

# Pathways to Work: programme engagement and work patterns

Findings from follow-up surveys of new and repeat and existing incapacity benefits customers in the Jobcentre Plus pilot and expansion areas

by Elizabeth Becker, Oliver Hayllar and Martin Wood

**Department for Work and Pensions**

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expansion areas**

**Elizabeth Becker, Oliver Hayllar and Martin Wood**

A report of research carried out by National Centre for Social Research (NatCen)  
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# Abbreviations

ADF	Adviser Discretionary Fund
CMP	Condition Management Programme
IB	Incapacity Benefits
IBPA	Incapacity Benefit Personal Adviser
MHCs	Mental Health Conditions
NDDP	New Deal for Disabled People
PCA	Personal Capability Assessment
RTWC	Return to Work Credit
WFI	Work Focused Interview



# Glossary

<b>Adviser Discretionary Fund</b>	A payment organised by the Jobcentre Plus Incapacity Benefit Personal Adviser (IBPA) at their discretion to help customers with preparation for work.
<b>Choices package</b>	The group of voluntary services offered as part of Pathways to Work.
<b>Incapacity Benefits</b>	Used in this report to refer to Incapacity Benefit and Income Support with a Disability Premium.
<b>Incapacity Benefit Personal Adviser</b>	Operate the WFI sequence at Jobcentre Plus.
<b>New Deal for Disabled People</b>	Job broker services provided as part of the Choices package (see Chapter 1).
<b>Pathways to Work</b>	Name of the employment programme for Incapacity Benefits customers.
<b>Permitted Work</b>	Work of up to 16 hours where benefit payments are maintained.
<b>Return to Work Credit</b>	This is a tax free payment of £40 per week which customers may receive for up to 52 weeks while working.
<b>Work Focused Interview</b>	Carried out with customers at Jobcentre Plus by IBPAs.
<b>Working Tax Credit</b>	A boost to low earnings that is designed to make moving into work more attractive and affordable.



# Summary

## Background

Originally introduced in pilot areas in October 2003, the Pathways to Work programme aims to assist incapacity benefits claimants into, and towards, paid work. The mandatory programme was initially focused on those making a new or repeat claim for incapacity benefits, but in February 2005 it was extended to cover customers in the pilot areas who had already been claiming incapacity benefits for between one and three years. Following its introduction in pilot areas, the programme was rolled out to new and repeat customers in a set of 'expansion' areas in three phases from October 2005.

This report uses data from surveys of new and existing Pathways to Work customers in the original Jobcentre Plus pilot areas and in the Jobcentre Plus expansion areas. Earlier reports were based on an initial interview around a year after customers started on the programme<sup>1</sup>. This report is based on a further interview that was carried out with these customers a year later – around two years since their start on the programme. It aimed to address questions about further participation in Pathways services and uses a five-year work and activity history to explore patterns of working.

## The longer-term health of Pathways customers

The limiting effect of health conditions was still prevalent among customers two years after their start on Pathways, particularly among existing customers. Three-quarters of new or repeat customers had a limiting health condition at this time, as did 95 per cent of existing customers. Musculo-skeletal and mental health conditions were the most common categories of main conditions, with each affecting about a third of customers who had a condition of some type.

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<sup>1</sup> See Bailey *et al.* (2007) and Hayllar *et al.* (2010).

For many, the impact was significant. The day-to-day activities of more than half of existing customers (57 per cent) were affected 'a great deal' by their health condition, as were a third (32 per cent) of new or repeat customers. Two-fifths of new and repeat customers were still dealing with conditions that affected them a little, while a quarter had no condition or one with that did not affect their activities.

## Long-term Pathways engagement

A substantial proportion of mandated customers participated in Pathways. Over the two years between being called onto Pathways to Work and the second survey interview, 85 per cent of new or repeat customers and 86 per cent of existing customers had attended one or more Work Focused Interview (WFIs). Among new and repeat customers, 45 per cent attended three or more meetings (15 per cent attended six or more) as did 52 per cent of existing customers.

Although most of the contact was in the first year of the programme, a substantial minority of customers were still meeting staff in the second year. Thirty per cent of new and repeat customers and 23 per cent of existing customers recalled work focused meetings at Jobcentre Plus in the second year after their start on Pathways. In most cases, meetings in the second year followed meetings in the first, but five per cent of new and repeat customers met with Incapacity Benefit Personal Adviser (IBPAs) for the first time in the second year after their claim for benefits. Those who were looking for work at the start of the second year were the more likely to have these meetings, as were those whose health was 'medium improving'.

In addition to contact with Jobcentre Plus, customers were still starting to participate in voluntary Choices services in the second year after their start on Pathways, but the proportion of customers was smaller. Among new and repeat customers, participation in New Deal for Disabled People (NDDP) was two-fifths of the level in the first year (38 per cent) and Condition Management Programme (CMP) was at half the level (51 per cent). Most of the participants starting in the second year were taking up services for the first time.

Assessments of the helpfulness of meetings among new and repeat customers in the second year were largely positive, with 31 per cent saying they had helped 'a lot' with thinking about work and a further 39 per cent 'a little'. Views were polarised, but two years after their start on Pathways to Work, nearly half of customers (46 per cent) disagreed with a statement that it was unfair to ask those on incapacity benefits to attend meetings at Jobcentre Plus, compared to a third (32 per cent) who agreed. Those who disagreed with a statement that incapacity benefit customers should do all they can to find work were more likely to say that work was not an option for them personally.

## Understanding work patterns before and after a claim for incapacity benefits

A work history was established in the second survey interview that allows us to see the pattern of work three years before a claim for incapacity benefits and 20 months after it (in the case of new and repeat customers). From a high of 55 per cent in paid work three years before a claim (which was somewhat below the national employment rate of 74 per cent at that time), there was a gradual fall out of work, accelerating in the six months leading up to the claim. During the post claim period there was a steady rise in the proportion of customers in paid work for 12 months. The proportion in work began to level off towards the 20 month mark, and peaked at 35 per cent in employment – well below the higher proportion three years prior to the claim.

A segmentation of patterns of work in the 36 months prior to the claim for incapacity benefits and in the subsequent 20 months following the claim (and starting on Pathways) revealed five higher level categories. Among new and repeat customers:

- 1 five per cent of all claimants were always in work;
- 2 twenty-nine per cent did not work at all in the five year period;
- 3 sixteen per cent had a similar pattern of work before and after their claim for incapacity benefits: 11 per cent fell out of steady work, claimed incapacity benefits, and subsequently moved back into steady work; five per cent had unstable periods of work before and after their claim;
- 4 ten per cent moved into work following a claim having had sporadic, short or no periods of work before the claim;
- 5 a third fell out of work, claimed incapacity benefits, and subsequently did not move back into work or moved into a less stable pattern of work.

