

SHEFFIELD WORKLESSNESS STUDY

The characteristics, aspirations and skill needs of Incapacity
Benefit claimants and Lone Parents on benefit

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Summary

This report is intended to assist Sheffield City Council and its partners in developing and delivering successful programmes to help move benefit claimants closer to employment. The report focuses on the characteristics, aspirations and skill needs of two groups:

- Incapacity benefit claimants
- Lone parents on Income Support

In the wake of benefit reforms, most incapacity claimants will in future have to engage in activity intended to progress them towards employment. In addition, reduced eligibility for Income Support as a lone parent means that many lone parents will now be diverted to Jobseeker's Allowance and will be required to look for work.

Section 1 reviews the national policy background, particularly the benefit reforms now underway.

Section 2 provides a statistical overview of both groups of claimants in Sheffield:

- Some 24,500 men and women of working age claim incapacity benefits (IB) in Sheffield – more than 7 per cent of the working age population
- 6,700 claim Income Support (IS) as a lone parent. All bar 340 of these are women.
- Whilst the numbers on both benefits are large, Sheffield's claimant rate is in both cases close to the national and regional averages
- The number of IB claimants has fallen a little since 2005. The number of lone parents on IS has also fallen, by around a quarter since 1999.
- Both IB claimants and lone parents on IS are heavily concentrated in the eastern part of the city
- The North East and East Community Assembly Areas together contain 45 per cent of Sheffield's IB claimants and 60 per cent of the lone parents on IS
- IB claimants are skewed towards the older age groups
- 55 per cent of all IB claims, and 35 per cent of all lone parent IS claims, have been for five years or more

- 44 per cent of IB claims in Sheffield are for ‘mental or behavioural problems’
- Nearly half of all lone parents on IS have just one child under the age of 16

Section 3 reviews existing knowledge on the two groups of claimants, drawing on national surveys including Sheffield Hallam University’s major dataset on IB claimants. The review identifies IB claimants as a group facing multiple obstacles to labour market re-engagement:

- 60 per cent have no formal qualifications
- 85 per cent worked in manual occupations, mostly low-grade
- Only a quarter say they ‘can’t do any work’
- But 90 per cent see ill health or disability as an obstacle to working
- Fewer than a third express an interest in working again
- Hardly any presently look for work

The evidence on lone parents on IS shows that:

- Only around 30 per cent have no formal qualifications
- But more than 80 per cent acquired their highest qualification at school
- 10 per cent have acquired qualifications in the last year
- Tax credits and in-work benefits are poorly understood
- Multiple obstacles to employment are common
- Childcare arrangements are a major consideration

Section 4 presents evidence from face-to-face interviews with a sample of IB and lone parent IS claimants in Sheffield, principally those closer to the labour market. These provide guidance on a key ‘target group’ for back-to-work initiatives. The claimants speak highly of Jobcentre Plus advisors and emphasise the importance of not being pressured to take up options that they deem unsuitable. They do however identify multiple, continuing barriers to employment.

Section 5 reviews the evidence on good practice from around the country, drawing on a range of published studies. This underlines the importance of sustained support, of interventions tailored to the needs of the individual, and of local delivery by trusted staff.

Section 6 looks at some of the initiatives to assist IB claimants and lone parents on IS that are already underway in Sheffield. What is clear is that whilst the task of labour market re-engagement is huge, there is already a body of local experience to draw on and new programmes and initiatives need to be designed and delivered to dovetail with, and draw on, existing provision.

1. INTRODUCTION

Purpose and scope of the report

The purpose of this report is to review the characteristics, aspirations and skill needs of incapacity benefit claimants and lone parents on benefit in Sheffield.

These are two groups of working-age claimants that have often been peripheral to back-to-work initiatives that instead have focussed on the claimant unemployed on Jobseeker's Allowance. However, there is growing recognition of the sheer numbers on these 'inactive benefits', especially incapacity benefits. Even at a time of recession, they substantially outnumber the claimant unemployed.

The context is also changing. Welfare reforms will now require most incapacity claimants to engage in activity that will move them closer to the labour market. In addition, eligibility for Income Support as a lone parent is being reduced. The effect will be to require more lone parents to find work or to look for work.

These changes present major challenges for labour market services in Sheffield. The present report aims to provide an information base that will allow effective services to be designed and delivered.

Following a brief explanation of the relevant parts of the benefits system, the report is organised as follows:

- Section 2 presents statistical evidence on incapacity claimants and on lone parents on benefit in Sheffield.
- Section 3 sets out existing knowledge on these claimants, drawing mainly on national surveys and in particular on the major data set on incapacity claimants held by Sheffield Hallam University.
- Section 4 presents evidence from face-to-face interviews with a selection of claimants in Sheffield. This particular group of claimants are closer to the labour market than most and offer a guide to the prime 'target group' for back-to-work initiatives.
- Section 5 reviews the evidence on good practice from around the country

- Section 6 looks at some of the initiatives that are already underway in Sheffield.

A brief guide to the benefits system

Incapacity benefits

The headline GB figure of 2.6 million incapacity claimants, now widely quoted in public debate, is made up of four groups:

- **Incapacity Benefit** recipients. These men and women make up around 60 per cent of the total. To qualify for Incapacity Benefit an individual does not have to be incapable of all work in all circumstances. Rather, they must score sufficiently highly on a 'Personal Capability Assessment' to be not required to look for work as a condition of benefit receipt. Incapacity Benefit is not means-tested except for a small number of post-2001 claimants with significant pension income.
- Incapacity claimants who fail to qualify for Incapacity Benefit because they have insufficient National Insurance credits. The government counts these men and women as Incapacity Benefit claimants but most of these **NI credits-only claimants**, as they are termed, actually receive means-tested Income Support, usually with a disability premium. They account for a further 30 per cent of the total, though a higher proportion of women than men.
- **Severe Disablement Allowance** (SDA) recipients. SDA is paid to pre-2001 claimants with a high level of disability and a poor NI contributions record. They account for the remaining 10 per cent. SDA is closed to new claimants.
- **Employment and Support Allowance** (ESA) recipients. This new benefit was introduced in October 2008 for new claimants and all existing Incapacity Benefit claimants will gradually be moved across, subject to a new, tougher medical test (the Work Capability Assessment) by 2013. ESA includes both means-tested and non-means tested components, dependent on National Insurance contributions. ESA is too new to be included in the figures in the present report.

For the sake of simplicity, in this report we refer to all these as 'IB claimants'.

Excepting a very small number of claimants who undertake what is known as 'permitted work' (for example as a form of rehabilitation) none of these IB claimants are in employment.

For many men and women leaving a job because of ill health, disability or injury, Incapacity Benefit (and now ESA) is accessed after six months – the employer is in most cases liable for Statutory Sick Pay for the first six months. A proportion of new claimants do however move onto IB directly from work (for example in the case of redundant workers with health problems) or from other benefits.

The individual's own GP signs off the initial claim but this is subsequently reviewed by doctors working on behalf of the Department for Work and Pensions. Under benefit rules, it is not possible to claim any of these incapacity benefits (IB, NI credits, SDA or ESA) at the same time as unemployment benefits (Jobseeker's Allowance). It is however possible to claim a number of means-tested benefits, including Income Support, alongside incapacity benefits, depending on household circumstances. Incapacity Benefit itself is not generous – the long-term rate is only just over £80 a week – and in practice few IB claimants get by on Incapacity Benefit alone.

Because Incapacity Benefit itself is not means-tested, whereas Jobseeker's Allowance is means-tested for everyone after six months (and for many claimants from day one) many claimants are financially better off on incapacity benefits. An Incapacity Benefit recipient can, for example, have a partner in work or a small pension from a former employer without it being docked-off their benefit. In addition there is no fortnightly requirement to sign-on, or to look for work, as is the case with JSA.

These incentives have boosted the number of IB claims at the expense of the numbers on other benefits. However, there is little reason to suppose that a high proportion of IB claims are fraudulent, or that the health problems and disabilities are anything less than real. In fact, the requirement for all longer-term claims to be authorised by doctors working on behalf of the DWP suggests that the scope for outright fraud is limited.

Most new ESA claimants, excepting the most severely ill, are required to pass through the DWP's Pathways to Work programme, which involves a series of work-focussed interviews and, in some cases, routing on to training or rehabilitation programmes. When present benefit reforms come to full fruition, most ESA claimants will also have to undertake activities intended to 'progress them towards work'.

Income Support as a lone parent benefit

Income Support (IS) is a means-tested benefit intended to ensure that no household falls below a minimum income threshold. It can be paid as the sole benefit, or as a top-up to other benefits. Lone parents are one of the principal recipients of IS.

To be eligible for Income Support, a lone parent – who may be male or female - must not only have dependent children but also low household income. Means testing also takes account of household savings. Some paid employment is permitted within the rules, but above a modest threshold this income is deducted from the IS entitlement and in practice most lone parents on IS do not engage in paid employment. There is no requirement on IS claimants to look for work.

'Dependent children' used to mean any child under 16. In November 2008 the threshold was lowered to 12. In October 2009 the threshold will be lowered to 10, and in October 2010 to 7. This has the effect of reducing eligibility for IS as a lone parent. The individuals who would previously have claimed IS as a lone parent thus have to find employment or move across onto other benefits, for example Jobseeker's Allowance. In so far as they then claim JSA rather than IS, they then have to meet the job search conditions attached to JSA.

