with administrative staff was conducted in the initial four fieldwork areas.

In the development of the next phase of the research based on interviews with clients, problems arose in drawing a sample of clients from the original area without a Personal Adviser Service. The decision was taken to introduce a fifth area (another area without a Personal Adviser Service) in order to achieve the client study. Additional staff discussions in the fifth area were arranged at that point. However, there were problems in recruitment of clients in the fifth area, as described below. The clients who participated thus came mainly from the three areas with Personal Adviser services.

For the final group exercise, staff who were able to attend came from areas with both kinds of Personal Adviser Service, and one area with no such service.

Additional material collected during the latter part of the evaluation of the Personal Adviser Service pilot projects came from interviews with clients and Personal Advisers across all twelve pilot areas.

A.2 Discussions with administrative staff

The preliminary stage in the fieldwork involved visits to local Benefits Agency and Employment Service offices outside the main fieldwork areas, to enable the researchers to gain basic knowledge about procedures and working arrangements.

The main fieldwork involved visits to Benefits Agency, Employment Service and Personal Adviser Offices in the main fieldwork areas, to conduct small group discussions and interviews with invited staff. There are examples of topic guides used to steer discussions in Appendix B.

Staff were identified and invited to participate by the project management team working from the Department of Social Security. Staff from the Benefits Agency included section managers, team leaders, decision makers and short-term benefit raters. The raters and decision-makers shared responsibilities for decision-making and implementation of therapeutic work and voluntary work provision. They dealt with contacts with general practitioners, and might have experience of contacts with other agencies or employers, in respect of these measures. Team leaders knew how in-coming telephone enquiries about these measures were dealt with; how notifications of Work Trial were dealt with; and possibly how notifications of incapacity earnings provision applications might be dealt with, although this had been little used. They also knew how staff dealt with the 52 week linking rule.

Staff invited from the Employment Service included Disability Employment Advisers, who had on their caseloads people claiming incapacity benefits who were looking for work. They were also a point of reference with Jobcentres for enquiries from other clients who were sick or disabled but might be interested in the idea of working in the future. They are important in the dissemination of general information to the population of interest. They could set up Work Trial or help clients access Jobfinder's Grant or Jobmatch. They also advised clients who believed that their claim to incapacity benefits might end when they next took an All Work Test, and were starting to look ahead to work. Other Employment Service's staff invited included new claims advisers, and general advisers. These were front-line staff who might have a role in identifying disabled clients who were thinking of working, and might be the first contact for incapacity benefits claimants who had been advised by other agencies to make enquiries about work opportunities. Also invited were some New Deal Advisers for people aged 18-24 years, who might have had relevant experience or information for this study.

Personal Advisers in the pilot projects were known to discuss the measures with clients, and some of those working in projects led by the Employment Service had direct responsibilities in terms of arranging access to Work Trial, Jobfinder's Grant and Jobmatch.

Most of the discussions and interviews with staff in this phase of the research took place at the end of 1999. The overall contacts achieved are shown in Table A.1.

Table A.1 Discussions with administrative staff

	Benefits Agency	Employment Service	Personal Advisers
Preliminary research, outside main fieldwork	3	2	-
Main fieldwork			
Area with Employment Service			
Personal Adviser Service	3	-	3
Area with Contract			
Personal Adviser Service	4	2	2
Two areas without Personal Adviser Service	6	4	-
Total	16	8	5

A.3 Interviews with clients

Drawing a sample of clients who had used one or more of the measures proved a complex task. The benefit-related provisions (therapeutic work, voluntary work and incapacity earnings provision) were administered by the Benefits Agency. Work Trial, Jobfinder's Grant and Jobmatch were Employment Service programmes. Drawing a sample involved liaison with individual offices in addition to using the project monitoring team's own database. A further issue was that in some areas it was not possible to use Benefits Agency administrative records to distinguish clients who had done therapeutic work from those who had done voluntary work, without considerable manual searching. In addition, take-up of some of the measures remained low, which meant that it was hard to reach quotas in each local area, and that there were issues of client confidentiality.

Policy-makers' decision to increase the focus on therapeutic work provision made it easier to achieve quotas on the other measures. A fifth fieldwork area was introduced into the study, but in the event it proved hard to achieve interviews in this area.