A work history was also collected from existing customers. The group included in the first extension of Pathways to Work had been claiming incapacity benefits for between one and three years at the point of being called onto the programme and were not in paid work. A very small proportion of existing customers were in work following the start of the programme (two per cent), and the proportion moving into work steadily increased to the end of the period to stand at 11 per cent, which is less than the third who were in work five years previously.

## Sustaining work following a claim for incapacity benefits

On a strict definition of unsustained work (work ending within six months and being followed by a period of unemployment), 14 per cent of customers who found work experienced unsustained work. Comparative analysis with work that was sustained found that customers in non-professional or without managerial/

supervisory responsibilities were more likely to have a period of unsustained work following a claim, as were those on temporary contracts.

In addition, those with a chronic or systemic physical disability had a greatly increased chance of not sustaining their work following a claim, as had those with a musculo-skeletal physical disability or a mental health condition, albeit to a lesser magnitude. Improving health since a claim was associated with improved work retention.

## Longer-term work-related outcomes for Pathways customers

Overall, a third of new and repeat customers (34 per cent) were in paid work two years after their start on Pathways to Work. A further 17 per cent were actively seeking work but half of all customers (49 per cent) were not looking for work.

Existing customers were much less likely to be in paid work or looking for work than new and repeat customers. Around a tenth (11 per cent) were in paid work at the time of the wave two interview, with three-quarters not actively seeking work. Just over two-fifths of existing customers (43 per cent) did not expect to work again in the future and around a further fifth (19 per cent) did not know when they would work again.

The majority of new and repeat customers in work had full time jobs, with 59 per cent working 30 hours or more each week. Around a third (34 per cent) of existing customers worked this number of hours, whilst 29 per cent were doing only limited work each week (one to 15 hours per week). Almost half (49 per cent) of new and repeat customers were either very satisfied or satisfied with their pay. Existing customers were more likely to state that they were dissatisfied or very dissatisfied with the amount of pay they received (35 per cent).

Factors found in multivariate analysis to be important for new and repeat customers being in work at two years included:

- Those with a 'high improving' health trajectory were the most likely to be in paid work (correspondingly, those in the 'low declining' group were the least likely);
- The pre-claim work history of customers was important. Those who had had steady work before their claim for benefit had higher odds of being in paid work at two years than others;
- Those living in the most deprived quintile of areas were less likely to be in paid work than those in other areas;
- Those aged 30 to 54 were more likely to be in paid work than customers in other age groups;

## Conclusions

Pathways to Work reached a substantial proportion of mandated customers among both the new and repeat and existing customer populations, and delivered services widely viewed by customers to be worthwhile. The provision of WFIs, NDDP and CMP continued at a significant level into the second year of customers' involvement.

In most cases, customers' assessments of the helpfulness of meetings at this later stage were positive. Assessments were most positive among those who acknowledged they had a need for work-related assistance and who regarded work to be a possibility in relation to their health.

Work history data showed a steady rise back into work over the 12 months following a claim, but this levelled off towards the end of the observed 20 month period, and is unlikely to climb back to pre-claim levels (at least in the short or medium term). However, this overall pattern of a sharp fall out of employment and a steady rise back into work hides a more varied experience for individuals. Pathways to Work's recognition of these varied journeys and targeting of varied services would seem the correct response.

Job retention among Pathways customers is clearly vital to the long-term success of the programme and for individuals themselves. Customers who found non-professional, low-ranking (in terms of managerial or supervisor responsibility), or temporary employment were more likely to have a period of unsustained work. In-work support might be targeted at these groups in particular.

A third of new and repeat customers were in paid work two years after their start on Pathways to Work. A further fifth were actively seeking work, but half were not looking for work. Existing customers were much less likely to be in paid work or looking for work (24 per cent) than new and repeat customers (51 per cent). Three-quarters were not actively seeking work, many of whom did not expect to work again. This large group of existing customers remains a considerable challenge for the Pathways to Work programme.

As with analysis of earlier periods, the overwhelmingly important factor for whether or not customers were in work was their perception of the state of their health. Those whose trajectory of health had been good or improving were far more likely to be in paid work, and it was health problems that were most frequently cited by customers themselves as a barrier to moving into employment.



# 1 Introduction

## 1.1 Pathways to Work – the Jobcentre Plus model

Originally introduced in pilot areas in October 2003, the Pathways to Work programme aims to assist incapacity benefits claimants into, and towards, paid work. The programme introduced mandatory Work Focused Interviews (WFI) with specialist Incapacity Benefit Personal Advisors (IBPA) and offers a range of services focusing on work and health, including the innovative Condition Management Programme (CMP).

The mandatory programme was initially focused on those making a new or repeat claim for incapacity benefits, but in February 2005 it was extended to cover customers who had already been claiming incapacity benefits for between one and three years.

Following its introduction in pilot areas, the programme was rolled out to new and repeat customers in 'expansion' areas in three phases from October 2005 to October 2006. The expansion areas were, broadly speaking, more disadvantaged areas and included local authority areas with greater concentrations of incapacity benefit claimants. However, a similar model of Pathways to Work was implemented, with Jobcentre Plus as the hub of delivery.

Subsequently, in December 2007 and April 2008, a 'Provider Led' model of Pathways to Work was rolled out across the remainder of the country which replaced Jobcentre Plus as the main provider of WFIs and other services within those areas. This was not in operation at the time that the samples of pilot and expansion areas customers were on the Pathways programme. The period for the survey also predates the changes implemented as part of the introduction of the Employment and Support Allowance in 2008. Separate evaluations are planned that will cover these developments.

More details about the Pathways to Work programme and the evaluation can be found in the Appendices A and B, respectively.

## 1.2 A follow-up survey of Pathways customers

The Pathways to Work programme has been the subject of comprehensive evaluation in each of the phases of its national roll-out. Impact and cost-benefit assessments have been supported by substantial qualitative work.<sup>2</sup> In addition, a number of surveys of customers have been carried out, both to provide data for impact assessments and to describe customers' experience of the programme and their health and work situations since their claim. This report uses data from surveys of new and existing Pathways to Work customers in the original pilot areas and in those areas to which the Jobcentre Plus model of the programme was expanded. Earlier reports were based on an initial interview around a year after customers started on the programme (this being the point of claim for incapacity benefits for new and repeat customers and around one to three years after the original claim for existing customers).<sup>3</sup> A further interview was carried out with these customers a year later – around two years since their start on the programme. This included questions about further participation in Pathways services and also a work and activity history covering the previous five years.

Earlier reports based on the first interview described in detail the background and health characteristics of customers and the nature of their participation in the programme. This report aims to update the picture of engagement with Pathways and to look at the outcomes for customers in terms of work and readiness for work in the longer term. In particular, it makes use of the five year work history that was collected to describe the pattern of work before and after the start on Pathways and identify distinct trajectories for different groups of customers. This data has also been used to assess the circumstances under which work outcomes are sustained or not sustained for this population.