The focus in this report is on lone parents on IS, and on those who might in due course be moved across to JSA. However, it is worth noting that some IB claimants too are lone parents. They often receive the means-tested variety of incapacity benefits – Income Support with a disability premium – making them 'NI credits-only claimants' in official terminology. IS with a disability premium is worth more than IS on its own, creating important incentives and potential diversions within the benefits system. In addition, eligibility for IS with a disability premium does not come to an end as children grow older.

2. STATISTICAL OVERVIEW

This part of the report provides a statistical overview of IB claimants and lone parents on IS in Sheffield. The data is all from official sources.

Headline numbers

Table 1 shows the number of claimants in Sheffield in August 2008 – the most recent date for which figures were available when the report was being prepared. The figures here refer to *working age* claimants – they comprise the vast majority, but under detailed benefit rules there are circumstances in which men and women in work above state pension age can claim IB for short periods.

Table 1: Claimant numbers, Sheffield, August 2008

	no.			as % working age		
	Men	Women	Total	Men	Women	Total
IB claimants	14,710	9,810	24,500	8.2	6.2	7.2
Lone parents on IS	340	6,360	6,700	0.2	4.0	2.0
Total	15,050	16,170	31,200	8.4	10.2	9.2

Sources: DWP and ONS

There are a number of important points to note:

- The number of IB claimants is substantial – around 24,500 or just over 7 per cent of all adults of working age in Sheffield. This is substantially more than the number of claimant unemployed in the city (15,400 in April 2009) even at a time of recession.
- Rather more men than women claim IB – 14,700 compared to 9,800. The difference is partly the product of benefit rules, because women move across from IB to a state pension at age 60 whereas for men the move occurs at age 65.

- The number of lone parents claiming IS is smaller – some 6,700, representing just 2 per cent of all adults of working age in the city. This group is dominated by women - 4 per cent of all *women* of working age claim IS as a lone parent.
- Combined, the two groups of claimants account for more than 31,000 men and women, or approaching one-in-ten of all working age adults in Sheffield.

These headline statistics underline the scale of the labour market challenge in Sheffield.

Table 2 compares Sheffield with other local authorities in Yorkshire and with the national and regional averages. The IB claimant rate and the lone parent claimant rate in Sheffield are both close to the national and regional averages. Within South Yorkshire, Sheffield has a distinctly lower IB claimant rate than its neighbours – 7.2 per cent, compared with 11.6 per cent in Barnsley, 9.3 per cent in Doncaster and 9.1 per cent in Rotherham.

Table 2: Claimant rates by district, Yorkshire and Humber, August 2008

IB claimants (as % working age)		Lone Parents on IS (as % working age)	
Barnsley	11.6	Hull	3.3
Doncaster	9.3	NE Lincolnshire	3.0
Wakefield	9.2	Bradford	2.5
Rotherham	9.1	Doncaster	2.3
Hull	8.7	Rotherham	2.2
Scarborough	7.9	Barnsley	2.2
Bradford	7.9	Kirklees	2.0
NE Lincolnshire	7.4	Wakefield	2.0
SHEFFIELD	7.2	Calderdale	2.0
Calderdale	6.9	SHEFFIELD	2.0
Kirklees	6.9	North Lincolnshire	2.0
North Lincolnshire	6.7	Leeds	1.9
Leeds	6.0	Scarborough	1.9
East Riding of Yorks	5.2	York	1.1
Craven	4.5	East Riding of Yorks	1.0
Selby	4.4	Selby	1.0
York	4.2	Hambleton	0.8
Ryedale	4.0	Richmondshire	0.7
Hambleton	3.9	Ryedale	0.7
Harrogate	3.7	Harrogate	0.7
Richmondshire	3.4	Craven	0.6
Yorks and Humber	7.1	Yorks and Humber	2.0
Great Britain	7.0	Great Britain	2.0

Sources: DWP and ONS

Across Britain as a whole there is a well-documented trend for IB claimant rates to be highest in the older industrial areas of the North, Scotland and Wales. In the very worst districts the IB claimant rate exceeds 15 per cent, more than double the rate in Sheffield. Conversely, there are substantial parts of southern England where the IB claimant rate is 2-4 per cent, far below the Sheffield rate.

The principal explanation for the high IB claimant rate in older industrial areas is the weakness of the local economy¹. Initially the figures reflected redundancies from industries such as coal, steel and engineering, but latterly they have come to be dominated by low skilled workers in poor health, who have difficulty maintaining a foothold in a competitive labour market. Older industrial areas also have more widespread ill health, though this helps explain only part of the difference between these areas and southern England.

Given Sheffield's industrial heritage it is perhaps surprising that the IB claimant rate in the city is not much *higher* than is actually the case. In Glasgow and Liverpool, for example, the IB claimant rate is well over 10 per cent. That Sheffield's IB claimant rate is only a little over 7 per cent may say something about the diversity and strength of the city's economy.

Table 3 shows the claimant numbers in Sheffield in August each year from 1999 to 2008.

Table 3: Claimant numbers, Sheffield 1999 - 2008

	IB claimants	Lone parents on IS
1999	25,750	8,720
2000	26,040	8,580
2001	26,230	8,340
2002	26,360	8,040
2003	26,350	7,860
2004	26,710	7,670
2005	26,800	7,200
2006	25,830	7,090
2007	25,200	6,910
2008	24,520	6,700

Figures are for August of each year

Source: DWP

IB claimant numbers in the city are down slightly over this long period, which spans an era of national economic growth. IB claimant numbers in Sheffield peaked in 2005 and have since been falling at the rate of 700-800 a year.

¹ See in particular C Beatty and S Fothergill (2005) The diversion from 'unemployment' to 'sickness' across British regions and districts, *Regional Studies*, vol 39, pp 650-657.

This is broadly in line with national IB numbers, which also peaked at around the same time.

In contrast, the number of lone parents on IS in Sheffield has been falling steadily over the period since 1999, in recent years by around 200 a year. Over the 1999 to 2008 period as a whole, the headline number of lone parents on IS in Sheffield fell by around a quarter.

The distribution of claimants across Sheffield

Table 4 shows the distribution of IB claimants across Sheffield, by ward and by Community Assembly Area (CAA). Figure 1 maps the IB claimant rate by ward.

The ward data presented here, and subsequently in the report, is for the current electoral wards in the city. This data is presently unavailable from DWP, which still publishes figures using the previous set of ward boundaries. The ward figures presented here are therefore built up from DWP data for Lower Super Output Areas (LSOAs), which are neighbourhoods of around 1,500 people. LSOA boundaries have been matched to the current ward boundaries, and though the match is not perfect in all cases, the resulting ward data is sufficiently reliable to be trustworthy. The data for wards also includes the small number of IB claimants above state pension age and therefore differs fractionally from the figures presented earlier.

What the ward-based figures reveal is the strong concentration of IB claimants in particular parts of the city – broadly the eastern half. This is a familiar pattern in socio-economic data for Sheffield, reflecting to a great extent residential segregation between the poorer east and more affluent west of the city.

The differences are large – at the extremes from an overall IB claimant rate of 14.0 per cent in Manor Castle and 13.9 per cent in Firth Park to just 2.2 per cent in Ecclesall. The South West CAA as a whole has an IB claimant rate that is less than a quarter of the rate in the North East and East CAAs. 45 per cent of all Sheffield's IB claimants live in these two CAAs.

Figure 2 shows the IB claimant rate in Sheffield right down at LSOA level.

Table 5 shows the number of lone parents claiming IS, by ward and by CAA. The figures here combine men and women, since there are so few men in this benefit category. Like the IB figures, they are built up from LSOA data.

Although there are far fewer lone parents on IS than IB claimants, the distribution across the city is similar, with strong concentrations in the east. If anything, the polarities across the city are rather greater than for IB claimants, with just 20 lone parents on IS in Fulwood, for example, compared to 680 in