Letters explaining the purpose of the study were sent, and after a period in which people who did not want to take part could opt out, the researchers contacted clients and invited them to take part in an interview. A study group was built to include people who had used at least one of the measures (except the linking rule). Attention was paid to the gender balance in the group, and the aim was to include people across the age range, with experience of all the main incapacity benefits. Most of the interviews with clients were conducted in April/May 2000.

Overall, recruitment was harder than in other comparable projects, for example the evaluation of the Personal Adviser Service. Despite the various problems, 34 interviews were achieved, with successful coverage across the six incentive measures. Most of the clients lived in areas with a Personal Adviser Service.

Table A.2 The client study group

	Area with		Area without		Area with		Area without
	ES	PAS	ES	PAS	contract	PAS	PAS
Users of:							
Therapeutic work		3		3		4	n/a
Voluntary work		2		2		2	n/a
Incapacity earnings provision		n/a		2		2	n/a
Work Trial		1		1		1	2
Jobfinder's Grant		2		1		1	0
Jobmatch		3		1		1	n/a

Key: ES - Employment Service; PAS - Personal Adviser Service; n/a -no clients identified to researchers
0 - no interviews achieved

In general, the interviews went well. It became clear that many clients heard about some measures for the first time from the researcher. The researchers left benefit leaflets, where relevant, or wrote down the names of the measures for clients who wanted to find out more. The researchers also explained how information and advice about the measures might be sought at local Benefits Agency offices, Jobcentres or the Personal Adviser Service. There is a copy of the topic guide in Appendix B.

The profile of personal characteristics of the client study group is presented in Table A.3.

Table A.3 Profile of the client study group

Study group	Men	Women
Age and gender		
22 - 30 years	1	4
31 - 40 years	5	1
41 - 50 years	4	4
51 - 59 years	5	7
no information	1	2
Total	16	18
Family circumstances		
living alone	6	
living with a carer	1	
lone parent	4	
living with partner:		
without children	8	
with children	8	
with adult children	2	
living in parents' household	4	
living in shared accommodation	1	
Incapacity benefits claimed immediately before or during use of measure:		
Incapacity Benefit (with and without Income Support)		25
Severe Disablement Allowance (with and without Income Support)		3
Income Support only		3
National Insurance credits only		2
unclear		1
Groups included four people of minority ethnic origin		

A.4 Group exercise with administrative staff

Towards the end of the research project the research team convened a group of staff from the Benefits Agency, Employment Service and New Deal pilots to discuss and reflect on a number of policy ideas under consideration after the other fieldwork had been completed.

A group of nine officers met in August 2000 in York. The group comprised:

- 3 Benefits Agency incapacity benefit decision makers
- 3 Benefits Agency incapacity benefit raters
- 2 New Deal for Disabled People Personal Advisers
- 1 Employment Service Disability Employment Adviser

The group was given a short presentation summarising some of the key findings emerging from the research and setting out the policy context for the discussions to follow. Participants were primed in advance of the day to consider the following questions:

- which kinds of work incentives might be helpful in the new working and claiming environment?

- what are the issues around work incentive measures for claimants and staff?
- what obstacles remain within the benefit system, and what would be needed to remove these?

Small group discussions were held in the morning and the group met for a plenary session in the afternoon. The discussions were moderated by two members of the research team and were tape recorded with permission and transcribed for analysis.

A.5 Additional material Relevant material from 60 interviews with clients, and a number of discussions with Personal Advisers, conducted during the latter part of the evaluation of the Personal Adviser Pilot Projects (late 1999 - April/ May 2000) had already been extracted during the parallel analysis, and was available for integration.

RESEARCH ON INCAPACITY BENEFITS AND WORK INCENTIVES

Discussion with Benefits Agency staff

Introduction

Thanks for spending time.

Check receipt of letter from DSS, introducing the research: clarification or explanation required?

Check that the topics for discussion are appropriate.

Explain how findings will be reported; emphasise confidentiality.

Seek permission for use of tape-recorder.

GUIDE FOR DISCUSSION

The overall project is concerned with seven measures that may provide some incentive to work for people claiming incapacity benefits:

- the 52 week linking rule
- voluntary work provision
- therapeutic work provision
- Work Trial
- Incapacity Earnings provision
- Jobfinder's Grant
- Jobmatch

The last four measures only became available to people claiming incapacity benefits in April this year, and are being piloted in the [...] area. They have not been much used so far, and you may have limited experience of them, but anything you can tell us will be helpful.