### 1.2.1 The samples

The data in this report relates to samples of customers in the original seven pilot areas and the first phase expansion areas. The pilot areas were Bridgend, Gateshead, Somerset, East Lancashire, Essex, Derbyshire and Renfrewshire, Inverclyde, Argyll and Bute. The phase one expansion areas were Glasgow, West Lancashire, Tees Valley and Cumbria. Although phase two expansion areas were included in the first round of interviews, they were not followed up in a second interview<sup>4</sup>.

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<sup>2</sup> Reports published by DWP on the subject since 2004 can be found at: [http://research.dwp.gov.uk/asd/asd5/report\\_subjects/subjects.asp#peopleDisabled](http://research.dwp.gov.uk/asd/asd5/report_subjects/subjects.asp#peopleDisabled)

<sup>3</sup> See Bailey *et al.* (2007), Hales *et al.* (2008), Sejersen *et al.* (2009) and Hayllar *et al.* (2010).

<sup>4</sup> Part of the intended use of the second interview data had been to assess the impact of the voluntary Choices package of services. However, this was not pursued due to the technical challenges it presented and second interviews with phase two expansion customers did not go ahead. A discussion of the issues with this analysis are presented in Adam *et al.* (2009).

The surveys included separate cohorts of new claimants and existing customers who had been claiming incapacity benefits for between one and three years before being called onto the Pathways programme. Throughout the report, findings are presented for both groups where the data allow.

The samples of customers have been weighted to reflect the actual profile of Pathways customers during the periods from which they were taken. Where new and repeat customers from pilot and expansion areas are analysed as a single group, the two samples have been weighted to the relative size of the populations they represent. Existing customers were only called onto Pathways in the pilot areas. The analysis in this report can therefore be said to be representative of new and repeat customers in the pilot and phase one expansion areas (the shorthand used in this report for this population's 'new and repeat customers'), and separately of existing customers claiming for one to three years before their start on Pathways (referred to as 'existing customers' here).

### **1.2.2 Timing of the survey interviews**

Face-to-face survey interviews were carried out in customers' homes at two points. The first interview was intended to be at a point where the majority of Pathways participation would have been completed, but where recall of this experience would be relatively good. On average, the first survey interview was 14 months after the qualifying claim for benefits (for new and repeat customers) or 13 months after participation in the programme began (for existing customers).

The second survey interview (referred to as the wave two interview in this report) was intended to describe longer-term outcomes. For new and repeat customers it came, on average, 25 months after the qualifying claim. For existing customers it came 24 months after they were called onto the Pathways programme. This provided an average gap between survey interviews of 12 months. Second interviews with those in the pilot areas were conducted in early 2007 and in expansion phase one areas in early 2008. Existing customers were called onto the programme over the course of 18 months, and the second interview fieldwork period for that cohort was in mid-2008.

## **1.3 Report structure**

Chapter 2 Notes: the background characteristics of the Pathways population described in the reports relating to the first interview. The health status of customers at the second interview is explored.

Chapter 3 completes the picture of Pathways to Work engagement, looking at participation in WFIs at Jobcentre Plus in the second year after a Pathways start, and take up of Choices services.

Chapter 4 employs the work history data to describe the pattern of employment of Pathways customers before and after the claim for incapacity benefits. It identifies distinct trajectories for different groups.

Chapter 5 looks at the specific issue of sustained work for this population, clearly a crucial issue for the success of a programme such as Pathways to Work. It explores possible explanations for work being sustained by comparing the personal characteristics, local area, Pathways involvement and the nature of the job for those whose work was and was not sustained.

Chapter 6 describes the work outcomes for customers in detail two years after their start on Pathways. It also looks at the situation of those who were not in work at the second interview and considers possible explanations for these different outcomes.

Chapter 7 provides the conclusion to the report.

## 2 The longer-term health of Pathways customers

### 2.1 Summary

- A quarter of new or repeat customers no longer had a limiting health condition by the time of the second wave interview around two years after their start on Pathways. This was the case for only five per cent of existing customers.
- Existing customers were also more likely to be affected by their conditions 'a great deal'. More than half (57 per cent) were affected a great deal by their health condition compared with a third (32 per cent) of new or repeat customers at two years.
- The trajectory of existing customers' health also tended to be worse than with new or repeat customers in the two years following their start on Pathways. In the course of the second year after the start, 57 per cent of existing customers had 'low declining' health, as did 34 per cent of new or repeat customers. Only around a tenth (eight per cent) had a 'high improving' situation, whereas this was the case for 28 per cent of new or repeat customers.
- Musculo-skeletal and mental health conditions were the most common categories of main conditions, with each affecting about a third of customers who had a condition of some type.

### 2.2 Background characteristics of new and existing customers

Earlier Pathways evaluation reports have described the background characteristics of its customers.<sup>5</sup> They could be summarised as diverse, but to pick out some detail:

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<sup>5</sup> See Bailey *et al.* (2007), Hales *et al.* (2008), and Hayllar *et al.* (2010).

- new and repeat customers were spread across the age groups, but there was a relatively high concentration of older customers in the population, with a fifth aged 55 to 60 years;
- overall, existing customers were an older population, with 70 per cent aged 40 or over and only 13 per cent aged 18 to 29;
- among both new and existing groups, there was a greater proportion of men than women;
- a quarter of new or repeat customers lived with a partner and children and a tenth lived with children but no partner. A quarter lived alone, slightly lower than the level for the older existing customer group (30 per cent);
- forty-three per cent of existing customers lived in rented social housing, slightly higher than the 35 per cent of new or repeat customers.
- around two-fifths of both new or repeat and existing customers lived in the most deprived quintile of areas, with less than a tenth living in the least deprived quintile;
- around a quarter of both new or repeat and existing customers held the equivalent of an NVQ Level 3 or above. Thirty-nine per cent of existing customers had no academic or vocational qualifications – slightly higher than the level for new or repeat customers (31 per cent).

## 2.3 Health and disability

Health and disability is a key defining characteristic of the incapacity benefits customer population and it is one of the main focuses of the Pathways to Work programme. Table 2.1 displays self-reported measures of the severity of customers' health conditions and disabilities at the time of the wave two interview.

### 2.3.1 The general health situation of new and repeat customers

Two years (on average) after their claim for incapacity benefits, just over three-quarters (76 per cent) of new or repeat customers reported having a limiting health condition or disability. Almost a third (32 per cent) stated that their health condition affected their everyday activities 'a great deal'. A third described their health as 'good' or 'very good', a third as 'fair' and a third as 'bad' or 'very bad'.

In addition to the state of health at a particular point, a further dimension of people's health is its improvement or deterioration over time. Sixteen per cent of new or repeat customers mentioned that their health had improved in the previous year, whereas a quarter (25 per cent) said their health had been getting worse. For over a third (36 per cent) their conditions remained stable, while it was changeable for around a quarter (23 per cent).