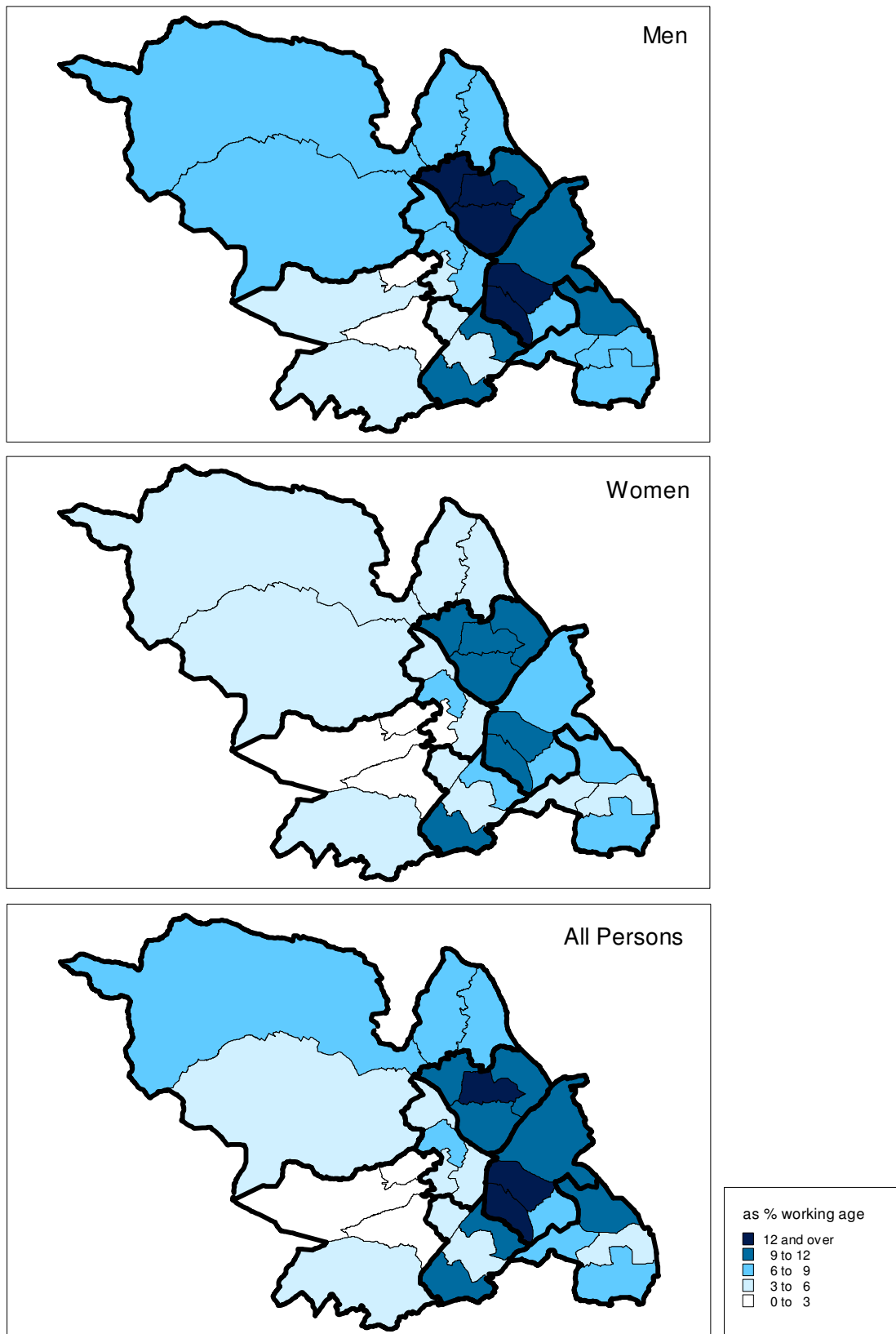
Table 4: IB claimants in Sheffield, by ward and Community Assembly Area, August 2008

	no.			as % working age		
	Men	Women	Total	Men	Women	Total
SHEFFIELD	14,780	10,170	24,940	8.2	6.4	7.4
South East	1,790	1,290	3,080	7.9	6.3	7.1
Beighton	350	270	620	6.3	5.4	5.9
Birley	430	270	710	8.3	5.9	7.2
Mosborough	380	330	720	6.4	6.1	6.3
Woodhouse	630	410	1,040	10.5	7.7	9.2
South	1,880	1,360	3,240	7.5	6.1	6.8
Beauchief & Greenhill	660	470	1,130	11.0	9.2	10.2
Gleadless Valley	650	450	1,100	10.4	8.0	9.3
Graves Park	260	220	480	4.8	4.4	4.6
Nether Edge	310	220	530	4.1	3.4	3.8
South West	710	490	1,200	3.1	2.4	2.7
Crookes	180	130	310	2.6	2.2	2.4
Dore & Totley	220	150	370	4.3	3.4	3.9
Ecclesall	160	100	260	2.5	1.8	2.2
Fulwood	160	110	270	3.0	2.4	2.7
Central	810	410	1,220	6.7	4.3	5.6
Broomhill	260	170	420	3.4	2.5	3.0
Central	810	410	1,220	6.7	4.3	5.6
Hillsborough	390	280	670	6.4	5.0	5.7
Walkley	620	380	1,000	8.6	6.3	7.5
Northern	1,650	1,100	2,750	6.9	5.2	6.1
East Ecclesfield	400	280	680	7.1	5.7	6.4
Stannington	350	220	570	6.6	4.8	5.8
Stocksbridge & Upper Don	480	310	790	7.0	5.3	6.2
West Ecclesfield	430	290	710	6.8	5.2	6.0
North East	3,630	2,490	6,130	13.5	10.1	11.9
Burngreave	1,070	650	1,720	13.9	9.5	11.8
Firth Park	990	710	1,700	15.9	11.9	13.9
Shiregreen & Brightside	780	620	1,400	11.2	9.5	10.4
Southey	790	520	1,310	13.4	9.6	11.6
East	3,030	2,200	5,230	12.1	9.8	11.0
Arbourthorne	770	570	1,340	13.6	10.7	12.2
Darnall	840	610	1,450	10.4	8.9	9.7
Manor Castle	950	620	1,570	15.9	11.9	14.0
Richmond	470	390	860	8.8	8.0	8.4

NB. Includes claimants above state pension age

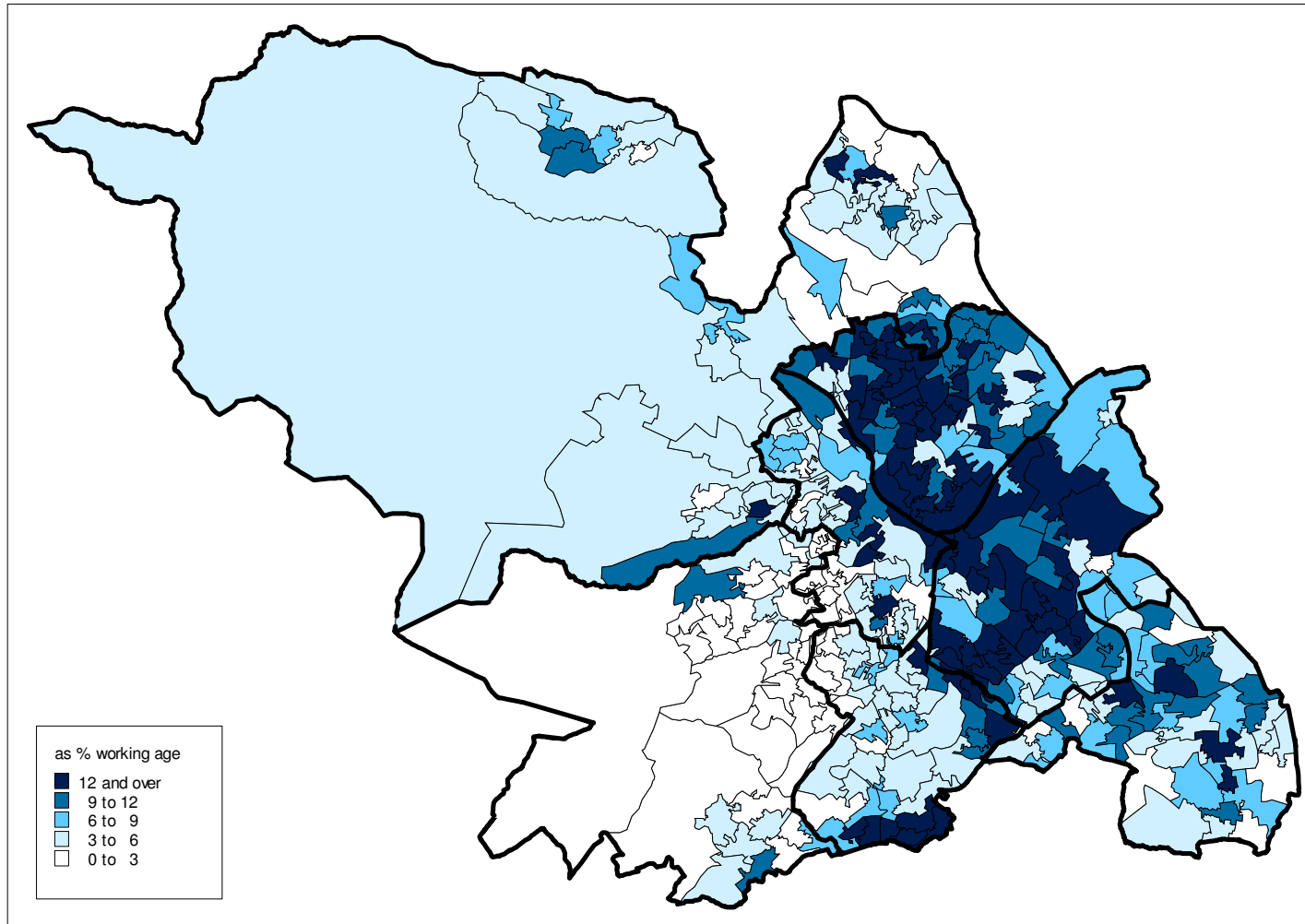
Sources: DWP and ONS

Figure 1: IB claimant rate by ward, August 2008



Sources: DWP and ONS

Figure 2: IB claimant rate by LSOA, August 2008



Sources: DWP and ONS

Table 5: Lone parents on IS in Sheffield, by ward and Community Assembly Area, August 2008

	as % working age	no.
SHEFFIELD	2.0	6,670
South East	1.4	610
Beighton	1.0	110
Birley	1.5	150
Mosborough	1.3	150
Woodhouse	1.7	190
South	1.7	800
Beauchief & Greenhill	2.5	280
Gleadless Valley	3.0	360
Graves Park	0.8	80
Nether Edge	0.6	80
South West	0.3	110
Crookes	0.2	30
Dore & Totley	0.0	40
Ecclesall	0.0	30
Fulwood	0.0	20
Central	1.3	280
Broomhill	0.4	60
Central	1.3	280
Hillsborough	1.5	180
Walkley	1.6	220
Northern	0.9	410
East Ecclesfield	1.0	100
Stannington	0.8	80
Stocksbridge & Upper Don	0.9	120
West Ecclesfield	1.0	110
North East	4.4	2,270
Burngreave	3.9	580
Firth Park	5.6	680
Shiregreen & Brightside	3.7	490
Southey	4.6	510
East	3.7	1,740
Arbourthorne	4.6	500
Darnall	3.1	460
Manor Castle	4.8	530
Richmond	2.4	250

Sources: DWP and ONS

Firth Park. The North East and East CAAs together account for 60 per cent of all Sheffield's lone parents on IS.