Could we start with you introducing yourselves, for the tape-recording, and then quickly summarising your own role and level of involvement with these measures?

Now I would like us to focus on each of the seven measures in turn.

52 week linking rule

How is the 52 week linking rule put into operation?

What guidance do you refer to; how helpful is this?

Have there been any problems for staff, for example complex decisions?

How do people claiming, or previously claiming, incapacity benefits get to know about the rule, and the time limits for notification?

Do you have a picture of the circumstances of people who have used the linking rule?

Do you know of any problems for people who have tried to use the linking rule?

How well do you think this rule is working:

as an incentive to people to try work?

as a form of security for people who have to leave work?

Are you able to compare the current rule with its predecessor (pre-October 1998)?

Therapeutic work provision

What is the process of decision-making about allowing the therapeutic work provision?

Do you have a picture of the circumstances of people who want to do therapeutic work?

How do people get to know about therapeutic work?

What are the main influences on decisions about whether to allow therapeutic work?

Are there particular problems for staff?

Are there particular problems for people who want to do therapeutic work?

How are reviews dealt with?

How effective do you think this measure is:

as an incentive for people to try work?

as a 'stepping-stone' to work?

in improving, preventing or delaying deterioration in condition?

Do you know what employers think about the therapeutic work provision?

Voluntary work

How does the process of decision-making about voluntary work compare with what happens for the therapeutic work provision?

Do you have a picture of the circumstances of people who want to do voluntary work?

How do people claiming incapacity benefits get to know about the voluntary work provision?

Are there particular problems for:

staff?

people who want to do voluntary work?

How are reviews dealt with?

How well do you think this measure is working:

as an incentive for people to try some activity/ work?

as a 'stepping-stone' to work?

in improving quality of life?

Do you know what the views are of those organisations who 'employ' people on incapacity benefits as volunteers?

Incapacity earnings provision

How familiar are you with the rules for this measure? What is your main source of information?

What is the process of decision-making about allowing the incapacity earnings provision?

Have you dealt with any applications for this measure, or any enquiries about it?

Do the staff promote or advertise this measure? How?

Take-up of this measure, generally, has been low. Can you suggest any reasons for this?

How does this measure compare with the therapeutic earnings provision, as a potential incentive to try work?

Work Trial

How have you learned about this measure for people claiming incapacity benefits?

What is the involvement of Benefits Agency staff when people on incapacity benefits enter the Work Trial programme?

Have you dealt with anybody claiming incapacity benefits on this programme, or any enquiries about it?

Do the staff promote or advertise this measure? How?

Again, take-up of this measure has been low so far. Can you suggest any reasons for this?

How effective do you think this measure might be as an incentive to try work for people on incapacity benefits?

Are there any pointers from what is happening in the Work Trial programme for people claiming Jobseeker's Allowance?

Jobfinder's Grant and Jobmatch

How have you learned about these measures?

What is the involvement of Benefits Agency staff when people on incapacity benefits use Jobfinder's Grant or Jobmatch?

Are employers contacted?

How are payments actually made?

Do the staff promote or advertise these measures? How?

Do you know of any problems for:

people wanting to use these measures

Benefits Agency staff

employers

How effective do you think these measures might be as an incentive for people on incapacity benefits to try work?

Are there any pointers from what is happening with Jobseeker's Allowance claimants who can use these measures?

Looking across the measures

As well as considering how each of the measures is working, there are some general issues to talk about:

What are the links between any of these measures and any Benefits Agency or Employment Service medical controls of incapacity?

How are such links perceived or assumed by people claiming incapacity benefits? How might this affect use of the measures, or enquiries about them?

Are the measures generally advertised or promoted in local Benefits Agency offices?

What are your views, in general, on liaison with the New Deal for Disabled People Personal Adviser Service in respect of these measures?

How might any of these measures be made more effective?

Have you any other suggestions about improving incentives for people claiming incapacity benefits to try work?