### 2.3.2 The general health situation of existing customers

Existing customers were more likely than new or repeat customers to suffer from a health condition at the wave two interview (95 per cent), and they were also more likely to be affected by their conditions 'a great deal'. More than half of customers (57 per cent) were affected a great deal by their health condition, and only seven per cent said they had no condition or one with little effect.

Only ten per cent of existing customers assessed their health as either very good or good, compared to almost a third (32 per cent) of new and repeat customers. More than half (59 per cent) assessed their health as bad or very bad. Around a tenth (eight per cent) of existing customers stated that their health had improved in the last year, with more than a third stating that it had worsened (36 per cent).

**Table 2.1 Self-reported health at the time of the wave two survey interview**

	<i>Column %</i>	
	<b>New and repeat customers %</b>	<b>Existing customers %</b>
<b>Health condition at wave two interview</b>		
Current health conditions or disability	76	95
No current health condition or disability	24	5
<b>Limitation on everyday activities of current health condition/disability</b>		
Limited a great deal	32	57
Some effect	42	36
No condition/no effect	26	7
<b>Self-current health (in general)</b>		
Very good	10	2
Good	22	8
Fair	34	32
Bad	24	39
Very bad	10	19
<b>Change in general health since wave one interview</b>		
Been getting better	16	8
Been getting worse	25	36
Stayed about the same	36	27
Been changeable	23	29
<i>Weighted n (minimum)</i>	<i>2,685</i>	<i>1,526</i>
<i>Unweighted n (minimum)</i>	<i>2,681</i>	<i>1,532</i>

Notes:

1. Base: all customers.
2. Minimum bases presented .

## 2.4 Health and disability: type of main condition

Conditions and disabilities that customers reported were classified into the following categories (listed here with examples of the conditions they represent):

- **musculo-skeletal** (arthritis, back problems, physical injuries);
- **mental health** (depression, anxiety attacks, schizophrenia, alcoholism, drug addiction);
- **chronic/systemic** (angina, asthma and other chest conditions, cancer and other progressive conditions, Crohn’s and other bowel or digestive conditions, heart conditions, skin conditions);
- **sensory impairment** (sight, hearing problems);
- **learning difficulties**;
- **other condition or disability** (Asperger syndrome, speech problems, obesity).

At the wave two interview, the most common main health conditions among new and repeat customers were musculo-skeletal (24 per cent) and mental health conditions (24 per cent) (Table 2.2). A further 24 per cent reported that they had no health condition.

A greater proportion of existing customers were suffering from musculo-skeletal (32 per cent) and mental health conditions (28 per cent) than new and repeat customers.

**Table 2.2 Types of (main) health conditions and disabilities at the wave two survey interview**

	<i>Column %</i>	
	<b>New and repeat customers</b>	<b>Existing customers</b>
	<b>%</b>	<b>%</b>
Musculo-skeletal	24	32
Mental health	24	28
Chronic/systemic	16	19
Sensory impairment	2	1
Learning difficulties	1	1
Other health condition or disability	10	18
None	24	5
<i>Weighted n</i>	<i>2,681</i>	<i>1,534</i>
<i>Unweighted n</i>	<i>2,682</i>	<i>1,535</i>

Notes:

1. Base: all customers.
2. Some conditions in more than one category.
3. Minimum bases presented.

## 2.5 The health trajectory of customers

A measure of 'health trajectory' was derived from a combination of customers' assessment of their health at the time of the wave two survey interview (from 'very good' to 'very poor') and their assessment of changes in their health since the wave one interview. In broad terms, this provides a measure of the trajectory of customers' general health in the last year.

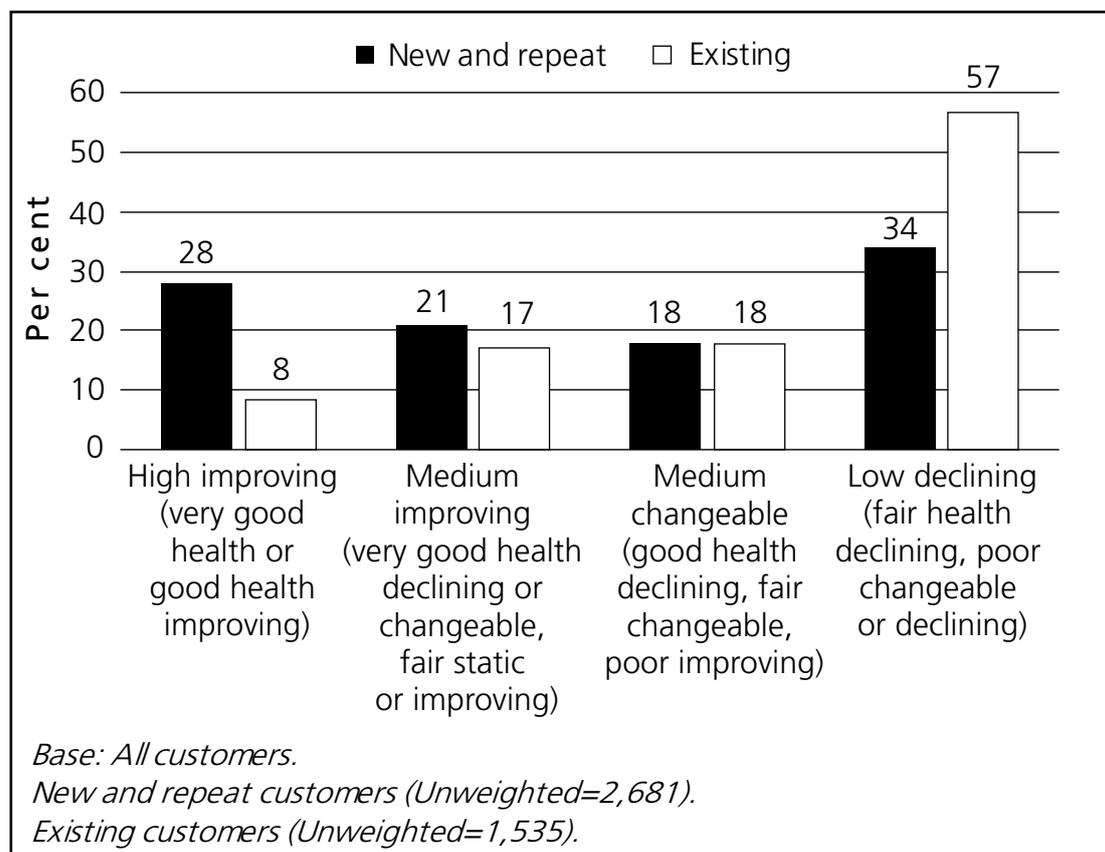
There are four categories in the scale:

- 1 **High improving** (very good health or good health improving).
- 2 **Medium improving** (very good health declining or changeable, fair static or improving).
- 3 **Medium changeable** (good health declining, fair changeable, poor improving).
- 4 **Low declining** (fair health declining, poor changeable or declining).