To complete the picture, Figure 3 shows the lone parent claimant rate down at LSOA level.

Finally, Table 6 brings together the IB and lone parent claimant data at ward and CAA level. Because both groups tend to be concentrated in the same areas, the combined claimant rate rises to very high levels in some places – 19.5 per cent of all adults of working age in Firth Park for example, and 18.8 per cent in Manor Castle. Conversely in three of the four wards making up the South West CAA – Crookes, Ecclesall and Fulwood - the combined claimant rate is below 3 per cent.

Composition of the claimant stock

Table 7 shows the age distribution of IB claimants in Sheffield. This illustrates a general point that applies to other areas as well – that the probability of claiming incapacity benefits rises with age. This is hardly surprising since a degree of ill health or disability is a prerequisite for entitlement to IB, and ill health and disability increase with age. In this table the much lower number of women aged 55-64 claiming IB is the result of benefit rules – women move across to a state pension at 60.

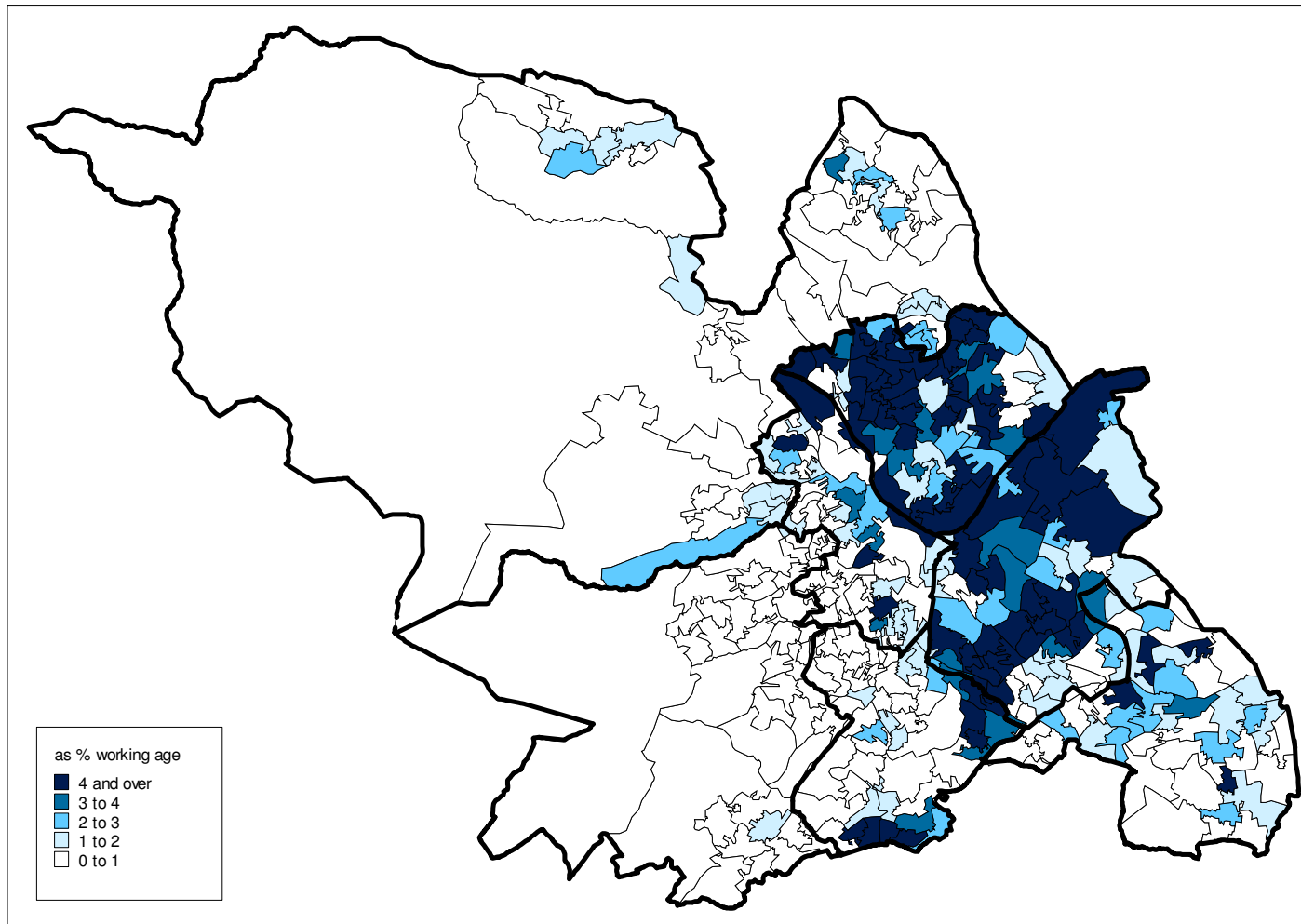
The skewed age distribution of IB claimants can prompt the suggestion that the problem will simply fade away as an older generation of claimants finally reaches state pension age. This is wrong. In fact, what happens is that as one cohort of older men and women finally moves out of the IB figures onto state pensions, another cohort grows older to replace them and new IB claimants (often in their 40s and 50s) join the figures for the first time. In practice, the age profile of IB claimants has stayed broadly unchanged for many years.

Within Sheffield, the proportion of IB claimants who are over 50 varies a little from place to place – from a high of 53 per cent of claimants in the Northern CAA to a low of 30 per cent in the Central CAA. This may reflect the age profile of the local population.

The age distribution of lone parents on IS, shown in Table 8, is different. Compared to IB claimants, lone parents on IS are substantially younger. There are many older lone parents of course, but to qualify for Income Support as a lone parent the youngest dependent child must be aged under 16 (under 12 from November 2008). This naturally limits the number of older lone parents on IS.

Table 9 shows the duration of claims. The notable feature here is the very long duration of most IB claims – 55 per cent of IB claimants have been on

Figure 3: Lone parents on IS claimant rate by LSOA, August 2008



Sources: DWP and ONS

Table 6: Combined IB and lone parent on IS claimant rate, by ward and Community Assembly Area, Sheffield, August 20008

	as % working age		Total
	IB claimants	Lone parents on IS	
SHEFFIELD	7.4	2.0	9.3
South East	7.1	1.4	8.6
Beighton	5.9	1.0	6.9
Birley	7.2	1.5	8.7
Mosborough	6.3	1.3	7.6
Woodhouse	9.2	1.7	10.9
South	6.8	1.7	8.5
Beauchief & Greenhill	10.2	2.5	12.7
Gleadless Valley	9.3	3.0	12.3
Graves Park	4.6	0.8	5.4
Nether Edge	3.8	0.6	4.4
South West	2.7	0.3	3.0
Crookes	2.4	0.2	2.7
Dore & Totley	3.9	0.4	4.3
Ecclesall	2.2	0.2	2.4
Fulwood	2.7	0.2	2.9
Central	5.6	1.3	6.9
Broomhill	3.0	0.4	3.4
Central	5.6	1.3	6.9
Hillsborough	5.7	1.5	7.2
Walkley	7.5	1.6	9.2
Northern	6.1	0.9	7.0
East Ecclesfield	6.4	1.0	7.4
Stannington	5.8	0.8	6.6
Stocksbridge & Upper Don	6.2	0.9	7.1
West Ecclesfield	6.0	1.0	7.0
North East	11.9	4.4	16.3
Burngreave	11.8	3.9	15.7
Firth Park	13.9	5.6	19.5
Shiregreen & Brightside	10.4	3.7	14.1
Southey	11.6	4.6	16.2
East	11.0	3.7	14.7
Arbourthorne	12.2	4.6	16.7
Darnall	9.7	3.1	12.8
Manor Castle	14.0	4.8	18.8
Richmond	8.4	2.4	10.8

Sources: DWP and ONS

these benefits for at least five years. Sheffield is not unusual in this respect – the national average is 56 per cent, and the average for Yorkshire and the Humber is 57 per cent. The proportion of 5yrs+ claims also varies little across the city.

Table 7: IB claimants by age, Sheffield, August 2008

	Men	Women
16 - 24	930	760
25 - 34	1,990	1,400
35 - 44	3,160	2,430
45 - 54	3,580	3,270
55 - 64	5,030	2,060
Total	14,710	9,920

NB. Figures exclude small number of claimants over 65

Source: DWP

Table 8: Lone parents on IS by age, Sheffield, August 2008

	no.
16 - 24	70
25 - 34	1,560
35 - 44	2,400
45 - 54	2,420
55 - 64	180
Total	6,700

Source: DWP

Fewer lone parent IS claims are for such a long duration – in Sheffield only around 35 per cent have been claiming for at least five years.

The stock of IB claimants is not entirely static. In particular, some claimants leave the figures fairly quickly as their health improves or as an injury is overcome. DWP figures for Sheffield show that each year about a quarter of the stock of IB claimants – equivalent to just over 6,000 men and women – leave IB, though only a proportion of these will be leaving to return to employment. Some will move across onto other benefits, including state pension. This proportion – a quarter – does not vary a great deal around the country.

Table 9: Duration of benefit claims, Sheffield, August 2008

	IB claimants	Lone parents on IS
Up to 6 months	2,400	790
6 months to 1 year	1,460	640
1 to 2 years	2,210	990
2 to 5 years	4,810	1,740
5 years or more	13,630	2,420
Total	24,520	6,700

Source: DWP

The steady if unspectacular turnover in the stock of IB claimants, in Sheffield and elsewhere, has implications for the evaluation of back-to-work initiatives. It indicates that at least a proportion of those who return to work would probably have done so anyway.