INCAPACITY BENEFITS AND WORK INCENTIVES

Topic guide for interviews with clients

Overview of discussion

1. Introduction
2. Recent work and claiming experiences
3. Experience of trying/ going back to work
4. Knowledge and understanding of benefit rules and payments used (or attempted)
5. Setting up these arrangements
6. Experience and views of the arrangement(s) used
7. Views and experiences of other benefit rules and payments
8. Views and experiences of 'linking rule'
9. Overall evaluation of these arrangements

Topic guide for interviews with clients

March 2000

1. INTRODUCTION

remind about SPRU; research funded by DSS

explain purpose of research: to throw light on the views and experiences of people who have claimed incapacity benefits and used or tried to use one/ some of the arrangements in place to help them work

explain the issues which will be included in the discussion (use list overleaf)

discussion will last around one and a half hours - need for breaks etc?

reassure confidentiality; permission to use tape-recorder

reassure no effect on benefits, or any future dealings with DSS or ES

questions, concerns etc.

give money gift

2. RECENT WORK AND CLAIMING CIRCUMSTANCES

(Use this introductory section to establish current work situation and main sources of income; recent incapacity benefits claim; steps in the move towards work, and which of the relevant measures have been used or attempted.)

First of all, may I ask who there is in your household?

What is your current situation (and your partner's situation) in respect to work outside the home?
- we are interested in unpaid or voluntary work as well as paid work.

May I ask your age? (and your partner's)

Your name was chosen because you had some experience of claiming incapacity benefits in the past year.

(Use this section to get an overview; to establish recent chronology of claim, to establish which of the measures have been used, or attempted. The client will use their own words to describe these. Try not to introduce the official terms yourself, until the end of the section, where you agree with the client which measures will be the focus of the discussion following, i.e. which have been used, and which have been attempted but not achieved.)

May I ask you:

which benefit(s), date of claim

reason for claiming: aspects of ill-health/ impairment that led to claiming incapacity benefits

if claim has ended, date and reason

if claim ended by move to work, is this the current job?

And have you had any experience during the past year of claiming incapacity benefit and doing some work at the same time? Or trying to do this?

(Enable client to explain in own words first. Establish which arrangements have been used/attempted. May be necessary to emphasise that you mean arrangements that are allowed, not fraud. Then confirm official terms, if necessary: therapeutic work, voluntary work, incapacity earnings provision, Work Trial and say you will talk in more detail later about this/these. If others are mentioned, e.g. Work Preparation, or work placement, express interest, and be alert for comparisons etc. in what follows.)

And have you had any experience during the past year of receiving extra money on moving into work, in addition to wages? Or trying to do this?

(Enable client to explain in own words first. Establish which arrangements have been used/attempted. Then confirm official terms if necessary: Jobfinder's Grant, Jobmatch, WFTC, DPTC, Family Credit, DWA and say you will talk in more detail later about this/these. If others are mentioned, e.g. Access to Work payments for fares, aids/adaptations, express interest, and be alert for comparisons references in what follows.)

May I ask how your income is made up, overall? (and domestic partner)

In general, how would you describe your financial situation at the moment?

3. EXPERIENCE OF TRYING OR GOING BACK TO WORK

Have you had any advice or support recently, in respect of trying or going back to work, from incapacity benefits. I mean during the last year.

What have been the main reasons for wanting to try/go back to work?

Have there been any problems in trying or going back to work?

4. KNOWLEDGE AND UNDERSTANDING OF ARRANGEMENTS USED OR ATTEMPTED

Now I would like us to concentrate on the (name) arrangement that you told me you had used (attempted) during the past year

For each of the relevant 6 measures identified in section 2 as used, now ask sections 4, 5 and 6.

For each of the relevant 6 measures identified in section 2 as attempted but not achieved, now ask sections 4 and 5.

Leave discussion of FC, DWA, WFTC or DPTC until later.

How did you know about (name)?

When did you start to think about using it?

What did you understand about it?

Did you think it might be useful to you?

Did you have any concerns about it?

Did you discuss it with anybody while you were thinking about it?

What made you decide to go ahead?

Did knowing about it influence decisions you were making about working?

5. SETTING UP THE ARRANGEMENT

Now can we talk about setting up/ trying to set up the arrangement:

How did you try to get or get on (name)?

In general, how easy was it to set this up?

How appropriate was the time-scale in setting it up?