There was a broad spread of health trajectories for customers around the time of the wave one interview (Figure 2.1). Around a third (34 per cent) of new and repeat customers had health that was 'low declining', while at the other end of the scale, over a quarter (28 per cent) had health that was 'high improving'. Existing customers' health trajectories were considerably worse. Fifty-seven per cent had low declining trajectories and only around a tenth (eight per cent) had an improving situation.

For new or repeat customers, in addition to the later period, the trajectory of customers' health was also derived to cover the year from the claim for incapacity benefits to the wave one interview. This provides a view of the change in health over the two years (roughly) since the start of the claim. Table 2.3 compares the health trajectory for the first year after their claim with their trajectory during the second year for new and repeat customers.

**Figure 2.1 The trajectory of general health since the wave one interview**



Most customers continued on their trajectory throughout the period. Just over two-thirds of customers (67 per cent) who had been in the ‘high improving’ trajectory during the first year were in that same category during the second year. A fifth of the group (20 per cent) had slipped into a ‘medium improving’ trajectory, with just over a tenth (13 per cent) in the ‘medium changeable’ and ‘low declining’ categories.

This level of movement between categories of trajectories was reflected at the other end of the scale. Almost two-thirds of customers (65 per cent) in the ‘low declining’ group in the first year after the claim were in the same category in the second. Only four per cent had moved into the ‘high improving’ category.

Perhaps as might be expected, there was a greater movement between categories in the middle of the scale. While almost a third (31 per cent) of the ‘medium improving’ category remained in that category in the second year, almost a further third (31 per cent) moved into the ‘high improving’ category. For two-fifths their health trajectory had worsened.

For those in the ‘medium changeable’ category in the first year, only 23 per cent remained in that category, with 44 per cent seeing their trajectory improve and 32 per cent seeing it decline.

**Table 2.3 Health trajectory in second year after benefit claim (wave one to wave two interview) compared with trajectory in first year (start of claim to wave one interview) – new or repeat customers**

	<i>Column %</i>			
	<b>Health trajectory between claim and wave one interview</b>			
	<b>High improving (very good health or good health improving)</b>	<b>Medium improving (very good health declining or changeable, fair static or improving)</b>	<b>Medium changeable (good health declining, fair changeable, poor improving)</b>	<b>Low declining (fair health declining, poor changeable or declining)</b>
<b>Health trajectory between wave one and wave two interviews</b>				
High improving (very good health or good health improving)	67	31	14	4
Medium improving (very good health declining or changeable, fair static or improving)	20	31	30	11
Medium changeable (good health declining, fair changeable, poor improving)	10	17	23	20
Low declining (fair health declining, poor changeable or declining)	3	22	32	65
<i>Wtd n</i>	685	593	493	908
<i>Unwtd n</i>	590	594	564	924

Notes:

1. Base: all new and repeat customers.

For existing customers (Table 2.4), there was also limited movement between health trajectories, though also some evidence of declining health. Almost three-quarters of customers (74 per cent), who had been in the 'low declining' trajectory were in that same category during the second year.

Only around half (53 per cent) of those who had been in the 'high improving' trajectory during the first year were in that same category during the second year, with 47 per cent of these customers having a worsening health trajectory.

**Table 2.4 Health trajectory in second year after start on Pathways (wave one to wave two interview) compared with trajectory in first year (start on Pathways to wave one interview) – existing customers**

	<i>Column %</i>			
	Health trajectory between start on Pathways and wave one interview			
	High improving (very good health or good health improving)	Medium improving (very good health declining or changeable, fair static or improving)	Medium changeable (good health declining, fair changeable, poor improving)	Low declining (fair health declining, poor changeable or declining)
Health trajectory between wave one and wave two interviews				
High improving (very good health or good health improving)	53	15	4	2
Medium improving (very good health declining or changeable, fair static or improving)	26	33	23	9
Medium changeable (good health declining, fair changeable, poor improving)	11	23	26	15
Low declining (fair health declining, poor changeable or declining)	9	28	47	74
<i>Weighted n (minimum)</i>	<i>106</i>	<i>256</i>	<i>277</i>	<i>874</i>
<i>Unweighted n (minimum)</i>	<i>150</i>	<i>277</i>	<i>319</i>	<i>776</i>

Notes:

1. Base: all existing customers.

A factor that was strongly associated with health trajectory was that of age (Table 2.5). As we might expect, those new or repeat customers aged 55 and over were considerably more likely to be on a 'low declining' trajectory than those in the younger age groups (42 per cent compared to 24 per cent of those aged 18 to 29).

**Table 2.5 Health trajectory in second year (wave one to wave two interview) by age groups – new or repeat customers**

	<i>Column %</i>				
	<b>Age group (wave one)</b>				
	<b>18 to 29</b>	<b>30 to 39</b>	<b>40 to 49</b>	<b>50 to 54</b>	<b>55 and over</b>
<b>Health trajectory between wave one and wave two interviews</b>					
High improving (very good health or good health improving)	42	26	30	17	18
Medium improving (very good health declining or changeable, fair static or improving)	22	22	20	19	21
Medium changeable (good health declining, fair changeable, poor improving)	11	20	16	26	19
Low declining (fair health declining, poor changeable or declining)	24	32	33	38	42
<i>Wtd n</i>	552	532	719	333	551
<i>Unwtd n</i>	422	537	802	422	498

Notes:

1. Base: all new and repeat customers.

## 2.6 Conclusions

Challenging health conditions remained common for Pathways customers over the long term. For three-quarters of those making a new or repeat claim for incapacity benefits (and starting on Pathways), limiting health conditions remained a feature of their lives two years later. Among existing customers who had been claiming for between one and three years when they started on Pathways, only five per cent were no longer affected two years later. In a third of cases, new and repeat customers were affected 'a great deal' by their conditions, and this was the case for over half of existing customers.

Most customers continued on their health trajectory throughout the two-year period. Two-thirds of new and repeat customers whose health had been 'high improving' during the first year were still in that same category during the second year. At the other end of the scale, two-thirds of customers with 'low declining' health in the first year after the claim were in the same category in the second and only four per cent had moved into the 'high improving' category. There was a similar pattern for existing customers, although there was even less movement here. Almost three-quarters (74 per cent) of those whose health was 'low-declining' – the largest category among existing customers – during the first year were still in that category during the second.