Table 10 shows the nature of the ill health or disability affecting IB claimants in Sheffield. The data here refers to the medical reason for the IB claim as recorded by the Department for Work and Pensions at the time the claim was originally approved. However, it needs to be kept in mind that some IB claimants have multiple health problems or disabilities, and that the nature and severity of the problems can change through time.

Table 10: IB claimants: nature of ill health or disability, Sheffield, August 2008

	Men	Women
Mental, behavioural	6,320	4,570
Musculoskeletal	2,080	1,490
Nervous system	740	740
Circulation	950	250
Injury, poisoning	850	290
Respiratory	350	220
All other	3,420	2,250
Total	14,710	9,810

Source: DWP

The single largest category, accounting for more than 40 per cent of all IB claimants in Sheffield, is men and women with 'mental and behavioural disorders'. This is a very broad category, including stress and depression as well as other forms of mental ill health and it also includes drug and alcohol abuse.

A more detailed disaggregation of the ‘mental and behavioural’ category is presently not available for Sheffield, although it should be possible for DWP to provide a special tabulation. The best guide therefore comes from a recent Scottish study². This found that in Glasgow in 2007 ‘depressive episodes’ accounted for 29 per cent of IB claims in this category, ‘other neurotic disorders’ for 35 per cent, and ‘other anxiety disorders’ for a further 10 per cent. ‘Alcoholism’ accounted for 8 per cent, and ‘drug abuse’ for 5 per cent. There is little reason to suppose that the breakdown in Sheffield would be radically different.

In recent years, ‘mental and behavioural problems’ have accounted for a growing proportion of IB claims across Britain. Conversely the share of claims accounted for by ‘musculoskeletal problems’ – which includes bad backs and other physical constraints on movement – has been declining.

There is a tendency for the share of IB claims accounted for by ‘mental and behavioural problems’ to be somewhat higher in cities than in more rural locations. Sheffield is no exception here. The share of IB claims in the ‘mental and behavioural’ category in Sheffield is 44 per cent, compared with a Yorkshire regional average of 40 per cent. Even within Sheffield, the share of IB claimants with ‘mental and behavioural problems’ is highest in the Central CAA at 54 per cent and lowest in the Northern CAA at 35 per cent. The reasons for these geographical differences are not well understood though they may owe something to a possible concentration of claimants with ‘disordered lives’, including drug and alcohol problems, in cities in general and inner urban areas in particular.

Finally, Table 11 looks at the number of dependent children (under 16s) of lone parents on IS in Sheffield. The figures show that just under half of all the lone parents in this category have just one dependent child.

Table 11: Lone parents on IS by number of dependent children, Sheffield, August 2008

% of lone parents on IS	
One child	46
Two children	32
Three children	14
Four or more children	8
<hr/>	
Total	100

Source: DWP

² J Brown et al (2008) Mental health as a reason for claiming incapacity benefit – a comparison of national and local trends, *Journal of Public Health*, vol 31, pp 74-80.

3. WHAT DO WE KNOW ABOUT CLAIMANTS?

This part of the report reviews what is known about IB claimants and lone parents on IS – their background, qualifications, aspirations, and barriers to work. The information here is ‘national’ in origin but in most respects can probably be generalised to Sheffield.

Incapacity benefit claimants

The largest recent survey of incapacity claimants was carried out by Sheffield Hallam University in 2006/7. This provides representative data based on face-to-face interviews with more than 3,600 IB claimants in eight districts spread across five GB regions.

Although Sheffield itself was not one of the survey areas, one of the strong conclusions was that on the whole the skills, experience and aspirations of incapacity claimants do not vary enormously from place to place. The survey data can therefore be trusted to offer a reasonably reliable guide to the likely characteristics of IB claimants in Sheffield.

Background

- IB claimants are, on the whole, a **very poorly qualified group**. Around 60 per cent have absolutely no formal qualifications, not even a GCSE or CSE. Only around 2 per cent have degrees.
- The vast majority – around 85 per cent of men and 80 per cent of women – previously worked in **manual occupations**. Many of these were ‘routine’ manual jobs. Professionals and other higher-grade white-collar workers account for few IB claimants.
- Despite lengthy periods on incapacity benefits, the vast majority of IB claimants have **substantial work experience**. Only around 9 per cent of women and 6 per cent of men say they have never had a regular paid job. Around half the men, and 40 per cent of the women, spent more than ten years in their last job.

- **Ill health or injury was the principal reason for job loss** in around 70 per cent of cases – a higher proportion now than in the 1990s, when redundancy was a more common reason for job loss. Even so, that still leaves around 30 per cent of IB claimants for whom factors other than ill health, disability or injury were the main reason for job loss.
- Around a quarter of IB claimants **live alone**, though in addition a fifth of the women are lone parents. Reflecting the concentration of IB claimants in the older age bands, only about one-in-five have dependent children (under 16) in the household.

Labour market engagement

- Only around a quarter of IB claimants say they ‘can’t do any work’. On the other hand, a degree of **self-reported health limitation** is just about universal. It is worth remembering here that benefit rules do not require IB claimants to be incapable of all work in all circumstances. What they are required to demonstrate is that they have a sufficient degree of ill health or disability to be not required to look for work as a condition of benefit receipt.
- Around 5 per cent expect their health problems to get better, whereas half expect them to **get worse**.
- Only between a quarter and a third of the stock of IB claimants express an **interest in working again**, either now or in the future. The level of labour market detachment appears to have increased over the years: in the late 1990s nearer half the men on IB used to say they would like a job.
- Fewer than 5 per cent of IB claimants are **presently looking for work**, and only some of these think there is a realistic chance of ever getting a job.
- In the absence of paid employment, many IB claimants get by on a **package of benefits**. In addition to IB itself, nearly half claim Disability Living Allowance, half claim Council Tax Benefit, and nearly half claim Housing Benefit. Income Support is also widely claimed as a top-up.
- **Other sources of income** also contribute to the household. Around a fifth have a partner in work, and a further fifth have a partner who claims benefit in their own right. Around one-in-ten have income from a personal or company pension.
- There is little evidence of paid **temporary or casual working**, though unpaid voluntary work is more widespread.

Barriers to employment

- More than 90 per cent of the claimants who say they do not want a job cite **ill health or disability** as the main reason. Around 90 per cent of the claimants who express an interest in working again also cite ill health, injury or disability as an obstacle to finding work.
- Around half of those who are interested in working again think that **potential employers** would see them as 'too ill or disabled'. Fewer than one in ten are confident that they would be seen as a 'pretty good bet' or 'worth a try'.
- The claimants with an **interest in working** tend to be younger and to have been on benefit for shorter periods. Around half of those claiming IB for less than two years express an interest in working again, compared to only a fifth of those claiming for ten years or more.
- Amongst those with an interest in working, a willingness to consider **part-time work** is widespread, amongst men as well as women. Often this is seen as a way of coping with health problems.
- A clear majority of potential jobseekers would be keen to take up a **new occupation**, and sometimes they have quite specific ideas about what they would like to do and what training they would need.
- Most would prefer to **work locally**. This is especially true of women. Around half have a car in the household, but only a third say it would be available for them to travel to work.
- Many IB claimants who express an interest in working again don't know **how much they would need to earn** to make it worthwhile coming off benefit. A sizeable minority, especially men, do however quote figures of at least £300 a week after tax.

In-depth follow-up interviews with a sample of respondents to the Sheffield Hallam survey add a further layer of understanding:

- Once out-of-work and assessed as eligible for incapacity benefits, many people's **self-image** becomes one of being 'sick' rather than being 'between jobs'.
- **Lack of confidence** and low self-esteem often tend to follow long periods on IB.
- Claimants' health conditions or disabilities tend to **change over time**, and in particular depression and other mental health problems can often develop alongside other problems.

Lone parents on benefit

Evidence from the Labour Force Survey

The government's Labour Force Survey (LFS) does not provide reliable statistics on incapacity benefit claimants because of under-recording. The LFS data on lone parents on Income Support is much better, with the headline LFS numbers corresponding much more closely to the administrative data on lone parents claiming IS.

For lone parents on IS, the LFS data for Great Britain as a whole for 2008 shows that:

- 92 per cent live in **rented accommodation** (though the available figures do not distinguish between the private rented and social housing sectors). Of the remainder, the vast majority are owner-occupiers, four-fifths with a mortgage.
- 31 per cent have no **formal qualifications**. A further 22 per cent have qualifications no higher than GCSE or O level. Just 2 per cent have degrees.
- 82 per cent of those with qualifications acquired their highest qualification at age 16 or below – there is little experience of **further or higher education**. Just 4 per cent obtained their highest qualification beyond the age of 24.
- However, 10 per cent have acquired a **qualification in the last year**. Mostly these are NVQs or other professional qualifications.
- A wider group, comprising 15 per cent of lone parents on Income Support, have undertaken **activities in the last 12 months** to improve their knowledge or skills. Mostly these were lessons or courses, but distance learning, attendance at seminars and workshops, and on-the-job training also come into the picture.
- At any one point in time, 12 per cent of lone parents on Income Support report that they are **currently studying or working** towards qualifications.

Evidence from research studies

- **Key factors for lone parents who move into work** are relatively high motivation, past work experience, a manageable level of caring responsibilities, and relatively good health.