If attempt to set up/ arrange failed; explore reason and impact

6. EXPERIENCE AND VIEWS OF ARRANGEMENT(S) USED

I would like to know more about your experience and views about doing/ using (name measure)

Did it help you?

Was the time-scale of the arrangement appropriate?

Views on payments received (Jobfinder's Grant, Jobmatch, Incapacity earnings provision)

Were there any disadvantages, or problems?

Is what happened what you had expected?

What do you think would have happened without this arrangement? work decisions; financial implications

7. VIEWS AND EXPERIENCE OF OTHER MEASURES

May we talk now about some of the other benefit arrangements and extra payments that have been available during the past year, to help people who have been claiming incapacity benefits and would like to do some work.

Then use questions for specific measures to explore those not already fully discussed:

i) Have you heard of therapeutic work? (prompt if necessary: therapeutic earnings)

If YES:

How did you hear about it?

Do you know how it works?

Have you ever thought about doing therapeutic work yourself?

If knowledge is scanty or wrong, offer correct information from card, and then ask if this changes their views.

If NO, have NOT heard of therapeutic work, explain briefly, using card.

Ask all:

Do you think you might consider doing therapeutic work in the future?

ii) Have you heard that people can do voluntary work and still claim incapacity benefits?

If YES:

How did you hear about this?

Do you know about the rules for doing voluntary work?

Have you thought about doing voluntary work yourself, while claiming incapacity benefits?

If knowledge is scanty or wrong, offer correct information from card, and then ask if this changes their views.

If NO, have NOT heard people on incapacity benefits can do voluntary work, explain briefly using card.

Ask all:

Do you think you might consider doing voluntary work in the future if you are claiming incapacity benefits?

iii) Have you heard of incapacity earnings provision?

If YES:

How did you hear about that?

Do you know how that arrangement works?

Have you thought about using incapacity earnings provision yourself?

If knowledge is scanty or wrong, offer correct information from card and then ask if this changes their views.

If NO, have NOT heard of incapacity earnings provision, explain briefly using card.

Ask all:

Do you think you might consider using something similar to this, in the future?

iv) Have you heard of WorkTrial?

If YES:

How did you hear about this?

Do you know how it works?

Have you thought about using WorkTrial yourself?

If knowledge is scanty or wrong, offer correct information from card and then ask if this changes their views.

If NO, have NOT heard of WorkTrial, explain briefly using card.

Ask all:

Do you think you might consider something like WorkTrial in the future?

v) Have you heard of Jobfinder's Grant?

If YES:

How did you hear about that?

Do you know how that arrangement works?

Have you thought about using Jobfinder's Grant yourself?

If knowledge is scanty or wrong, offer correct information from card and then ask if this changes their views.

If NO, have NOT heard of Jobfinder's Grant, explain briefly using card.

Ask all:

Do you think you might consider using this, or something similar, in the future?

vi) Have you heard of JobMatch?

If YES:

How did you hear about this?

Do you know how it works?

Have you thought about using JobMatch yourself?

If knowledge is scanty or wrong, offer correct information from card and then ask if this changes their views.

If NO, have NOT heard of JobMatch, explain briefly using card.

Ask all:

Do you think you might consider something similar to JobMatch in the future?

vii) Tax credits - WFTC and DPTC

If client is currently claiming WFTC or DPTC, now ask Section 6 adapting questions appropriately.

Ask those not currently claiming:

Have you heard of Working Families' Tax Credit/ Disabled Person's Tax Credit - these have replaced similar arrangements called Family Credit and Disability Working Allowance?

If YES:

How did you hear about this?

Do you know how it works?

Have you thought about using this yourself?

If knowledge is scanty or wrong, offer correct information from card and then ask if this changes their views.

If NO, have NOT heard of WFTC/DPTC explain briefly using card.

Ask all:

Do you think you might consider Working Families' Tax Credit/ Disabled Person's Tax Credit or something similar in the future?

8. VIEWS AND EXPERIENCES OF LINKING RULES

There is another kind of arrangement that might help people who would like to try work. Have you heard of linking rules? Prompt: I mean, being able to go back to the same benefits if a job does not work out?

If YES:

Note that client may recognise 52 week rule and/ or the DPTC linking rule. There may be confusion here. Try to focus on 52 week rule - if necessary, deal with each separately -

How did you hear about it?