## 3 Long-term Pathways to Work engagement

### 3.1 Summary

- Over the two years between being called onto Pathways to Work and the second survey interview, 85 per cent of new or repeat customers and 86 per cent of existing customers attended one or more WFIs.
- Among new and repeat customers, 45 per cent attended three or more meetings (15 per cent attended six or more) as did 52 per cent of existing customers.
- Thirty per cent of new and repeat customers and 23 per cent of existing customers recalled attending work focused meetings at Jobcentre Plus in the second year after their claim for benefit (or start on Pathways).
- In most cases, meetings in the second year followed meetings in the first, but five per cent of new and repeat customers met with Incapacity Benefit Personal Adviser (IBPAs) for the first time in the second year after their claim for benefits. Those who were looking for work at the start of the second year were the more likely to have these meetings, as were those whose health was 'medium improving'. Assessments of the helpfulness of meetings in the second year were largely positive, with 31 per cent saying they had helped 'a lot' with thinking about work and a further 39 per cent 'a little'.
- Among new and repeat customers who were working 16 or more hours a week at the time of the second survey interview, 22 per cent had received the Return to Work Credit (RTWC) at some point for that particular job (and 27 per cent in total received the RTWC at some point since their claim). Receipt of RTWC amongst existing customers who were working 16 or more hours a week at the time of the second survey interview was much higher at 66 per cent.

Continued

- Views were polarised, but two years after their start on Pathways to Work, most customers disagreed with a statement that it was unfair to ask those on incapacity benefits to attend meetings at Jobcentre Plus. Those who disagreed with a statement that incapacity benefit customers should do all they can to find work were more likely to say that work was not an option for them personally.
- Customers were still commencing voluntary Choices services in the second year after their start on Pathways. Among new and repeat customers, participation in New Deal for Disabled People (NDDP) was two-fifths of the level in the first year and Condition Management Programme (CMP) was at half the level. Those who had already participated in services in the first year were more likely than others to be taking them up in the second, but most of the participants starting in the second year were taking up services for the first time.
- In total, over the two years (on average) since their start on Pathways, 13 per cent of new and repeat customers took up NDDP and five per cent took up CMP. Among existing customers, 11 per cent took up NDDP and nine per cent took up CMP.

### 3.2 Work Focused Interviews

Jobcentre Plus is the starting point for all customers involved in Pathways to Work. The mandatory sequence of Work Focused Interviews (WFIs) with specialist IBPAs forms the core of the programme. Until October 2008 it was mandatory for new or repeat claimants of incapacity benefits in the pilot and expansion areas to attend an initial screening WFI as part of the Pathways to Work programme. Those screened into the programme were required to attend a series of five further WFIs.

For existing customers, it was also mandatory for those who were not 'Personal Capability Assessment (PCA) exempt' to participate in Pathways to Work by attending three mandatory WFIs at four-week intervals. A difference in the programme's operation between the customer groups is that the screening tool was not applied in the case of existing customers.

Non-attendance at WFIs could lead to a sanction being applied of a reduction in benefits, although IBPAs were able to waive<sup>6</sup> or defer meetings at their discretion (for instance on grounds of ill-health).

An important element of the survey interviews and this evaluation was to assess how the WFI process worked in practice. This chapter examines the level of attendance of WFIs and the relationships between customers' characteristics and WFI attendance. In particular, it focuses on the extent of longer-term attendance

<sup>6</sup> The capacity for IBPAs to waiver WFIs was removed from October 2008, following the introduction of Employment and Support Allowance (ESA).

at WFIs between the first and second survey interviews (broadly, in the second year after customers' start on Pathways).

### **3.2.1 Extent of attendance at WFIs two years after start on Pathways**

New and repeat customers were asked at the wave one interview whether they recalled one or more meetings with someone at Jobcentre Plus since their claim for benefit and whether this was with an IBPA (or might have been). Existing customers were asked whether they had had face-to-face meetings at Jobcentre Plus with an IBPA (or someone who may have been an IBPA) since a date that administrative records suggested they were called onto Pathways to Work.

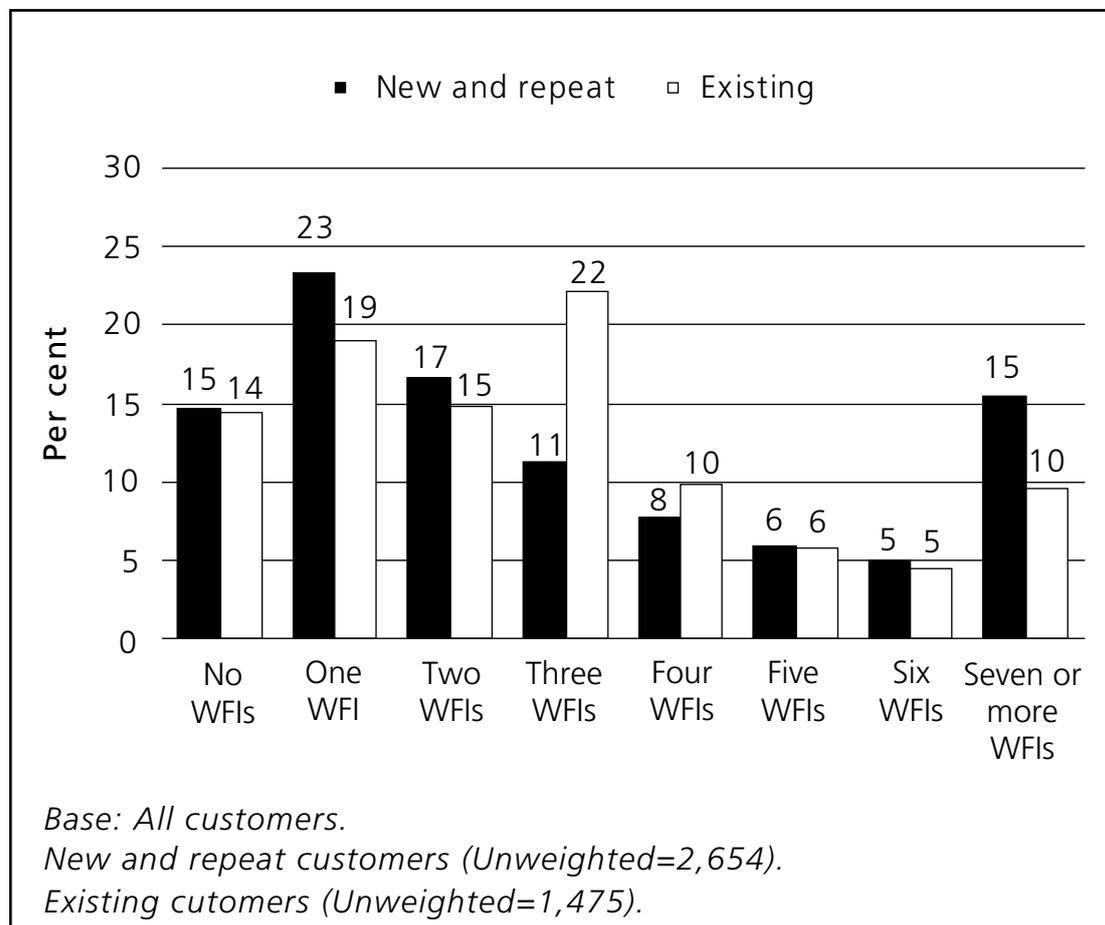
Where customers stated they had had meetings at the Jobcentre Plus with an IBPA, these meetings are assumed to be WFIs in the following analysis (although it is possible that they were not classified as such by Jobcentre Plus). At the second interview about a year later, customers were asked if they had had further meetings of this type.