- Conversely, those **furthest from the labour market** tended to have low confidence and self-esteem, have little or no past work experience, high level of caring commitments (several children of nursery/primary/secondary school age, or with ill health/disabilities), and problems of ill health or disability themselves.
- Some lone parents see **parenthood** as being of paramount importance, and treat it as a priority over all other considerations, with some thinking of themselves as doing more than a full-time job (so that 'work first' interventions are most unlikely to bring any change to such deeply rooted attitudes).
- Many lone parents express concerns about **formal childcare** in terms of 'strangers' looking after their children, but they are equally deterred by reports of poor facilities and perceived high costs.
- Such issues can be overcome when there are **other family members** on hand to provide informal care (especially grandparents, who also provide emotional and financial support) - absence of this option presents a major barrier for some.
- Even those who are willing to make use of formal childcare encounter **difficulties** around lack of specific provision, out-of-hours availability, affordability and lack of job flexibility to cover school holidays or when a child is sick.
- Although **tax credits** are vital in enabling many lone parents to find financially viable work, the complexities of the system continue to pose a barrier for those who are less job-ready.
- In some instances their provisional nature makes it more difficult to undertake accurate **better off calculations** and hence reduces their credibility and effectiveness in persuading lone parents to seek work.
- Another major uncertainty in this regard is the irregularity or even non-receipt of partners' maintenance payments through the **Child Support Agency**, as well as unpredictable changes in the amount paid due to ex-partners remarrying or starting another family.
- Lone parents who have been claiming benefits for a while are more likely to require **intensive and longer term support** in engaging with the labour market than new or repeat claimants.
- Many have deep financial concerns around **multiple sources of debt**, and the potential disruption to family incomes around the transition from benefits to paid work.
- Some of this is related to low levels of **financial literacy**, so they are unaware of their exact benefit entitlements (and hence do not know when they receive the wrong amount), and have little or no knowledge of potential in-work benefits.

- **Labelling interventions** or actions as 'work focused' is a major disincentive for many longer-term lone parent claimants, but at the same time the existence of benefit sanctions has only a negligible effect on their labour market behaviour.
- Lone parents who are furthest from the labour market tended to have higher levels of ill health to cope with (themselves and/or their children), a greater prevalence of debt, are generally disorganised in their lives and have a '**challenging**' **home environment** to deal with.
- Limitations on the availability of **financial support for specific training courses** can restrict lone parents' access to higher skilled, better paid jobs, and hence make the transition into financially viable work much more difficult.
- Shortages of appropriate **employment opportunities** locally, especially with respect to flexible working (timing and duration of work attendance) are seen as a problem.

The evidence here comes from:

Knight, G. and Kasparova, D. (2006) Lone parents: In Work Benefit Calculations – work and benefit outcomes, DWP Research Report No. 367.

Brown, R. and Joyce, L. (2007) New Deal for Lone Parents: Non-participation qualitative research, DWP Research Report No. 408.

Cebulla, A. and Flore, G. with Greenburg, D. (2008) The New Deal for Lone Parents, Lone Parent Work Focused Interviews and Working Families' Tax Credit: A review of impacts, DWP Research Report No. 484.

Goodwin, V. (2008) The effects of benefit sanctions on lone parents' employment decisions and moves into employment, DWP Research Report No. 511.

Ridge, T. and Millar, J. (2008) Work and well-being over time: lone mothers and their children, DWP Research Report No. 536.

Thomas, A. and Jones, G. (2006) Work Focused Interviews and lone parent initiatives; further analysis of policies and pilots, DWP Research Report No. 319

4. SHEFFIELD'S TARGET GROUP

This part of the report illustrates the background, aspirations and needs of the individuals in Sheffield who might be expected to become involved with back-to-work initiatives.

The material here is based on face-to-face interviews in Sheffield with IB claimants and with lone parents on benefit. The interviewees were identified by Jobcentre Plus, from among their clients, though participation in the research was entirely voluntary.

Jobcentre Plus is most likely to have regular contact with those who are active jobseekers (for example because they are engaged in the Pathways to Work programme) and the claimants interviewed are therefore unlikely to be representative of the stock as a whole. However, by virtue of their existing engagement with Jobcentre Plus they are in many respects the sub-set closest to the labour market and, in effect, the prime 'target group' for back-to-work initiatives.

Bearing in mind the small number of interviews, and the nature of the sample, the material below is intended to be illustrative rather than statistically representative.

Incapacity benefit claimants

The interviewees

- Seven interviews, of which four male and three female
- Three aged 50+, two under 30
- Six say health limits work
- Four want to work in near future whilst only two rule out any return to work
- All have claimed for five years or less
- Six live alone, one with parents
- Five claiming for mental health reasons, of which three also have physical health problems
- Two have physical health problems only

Activities before claiming IB

All the interviewees had experience of working before making the most recent claim, usually in low-skilled manual or service employment.

Reasons for claiming

- Three interviewees claimed IB as a result of health problems that emerged whilst in employment that forced them to stop working
- Two interviewees had jobs that ended and subsequently claimed IB for health problems that developed whilst out of work
- Two switched from other benefits (JSA and IS) as a result of deterioration in health or personal circumstances.

Contact with medical profession

Doctors were generally regarded as supportive. Some interviewees had discussed the possibility of returning to work with doctors, though the doctors themselves did not seem to have initiated the conversations or applied any pressure or encouragement to think about employment. Neither did doctors seem to emphasise any potential health-related benefits of returning to work.

Contact with Jobcentre Plus advisers

Advisers were universally praised, with interviewees referring to them as 'great', 'smashing' and 'supportive', regardless of whether they had any intentions to return to work. Four interviewees also praised their advisers for not 'forcing' them to think about returning to work. However, whilst positive about their advisers, two interviewees felt that their advisers had not fully grasped that they were not capable of work.

Feelings about claiming benefits

Most expressed a desire to get off benefits and a corresponding preference to be in work. One man even described how he felt 'bad' and 'guilty' for claiming benefit. At the same time, there was a sense that the support, including access to training and advice, was welcome.

Financial situation

Most interviewees found it difficult to get by financially. Common to their experience was difficulty in making ends meet, often getting into debt, struggling to pay bills and having to budget extremely carefully to afford

necessities such as food, gas and electricity. None had access to alternative sources of income although one 50 year-old was hoping to draw a pension early on the grounds of poor health.

Intentions regarding work

All but two of the interviewees intended to return to work. Of the five who wanted employment, three were currently looking for work, mainly in unskilled, manual occupations. The other two interviewees expressing a desire to return to work felt that this was a longer-term aim as they could only countenance a return to employment once their health improved. One man who felt his poor health meant he could not work was looking to gain a voluntary placement with a charity. He had previous experience of volunteering and was looking to repeat the experience, although as an end in itself rather than as a stepping stone back to work.

Circumstances that would enable a move off benefit

Of those looking to return to work, an improvement in health was seen as the main pre-requisite of getting back into employment. This was not regarded as something that would necessarily happen without further support

Barriers to work

The key barriers to work identified included:

- Poor health
- A lack of confidence or motivation
- A lack of skills or qualifications
- Difficulties in getting into town to look for work
- A lack of access to appropriate training
- A tight job market and decline in the number of vacancies
- Discrimination by employers against those with health problems

Some individuals said they experienced a combination of barriers, such as one man who cited health problems, his isolated location, age, employer discrimination, a lack of qualification and issues with confidence and motivation.

Assistance with finding work

Four interviewees received assistance in getting back to work including:

- Help with looking for work and preparing CVs (Critical Skills course)
- Two interviewees had attended the Condition Management Programme

- One interviewee gained GCSEs and an IT NVQ whilst on IB

Those that attended the Condition Management Programme praised it highly.

Views on benefit reform

Most had heard of the planned reforms although were often unaware of details. Only one of the interviewees was actually claiming the new Employment and Support Allowance. All who expressed an opinion felt that it was fair to expect those receiving benefits to be subject to expectations to look for work. Two interviewees emphasised the importance of the government providing positive financial incentives to return to work.

Lone parents on benefit

The interviewees

- Eight interviewees, most aged 35-44 although one older women (45+) who had become the legal guardian of a grandchild
- One man and seven women
- Only one did not want a job
- Length of claim varied from one year to 16 years; five interviewees had claimed for five years or more

Activities before claiming IS

Six held down jobs for most of the five years before making a claim – most of these were in low-skilled occupations in service industries. One had never worked between leaving school and getting pregnant whilst another had looked after a disabled son full-time.

Reasons for claiming

- Two women were on benefits already when they got pregnant and switched to IS.
- Two women who lived with partners and looked after children full-time claimed IS when the relationship broke down and needed the income.
- Two women were working but gave up work and claimed IS to look after disabled children (one straight after birth, the other when her son was five years old).
- One man claimed IS when he lost his job.

- One woman left her job and claimed IS to look after her grandson because her daughter was unable to care for him due to drug and alcohol problems.

Contact with social services

Few interviewees had contact with social services. The two that did were not particularly positive in the sense of not finding them helpful.

Contact with Jobcentre Plus advisers

Advisers were universally praised for being 'friendly', 'helpful' and 'supportive' of aspirations to return to work. Two interviewees also praised their advisers for not being 'pushy' or 'wielding a big stick'. This absence of pressure was clearly valued by interviewees.

Feelings about claiming benefits

Most expressed a desire to get off benefits and a corresponding preference to be in work. One (looking after her grandson) did not anticipate an immediate return to work but had taken up voluntary work. Only one woman did not express any intention to return to work and saw the benefit as a legitimate way of supporting her while she looked after her children.

Financial situation

Most interviewees seemed to get by but finances were clearly tight, and some identified their 'struggle' to make ends meet. Careful budgeting was a necessary feature of their daily lives. Only those with disabled children who received DLA payments had any additional income on top of their basic entitlements.