Do you know how it works?

Ask those currently or recently in work:

May I just check, did you know about it before you started that work? Did knowing about it influence your taking that job? In what way?

Has it applied to you? I mean, have you used the linking rule to go back to incapacity benefits?

If have heard, but knowledge is scanty or wrong, offer correct information from card.

If NO, have NOT heard of linking rule, give brief details of rules for 52 week link, from card

Ask all:

Do you think the linking rule might be helpful to you in the future?

Ask those not working:

Does knowing about this linking rule affect how you feel about work?

9. OVERALL PERCEPTIONS OF SPECIAL MEASURES

I would like to end by talking generally about these benefit rules and extra payments.

(Interviewer recap: measures used, measures attempted unsuccessfully and measures thought about but not used.)

Looking back, how much did they influence how you thought about working?

Which was the most influential?

Looking back, would you have liked to know more about any of those we have talked about?

What would have been the best way of getting the information to you?

Again, looking across what you knew about them, how influential were they on what you did?

I mean the decisions you made, and actions you took?

Now that we have talked about a number of different arrangements, do you think any of your ideas about working or claiming incapacity benefits have changed at all?

What are your current expectations or plans about working?

The government is looking for ways to improve rules and payments of this kind, to help people who have been on incapacity benefits and would like to do some work. Have you any suggestions?

Thank you very much for taking part in this. Your views are valuable.

OTHER RESEARCH REPORTS AVAILABLE:

<i>No.</i>	<i>Title</i>	<i>ISBN</i>	<i>Price</i>
1.	Thirty Families: Their living standards in unemployment	0 11 761683 4	£6.65
2.	Disability, Household Income & Expenditure	0 11 761755 5	£5.65
3.	Housing Benefit Reviews	0 11 761821 7	£16.50
4.	Social Security & Community Care: The case of the Invalid Care Allowance	0 11 761820 9	£9.70
5.	The Attendance Allowance Medical Examination: Monitoring consumer views	0 11 761819 5	£5.50
6.	Lone Parent Families in the UK	0 11 761868 3	£15.00
7.	Incomes In and Out of Work	0 11 761910 8	£17.20
8.	Working the Social Fund	0 11 761952 3	£9.00
9.	Evaluating the Social Fund	0 11 761953 1	£22.00
10.	Benefits Agency National Customer Survey 1991	0 11 761956 6	£16.00
11.	Customer Perceptions of Resettlement Units	0 11 761976 6	£13.75
12.	Survey of Admissions to London Resettlement Units	0 11 761977 9	£8.00
13.	Researching the Disability Working Allowance Self Assessment Form	0 11 761834 9	£7.25
14.	Child Support Unit National Client Survey 1992	0 11 762060 2	£15.00
15.	Preparing for Council Tax Benefit	0 11 762061 0	£5.65
16.	Contributions Agency Customer Satisfaction Survey 1992	0 11 762064 5	£18.00
17.	Employers' Choice of Pension Schemes: Report of a qualitative study	0 11 762073 4	£5.00
18.	GPs and IVB: A qualitative study of the role of GPs in the award of Invalidity Benefit	0 11 762077 7	£12.00
19.	Invalidity Benefit: A survey of recipients	0 11 762087 4	£10.75

20.	Invalidity Benefit: A longitudinal survey of new recipients	0 11 762088 2	£19.95
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23.	Crossing National Frontiers	0 11 762131 5	£17.75
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25.	Lone Parents and Work	0 11 762147 X	£12.95
26.	The Effects of Benefit on Housing Decisions	0 11 762157 9	£18.50
27.	Making a Claim for Disability Benefits	0 11 762162 5	£12.95
28.	Contributions Agency Customer Satisfaction Survey 1993	0 11 762220 6	£20.00
29.	Child Support Agency National Client Satisfaction Survey 1993	0 11 762224 9	£33.00
30.	Lone Mothers	0 11 762228 1	£16.75
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33.	Direct Payments from Income Support	0 11 762290 7	£16.50
34.	Incomes and Living Standards of Older People	0 11 762299 0	£24.95
35.	Choosing Advice on Benefits	0 11 762316 4	£13.95
36.	First-time Customers	0 11 762317 2	£25.00
37.	Contributions Agency National Client Satisfaction Survey 1994	0 11 762339 3	£21.00
38.	Managing Money in Later Life	0 11 762340 7	£22.00
39.	Child Support Agency National Client Satisfaction Survey 1994	0 11 762341 5	£35.00
40.	Changes in Lone Parenthood	0 11 7632349 0	£20.00
41.	Evaluation of Disability Living Allowance and Attendance Allowance	0 11 762351 2	£40.00
42.	War Pensions Agency Customer Satisfaction Survey 1994	0 11 762358 X	£18.00
43.	Paying for Rented Housing	0 11 762370 9	£19.00