In total, 85 per cent of new and repeat customers attended one or more WFIs with an IBPA over the two-year period from the start on Pathways to the second survey interview (Figure 3.1). Almost a quarter of customers had a single meeting (23 per cent), whilst nearly half (45 per cent) recalled having three or more meetings with an IBPA.

Existing customers were also very likely to have attended one or more WFIs (86 per cent).

A slightly lower proportion of existing customers had only one meeting (19 per cent) compared to new and repeat customers (23 per cent) and more than half (52 per cent) had three or more meetings. Three meetings was the most common number for existing customers to have attended – the mandatory requirement for this customer group.

**Figure 3.1 Number of WFIs attended (or meetings with IBPAs) between start on Pathways and the wave two interview**



### 3.2.2 Longer-term engagement with WFIs: new and repeat customers

The intention for the mandatory meetings with IBPAs for new and repeat customers was that there should be six meetings spread over the first six months of starting on the programme. However, the meetings could be waived or deferred according to customers' health and other factors. In addition, customers could volunteer to attend meetings. In this section we look at the contact that customers had between the first and second survey interviews, which roughly equates to the second year after their start on Pathways. Of particular interest are those customers who have meetings with an IBPA for the first time during this later period. The analysis below considers whether changes in health conditions or simply in readiness to consider work might account for this.

Although meetings with an IBPA were less common in the second year after a claim than in the first, a substantial number of customers did meet with IBPAs at this later stage. It is possible that some customers' WFIs were deferred over the first year and so their mandatory participation fell in the second year instead, but some of the meetings in the later period are likely to have been voluntary rather than mandatory meetings.

Nearly a third of new and repeat customers (30 per cent) attended one or more meetings with an IBPA between the first and second survey interviews (so, broadly, in the second year after their claim) (Table 3.1). Just over one in ten (12 per cent) attended three or more meetings during that period.

**Table 3.1 Attendance at WFIs up to wave one interview, between wave one and two interviews and in total**

	<i>Column %</i>		
	Up to wave one interview %	WFIs occurrence Between wave one and wave two interview %	Total Number of WFIs %
<b>Number of WFIS</b>			
No WFIs	20	70	15
One WFIs	28	12	23
Two WFIs	18	5	17
Three or more WFIs	35	12	45
<i>Weighted n</i>	<i>2,646</i>	<i>2,684</i>	<i>2,641</i>
<i>Unweighted n</i>	<i>2,662</i>	<i>2,680</i>	<i>2,654</i>

Notes:

1. Base: All new and repeat customers.

Most new and repeat customers who attended WFIs in the second year had also attended these meetings in the period immediately following their claim (Table 3.2). Almost a quarter of customers (24 per cent) had meetings with an IBPA in both the first and in the second year, compared to five per cent who only had these meetings in the second year (i.e. between the first and second survey interviews). For most customers (71 per cent), their involvement with IBPAs in Jobcentre Plus was finished by the end of the first year (56 per cent) or did not occur at all (15 per cent).

A proportion of the meetings in the later period will have been voluntary rather than mandatory meetings. However, others may have been deferred from the first year for reasons including the severity of health conditions, and most customers regarded meeting an IBPA to talk about work to be a mandatory part of the process of claiming incapacity benefits. Just over three-quarters (76 per cent) of customers regarded them to be mandatory, with a further six per cent showing awareness of the circumstances under which they could be deferred or waived. There was very little variation in this assessment between those who did attend WFIs in the second year and those who did not.

**Table 3.2 Summary of WFI attendance in first and second years after claim**

	<i>Column %</i>
	<b>All customers %</b>
No WFIS attended	15
By wave one interview only	56
Between w1 and w2 interview only	5
During both periods	24
<i>Weighted n (minimum)</i>	<i>2,654</i>
<i>Unweighted n (minimum)</i>	<i>2,670</i>

Notes:

1. Base: All new and repeat customers.

Those attending WFIs in the second year were from the full range of health trajectories, although those whose health was 'medium improving' were somewhat more likely to participate with 36 per cent attending in the second year compared with 26 per cent of those with 'high improving' health (Table 3.3).

**Table 3.3 Attendance at WFIs between wave one and two interview, by health trajectory since wave one**

	<i>Column %</i>			
	<b>Health trajectory since wave one interview</b>			
	<b>High improving (very good health or good health improving)</b>	<b>Medium improving (very good health declining or changeable, fair static or improving)</b>	<b>Medium changeable (good health declining, fair changeable, poor improving)</b>	<b>Low declining (fair health declining, poor changeable or declining)</b>
WFIs in-between wave one and wave two interview				
Yes	26	36	32	28
No	74	64	68	72
<i>Weighted n</i>	<i>735</i>	<i>549</i>	<i>463</i>	<i>904</i>
<i>Unweighted n</i>	<i>657</i>	<i>525</i>	<i>518</i>	<i>962</i>

Notes:

1. Base: All new and repeat customers.

As we would expect, those who reported that they were looking for work at the first survey interview were the most likely to subsequently attend WFIs (Table 3.4).

Nearly half (46 per cent) of those looking for work at the wave one interview went on to attend WFIs compared to 20 per cent of those who had been in work at that time (a proportion of whom will have fallen out of this work) and 29 per cent who had stated that they were not looking for work.

**Table 3.4 Attendance at WFIs in-between wave one and two interview, by wave one work status**

	Wave one work status			<i>Column %</i>
	In paid work	Looking for work or waiting to start	Not looking for work	
WFIs in-between wave one and wave two interview				
Yes	20	46	29	
No	80	54	71	
<i>Weighted n</i>	822	528	1,304	
<i>Unweighted n</i>	810	637	1,222	

Notes:

1. Base: All new and repeat customers.

The work history collected in the second wave interview enabled a segmentation of work histories prior to the claim for incapacity benefits to be produced (this is discussed in detail in Chapter 4). Looking at WFI attendance at any point in the two years since the claim for benefit to the second survey interview, there is clear association with prior patterns of work (Table 3.5). Those who had always been employed prior to the claim were the most likely to attend a single WFI (40 per cent compared to 19 per cent of those never employed) which may reflect a higher propensity within this group to have been screened out of the mandatory programme due to their closeness to work. This group was also the least likely to attend three or more meetings (21 per cent compared to 50 per cent of those never employed).