Intentions regarding work

All but one of the interviewees were looking for work or shortly about to look for work. Jobs sought typically comprised lower-skilled, service sector work such as care work, admin or retail. One had actually found work as a temporary administrator in the Crisis Loans department in the same offices as Jobcentre Plus. Another was about to start a volunteer placement as a tenant support worker with a housing association and anticipated this would turn into paid employment. Most of those looking for work wanted to find jobs that would fit in with their children's school hours – there seemed a notable reluctance to use formal childcare to any significant degree.

Circumstances that would enable a move off benefit

Most interviewees stated that a job offer was the main prerequisite for coming off benefit. Another who had just secured a job mentioned that the availability of appropriate childcare had been an issue, but that she had now found a childminder. One woman who lacked the appropriate qualifications for the childcare or office work she was interested in felt these skills gaps needed to be addressed before she found work.

Barriers to work

The key barriers to work identified included:

- A lack of appropriate skills (and access to training)
- A lack of jobs in a tight job market.
- A reluctance to take on work that was low-paid, unattractive or had hours that would not fit around parenting
- The cost of childcare.
- Parenting responsibilities, e.g. children with disabilities
- Discrimination by employers because of length of time on benefits

Assistance with finding work

Most interviewees had attended courses that provided job search help (CV writing, applications etc) and/or some form of placement (eg with Source, Elevate, Best, WorkTrain). These courses were regarded as useful although none (as yet) had led to them finding work.

Views on benefit reform

Most had heard of the planned reforms although were often unaware of details. Two notable exceptions were interviewees who were directly affected because their youngest child was shortly to turn 12. Most did not feel the proposed reforms were particularly onerous as they were looking for work anyway. Some felt that parenting responsibilities were not necessarily incompatible with working because individuals could look for part-time work that fits around school hours. Only one interviewee felt that her parenting responsibilities should absolve her of obligations to look for employment.

5. EVIDENCE ON GOOD PRACTICE

This part of the report reviews the evidence on good practice in delivering employment and training services to IB claimants and lone parents on benefit. The evidence presented here is based on a review of published research.

Effective practice

Incapacity benefit claimants

Provision to assist IB claimants back into work needs to combine a number of different strands:

- **Preparatory sessions** that address psychological, attitudinal and behavioural issues, and are designed to restore confidence, boost self-esteem and raise awareness of how they might become more active generally (including social and volunteering activities), with the focus on overall well-being and what they are able to do rather than returning to work.
- As part of this preparatory phase, some form of **assessment of progress** and specification of next steps to be taken, with work as a major option for some, but the emphasis placed on active social involvement and voluntary work for those who are not yet at that stage, and a residual discretion that the client has done as much as could be expected.
- Assignment to a **dedicated personal adviser** (PA) with skills to establish a quick rapport and long-term trust, specific training to identify the help required and the steps involved in returning to work, along with continually refreshed knowledge of where specialist assistance and support can be found.
- Part of the PA's role should be to offer general **emotional and practical support** during job search and after job entry, and to use their skills to discuss the alternative options with the clients (rather than to prescribe them).

- Access to a **range of training opportunities**, from basic job search approaches through elementary skills (literacy and numeracy) to job-specific courses, with links to local employers wherever possible.
- An alternative route for those who are close to the labour market but lack recent work experience is to have a **range of job placements**, work trials, transitional employment opportunities and pre-recruitment courses.
- Raising awareness of **financial incentives** such as tax credits and in-work payments (e.g., Return to Work Credit) at the earliest possible stage, along with the offer of related support and advice (such as better off calculations) to ease the transition from benefits to wages.
- Assembly of appropriate aspects of this range of provision into an **individually tailored package** of measures aimed at improving the client's social and economic well being, with a return to work a central but not essential part of this.
- Recognition that not all those who return to work will be able to sustain it, and if in-work support cannot resolve the problem, then there should be a continuing PA role in easing their **return to benefits**.

Specifically with regard to engagement activity:

- **Endorsement** of preparatory or work-related activity by GPs or other medical professionals is of paramount importance for many IB customers to become involved.
- The tendency for most referrals from the health sector to be generic (workless people who may be able to return to some form of job, rather than those on specific benefits) suggests that outreach advisers should act as a '**single gateway**' to appropriate support options or pathways.
- To undertake this task effectively such advisers need to be approachable, personable and skilled in gathering relevant information from the client so that a rapid **assessment of their requirements** can be made.
- Engagement activities need to take place in **familiar surroundings**, primarily within the communities where clients live, with outreach workers as far as possible recruited from local residents with a similar background to target claimants - their role is to act as a 'buddy' or 'befriender', developing a relationship of trust and support with the client.
- It is vital that such engagement activity is **independent from mainstream provision**, and in particular has no direct connection with the benefits system.

- A key aim here is to promote **personal development** and capacity building in the first instance, helping individuals to experience a range of activities as a means of building up their confidence.
- Once making progress along these lines, participants can be actively encouraged to **tell their friends and family** of what's available.

These guidelines on IB claimants draw on:

Barnes, H. and Hudson, M. (2006) Pathways to Work – extension to some existing customers, DWP Research Report No. 323.

Centre for Local Economic Strategies (2009) Making it Work: Analysing Different Ways of Tackling Worklessness, CLES, Manchester.

Corden, A. and Nice, K. (2006) Incapacity Benefit Reforms Pilot: Findings from the second cohort in a longitudinal panel of clients, DWP Research Report No. 345.

Dorsett, R. (2008) Pathways to Work for new and repeat incapacity benefits claimants: Evaluation synthesis report, DWP Research Report No. 525

Ecotec (2007) Incapacity Benefit Related Worklessness in the North of England: A Review of Current Evidence, report to the North West Development Agency

Ecotec (2009) Final Evaluation of the Northern Way Worklessness and Employment Workstream, report for One North East, NWDA and Yorkshire Forward

NHS National Institute for Health and Clinical Excellence (2009) Managing long term sickness absence and incapacity for work, NICE Public Health Guidance No. 19, London

Nice, K., Irvine, A. and Sainsbury, R. (2009) Pathways to Work from incapacity benefits: A study of referral practices and liaison between Jobcentre Plus advisers and service providers, DWP Research Report No. 555.

Sainsbury, R., Nice, K., Nevill, C., Wood, M., Dixon, J. and Mitchell, M. (2008) The Pathways Advisory Service: Placing employment advisers in GP surgeries, DWP Research Report No. 494

Lone parents on benefit

Provision to assist lone parents on benefit back into work needs to combine a number of different strands:

- Assignment to a **dedicated personal adviser** who has received enhanced training to enable productive dialogue with lone parents, and who has wide-ranging knowledge of where appropriate assistance and support can be found for people in different circumstances or at different distances from the labour market.
- **Flexibility and discretion** in terms of the number and frequency of contacts between the claimant and the PA for different types of client.
- Raising awareness of **financial incentives** such as tax credits and in-work payments (e.g., In Work Credit, Job Grant, Working Families Tax Credit) at the earliest possible stage, along with the offer of related

support and advice (such as better off calculations and help from the Advisor Discretionary Fund) to ease the transition from benefits to wages.

- However, care should be exercised that the **basic wages** will be sufficient for the lone parent's needs once entitlement to in-work payments ends, otherwise a repeat benefit claim may result.
- Other financial assistance around **debt management**, budgeting, and managing financial responsibilities are also of great benefit in getting or keeping lone parents in work.
- Access to a range of basic as well as specific vocational **training opportunities** that are a realistic possibility (e.g., they need to offer compatible childcare provision) is essential if raised expectations are not to be dashed.
- Jobs for lone parents will ideally offer a blend of **stability and flexibility**.

These guidelines on lone parents draw on

Cebulla, A. and Flore, G. with Greenburg, D. (2008) DWP Research Report No. 484, op.cit.

Goodwin, V. (2008) DWP Research Report No. 511, op.cit.

Hosain, M. and Breen, E. (2007) New Deal Plus for Lone Parents qualitative evaluation, DWP Research Report No. 426.

Knight, G. and Kasparova, D. (2006) DWP Research Report No. 367, op.cit.

Ridge, T. and Millar, J. (2008) DWP Research Report No. 536, op.cit.

Thomas, A. (2007) Lone Parent Work Focused Interviews: Synthesis of findings, DWP Research Report No. 443.

Design and delivery issues

Contracting out mainstream welfare-to-work programmes is relatively new to the UK but experience in Australia and the Netherlands indicates that although it does bring some performance improvements, in terms of short-term job prospects and reduced costs per job entry, it is also associated with risks:

- **Fragmentation of responsibility** amongst multiple contractors can lead to a lack of co-ordination, even competition for customers, especially where funding is linked to outputs.

- **Linking funding to outputs** also encourages 'creaming' (prioritising those closest to the labour market) and 'parking' (providing the bare minimum service for those furthest away).

Other lessons include:

- Statutory rules and regulations (e.g., around 'permitted work') and limited or non-existent financial support for some options are major **constraints** in assembling locally relevant packages of provision.
- Involving employers and voluntary and community sector organisations in the design of specific welfare-to-work provision has clear benefits, and helps to secure **buy-in from a range of players** on an already crowded stage.
- New provision targeted at specific claimant groups (e.g., stock IB) should take full advantage of **existing welfare-to-work infrastructure**, particularly in the sphere of employer engagement.
- **Incentives for employer participation** are essential, especially if SMEs are to be involved - these can include wage subsidies, free trial placements and recruitment cost reductions by the provider undertaking pre-selection and running 'kite marked' preparatory training (with employer input).
- Larger employers are likely to be more responsive to appeals involving **corporate social responsibility**, meeting statutory requirements (e.g., DDA) and overcoming local recruitment difficulties.
- Additional provision that is **complementary to the mainstream** is important in addressing local concentrations of claimants, as they can be targeted more directly and linked to community-based engagement activities.
- Labour market activation work needs to be linked to **other local policy agendas** around economic development, firm relocation and expansion, inward investment, and place marketing.