44.	Resettlement Agency Customer Satisfaction Survey 1994	0 11 762371 7	£16.00
45.	Changing Lives and the Role of Income Support	0 11 762405 5	£20.00
46.	Social Assistance in OECD Countries: Synthesis Report	0 11 762407 1	£22.00
47.	Social Assistance in OECD Countries: Country Report	0 11 762408 X	£47.00
48.	Leaving Family Credit	0 11 762411 X	£18.00
49.	Women and Pensions	0 11 762422 5	£35.00
50.	Pensions and Divorce	0 11 762423 5	£25.00
51.	Child Support Agency Client Satisfaction Survey 1995	0 11 762424 1	£22.00
52.	Take Up of Second Adult Rebate	0 11 762390 3	£17.00
53.	Moving off Income Support	0 11 762394 6	£26.00
54.	Disability, Benefits and Employment	0 11 762398 9	£30.00
55.	Housing Benefit and Service Charges	0 11 762399 7	£25.00
56.	Confidentiality: The public view	0 11 762434 9	£25.00
57.	Helping Disabled Workers	0 11 762440 3	£25.00
58.	Employers' Pension Provision 1994	0 11 762443 8	£30.00
59.	Delivering Social Security: A cross-national study	0 11 762447 0	£35.00
60.	A Comparative Study of Housing Allowances	0 11 762448 9	£26.00
61.	Lone Parents, Work and Benefits	0 11 762450 0	£25.00
62.	Unemployment and Jobseeking	0 11 762452 7	£30.00
63.	Exploring Customer Satisfaction	0 11 762468 3	£20.00
64.	Social Security Fraud: The role of penalties	0 11 762471 3	£30.00
65.	Customer Contact with the Benefits Agency	0 11 762533 7	£30.00
66.	Pension Scheme Inquiries and Disputes	0 11 762534 5	£30.00
67.	Maternity Rights and Benefits in Britain	0 11 762536 1	£35.00
68.	Claimants' Perceptions of the Claim Process	0 11 762541 8	£23.00
69.	Delivering Benefits to Unemployed People	0 11 762553 1	£27.00

70.	Delivering Benefits to Unemployed 16–17 year olds	0 11 762557 4	£20.00
71.	Stepping–Stones to Employment	0 11 762568 X	£27.00
72.	Dynamics of Retirement	0 11 762571 X	£36.00
73.	Unemployment and Jobseeking before Jobseeker’s Allowance	0 11 762576 0	£34.00
74.	Customer views on Service Delivery in the Child Support Agency	0 11 762583 3	£27.00
75.	Experiences of Occupational Pension Scheme Wind–Up	0 11 762584 1	£27.00
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77.	What Happens to Lone Parents	0 11 762598 3	£31.00
78.	Lone Parents Lives	0 11 762598 1	£34.00
79.	Moving into Work: Bridging Housing Costs	0 11 762599 X	£33.00
80.	Lone Parents on the Margins of Work	1 84123 000 6	£26.00
81.	The Role of Pension Scheme Trustees	1 84123 001 4	£28.00
82.	Pension Scheme Investment Policies	1 84123 002 2	£28.00
83.	Pensions and Retirement Planning	1 84123 003 0	£28.00
84.	Self–Employed People and National Insurance Contributions	1 84123 004 9	£28.00
85.	Getting the Message Across	1 84123 052 9	£26.00
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93.	Housing Benefit and Supported Accommodation	1 84123 118 5	£31.50

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96.	Keeping in touch with the Labour Market	1 84123 126 6	£28.50
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100.	Overcoming barriers: Older people and Income Support	1 84123 148 7	£29.00
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