More broadly, available provision should have:

- sufficient scope to meet a diverse range of needs;
- sufficient volume or capacity to meet demand;
- sufficient quality to ensure effectiveness;

- established mechanisms whereby comprehensive information on currently available provision is compiled and widely disseminated to advisers and other support workers.

These guidelines on delivery mechanisms draw on:

Centre for Local Economic Strategies (2009) op.cit.

Ecotec (2007) op.cit.

Ecotec (2009) op.cit.

Finn, D. (2008) The British 'welfare market': Lessons from contracting out welfare to work programmes in Australia and the Netherlands, Joseph Rowntree Foundation, York

Nice, K., Irvine, A. and Sainsbury, R. (2009) DWP Research Report No. 555., op.cit.

6. WHAT'S ALREADY HAPPENING IN SHEFFIELD?

This part of the report reviews some of the activities in Sheffield that already target IB claimants and/or lone parents on benefit.

Interviews were carried out with staff from a number of key local initiatives – these are reported below. The intention was not to make a comprehensive survey of *all* relevant provision in the city, which would be a significant exercise in its own right, so the information below should be regarded as indicative.

South Yorkshire Condition Management Programme

This programme is DWP funded and part of Pathways to Work, but designed and delivered by NHS in South Yorkshire.

Its aim is to increase people's understanding of their health condition and in doing so to change their perceptions of what might be possible (a non-clinical approach based on cognitive behavioural therapy). Work is presented as just one option - the primary focus is on encouraging people to become more active socially.

The programme involves 8 weekly sessions, running from 9.30am to 2pm. Sessions are held in local leisure centres or other community venues to distinguish them from NHS or Jobcentre Plus provision. Access is facilitated by payment of travel expenses and availability of childcare, plus incentives such as free leisure centre passes, sports kit, etc. Participants have free choice of where and when they join the programme - not all attend at their nearest venue.

The programme promotes self-help principles around five main themes:

- communication skills
- dealing with anxiety and mood changes
- pacing
- diet and exercise
- positive thinking

Managing group dynamics is an important part of the sessions, encouraging participants to share experiences and circumstances (to show that they're not

alone), providing welcome social contact, and to learn from and support each other. Typically groups of 10 to 12 attend the sessions - though they can be run with as few as 5 or 6.

CMP project workers come from a range of backgrounds, but mainly from the rehabilitation wing of the NHS (physiotherapists, occupational therapists, mental health specialists). The programme allows them to go further than in their traditional role, seeing people in the round rather than as a single medical or clinical issue - they find the role they are playing to be highly motivating. They are also supported by volunteers who themselves have previously completed the programme - they offer additional services such as accompanying claimants to the venue, help people overcome anxieties, act as an exemplar of what can be achieved, provide another point of contact during the course, and also assist with administrative duties.

The marketing plan to advertise and promote the CMP involves information dissemination to all organisations and people who come into contact with IB claimants through their work. However, the most valuable form of advertising is regarded as word of mouth direct to other IB claimants from people who have attended the course.

The programme has had 6,000 IB claimant referrals since it started, although not all of these have attended or completed the course. Over 2,500 participants have attended during 2008/9 (20 per cent above the contracted target) - and increasing numbers coming through are stretching the programme to full capacity.

In other words, there has been relatively little difficulty in attracting people onto the course. However, for some claimants the need to be assigned to the programme via JCP acts as a deterrent, as they interpret it as a threat to their benefit entitlement. According to the CMP Manager in South Yorkshire, this has posed some difficulties for Progress Together engagement workers - having gained the person's trust, they are then unable to capitalise on this by immediate referral to CMP. However, the 'Brighter Futures' pilot in Doncaster is reported to be trialling direct referral and could provide a model for the future.

The role of CMP is essentially preparatory and enabling, for some acting as the immediate springboard to entering training or pursuing job search, for others providing the foundations to move on to dealing with other barriers.

Bridge Employment

This is a voluntary sector agency with a long history of assisting people with mental health issues, learning disabilities and those on the autistic spectrum.

Originally it offered an integrated pathway for such clients in terms of preparation for work, job entry and post-employment support. Currently it is one of the contracted organisations under the Progress Together model, providing engagement, advice and guidance services to this client group. Once clients have received advice and guidance they are passed on to an appropriate key worker employed by another Progress Together partner.

Sharing of responsibility for clients in this way has posed some difficult challenges, especially in terms of establishing a rapport with and the trust of often very vulnerable clients (such key aspects of client engagement cannot be passed on to another agency - they have to start again from scratch).

Engagement routes are mainly twofold - via well-known presence in the disabled community, and through a network of health and social work professionals. A quarterly newsletter is sent to all those in this network - it generally results in an increase in referrals.

The relatively short contracting period means that more attention is given to those who are closer to the labour market - some clients have such high developmental needs that it is unlikely that they would complete what is required during the time available. Many clients prefer to find work through the open market, rather than being given preferential treatment by linked employers - they don't want to be seen as 'special cases'. However, for others some form of supported employment is the only realistic option (though there are few alternatives apart from Remploy, which has cut back this part of its operations in recent years).

There have been some difficulties in organisations adjusting to the dual delivery model of engagement and support - e.g., the difficulty for key workers to have all the necessary skills to deal with the full range of client groups and their diverse needs; certain referrals being refused by some partners. Other reported limitations include the increasingly heavy burden of paperwork associated with complex contracting arrangements, the risk of partners chasing the same clients, the temptation to act in a protectionist manner once they are 'signed up' with your own organisation, and (associated with this) the lack of brokerage to ensure proper case management of clients.

Working Links Learning Champions

This initiative has a small area focus on Waterthorpe Westfield, a pocket of deprivation amongst the Mosborough townships in south east Sheffield. It originally targeted IB claimants but had few referrals, so widened the net to include anyone out of work, particularly young people and lone parents.

It deploys community-based provision using locally recruited and specially trained residents who have experienced similar issues to their clients - more attractive because people mistrust official organisations.

The starting point is not talk about work or even training, but to involve people in activities they enjoy doing - crafts, beauty, card making, jewellery, sports coaching, etc. - reintroduction of learning by short courses that avoid school-style classroom approach, and involve active participation. Once confidence about learning grows, they can move on to beginners IT courses, first aid, food hygiene (things that are relevant to general living but could help in work as well).

The adviser acts as role model, engaging at a human level and with freedom for the client to drop into and out of activities as they wish - social aspects generally mean they will attend regularly, rather than not return. The scheme provides a progression route to more formal training; employability and work is there in the background, but clients take each step once they are ready to do so (a non-threatening approach).

Paperwork is simplified in the early stages, and other aspects of project administration are introduced gradually over time. There is a wide range of engagement mechanisms - flyers in schools, items in school newsletters, casual conversation by the shops or in the street, encouragement of existing clients to spread by word of mouth (vital in a closed community like this).

The adviser team is made up of different personalities, different ages and backgrounds – they generate and share different ideas and options for clients (all female at present – but would welcome a male equivalent on the team).

Attendance at courses helps to increase people's social support networks, especially for long-term IB claimants who have become stuck in a rut and seldom go out of the house.

Scoop Aid

This was originally a support organisation for the Sheffield Committee of One Parent Families, which has been in existence for 30 years.

Its sole focus is on lone parents. It provides advice on welfare rights, does tribunal work on benefit appeals, carries out better off calculations, offers specialised child support information and advice, undertakes advocacy and policy development, and runs a range of personal development, confidence building, employability and counselling courses.

The support team do home visits to identify and address barriers - these mainly revolve around low aspirations and expectations, and thus require a lot of social support, not just information, advice and guidance on employment options.

Under the Progress Together model, Scoop Aid is running a community outreach project that covers various parts of the city, including Gleadless,

Handsworth, Mosborough and Stocksbridge - generally areas with high numbers of lone parents but not subject to other regeneration schemes. The project started by building up a network of people who have contact with lone parents (health visitors, GPs, primary school teachers, etc.), plus issuing flyers and leaflets at surgeries, community events and the like. This has resulted in referrals coming through. These are then subject to a home visit and if appropriate they are case-loaded into the system. However, as yet not many have been passed on to the key workers for more focused job search support - most have just wanted information about Scoop Aid's other services, or have need help with a specific issue.

The engagement/key worker split in the Progress Together model is reported as detracting from the holistic approach that has been advocated - it has not worked that well for typical Scoop Aid clients - once they have found someone to trust they don't like the idea of being passed on to someone else.

Other projects

Shaw Trust and *A4E* provide tailored support packages lasting up to 13 weeks for claimants who enrol on New Deal for Disabled People.

A4E also runs *Elevate*, a 12 week scheme aimed at restoring lone parents' confidence and rebuilding their motivation, including 5 to 6 weeks work experience placements.

Just rolling out at present in Sheffield, after trials in Doncaster and Newham, is another remedial scheme for IB claimants, under the *Improving Access to Psychological Therapies Programme*, a national (England) NHS initiative to support PCTs in implementing NICE guidelines for people suffering from depression and anxiety disorders, with a particular focus on working age adults. At present, only a quarter of the 6 million people in the UK with these conditions are in treatment.