Table 3.5 Attendance at WFIs, by pre claim work pattern

	Before IB claim work pattern							Column %
	In steady work until months 1-12 before claim	Had one long period of employment but then was out of work for a large period of time	Unemployed more than in employment	In work and out of work several times over	Always employed	Never employed	Other situation	
No WFIs	11	14	14	23	18	16	12	
One WFI	29	19	15	17	40	19	28	
Two WFIs	21	11	22	16	21	14	20	
Three or more WFIs	39	56	48	45	21	50	40	
<i>Weighted n</i>	720	410	103	121	189	999	99	
<i>Unweighted n</i>	816	461	101	110	130	962	74	

Notes:

1. Base: All new and repeat customers.

### 3.2.3 Longer-term engagement with WFIs: existing customers

The intention for the mandatory meetings of Pathways to Work with IBPAs for existing customers was that they should attend three mandatory WFIs at four-week intervals. Like new and repeat customers, the meetings could be waived or deferred according to customers' health and other factors, and it was also expected that some customers (including those for whom it was not mandatory to attend WFIs) would volunteer to attend additional meetings.

Compared to new and repeat customers, a smaller proportion of existing customers (23 per cent) had attended one or more meetings with an IBPA between the first and second survey interviews (Table 3.6). Only seven per cent attended three or more meetings during that period.

**Table 3.6 Attendance at WFIs among existing customers up to wave one interview, between wave one and two interviews and in total**

	<i>Column %</i>		
	<b>WFIs occurrence</b>		
	<b>Up to wave one interview</b>	<b>Between wave one and wave two interview</b>	<b>Total number of WFIs</b>
	%	%	%
<b>Number of WFIs</b>			
No WFIs	17	77	14
One WFIs	20	10	19
Two WFIs	20	6	15
Three or more WFIs	43	7	52
<i>Weighted n</i>	<i>1,514</i>	<i>1,516</i>	<i>1,490</i>
<i>Unweighted n</i>	<i>1,507</i>	<i>1,507</i>	<i>1,475</i>

Notes:

1. Base: All existing customers.

### 3.2.4 New contact with Jobcentre Plus amongst new and repeat customers

Although they are a small group, those who did not attend WFIs in the first year after their claim, but did so in the second year, may be supposed to have a distinct situation compared with those who had attended WFIs in the earlier period. One explanation might be that there was a change in the health status of some of these individuals or some other change in their circumstances which led to a readiness to seek or be offered work-related advice and assistance.

Table 3.7 shows the relationship between the trajectory of health condition and take-up of WFIs for those who did not take up WFIs in the first year. Those

in the 'medium changeable' category were somewhat more likely to take up WFIs (33 per cent compared with 20 per cent among the 'low declining' group). Although it is possible that for some within this group the reason for their late take-up relates to an improvement in their health, the numbers involved are too small for reliable analysis.

**Table 3.7 Attendance at WFIs by wave two interview, by health trajectory since wave one – new and repeat customers**

	<i>Column %</i>			
	<b>Health trajectory since wave one interview</b>			
	<b>High improving (very good health or good health improving)</b>	<b>Medium improving (very good health declining or changeable, fair static or improving)</b>	<b>Medium changeable (good health declining, fair changeable, poor improving)</b>	<b>Low declining (fair health declining, poor changeable or declining)</b>
WFIs between w1 and w2 interview only	25	27	33	20
<i>Weighted n</i>	152	146	93	132
<i>Unweighted n</i>	82	76	57	102

Notes:

1. Base: New and repeat customers with no WFIs at wave one.

Looking at the wave one work status for those who only attended WFIs in the second year, those looking for work were the more likely to attend (53 per cent compared with 26 per cent of those not looking for work at the wave one interview) (Table 3.8). This was no different to the association found for those who had attended WFIs in both periods.

**Table 3.8 Attendance at WFIs by wave two interview, by wave one work status – new and repeat customers**

	<b>Work status at wave one</b>		
<b>Column %</b>	<b>In paid work</b>	<b>Looking for work or waiting to start</b>	<b>Not looking for work</b>
WFIs between w1 and w2 interview only	15	53	26
<i>Weighted n</i>	207	80	236
<i>Unweighted n</i>	111	55	150

Notes:

1. Base: New and repeat customers with no WFIs at wave one.

### 3.2.5 Further contact with Jobcentre Plus amongst new and repeat customers

Nearly a third of new and repeat customers (31 per cent) who had met with an IBPA during the first year after their claim did so again in the second year (Table 3.9). For a tenth of customers there was just a single further WFI, but a fifth attended two or more further WFIs in the second year after their claim for incapacity benefits.

**Table 3.9 Further attendance at WFIs in the second year after starting Pathways among those attending WFIs in the first year – new and repeat customers**

	<i>Column %</i>
	<b>Between wave one and wave two interview</b>
<b>Number of further WFIs</b>	
No further WFIs	69
One WFI	12
Two WFIs	5
Three WFIs	3
Four WFIs	2
Five WFIs	1
Six or more WFIs	8
<i>Weighted n</i>	2,121
<i>Unweighted n</i>	2,340

Notes:

1. Base: New and repeat customers with WFIs up to wave one interview.

It did not appear to be the case that customers were simply finishing the series of mandatory interviews at a late stage. Table 3.10 shows that it was those who had had more contact with IBPAs in the first year who were the more likely to meet them again – 35 per cent of those who had had three or more meetings in the first year had further meetings in the second year, compared to 26 per cent of those who had attended a single WFI.

**Table 3.10 Further attendance at WFIs by wave two interview, by number of WFIs at wave one**

	<i>Column %</i>		
	<b>Number of WFIS by wave one interview</b>		
	<b>One WFI</b>	<b>Two WFIs</b>	<b>Three or more WFIs</b>
<b>Further WFIS in period between wave one and wave two interview</b>			
Yes	26	30	35
No	74	70	65
<i>Weighted n</i>	<i>736</i>	<i>468</i>	<i>919</i>
<i>Unweighted n</i>	<i>465</i>	<i>456</i>	<i>1,424</i>

Notes:

1. Base: New and repeat customers with WFIs at wave one.

### 3.2.6 Financial incentives: Return to Work to Credit

The Return to Work to Credit (RTWC) is an incentive payment made to customers who move into paid work (either employed or self-employed) of 16 hours or more. The payment is £40 per week and is paid for up to 52 weeks (although it has to be applied for again after six months). Customers are eligible for the payment if they earn less than £15,000 per year and have claimed benefits for 13 weeks or more (if customers have received Statutory Sick Pay (SSP) prior to claiming incapacity benefits, this counts towards the 13 week qualifying period).

Twenty-two per cent of new and repeat customers who were working at the time of the wave two survey interview for more than 16 hours per week received the RTWC at some stage during this period of work (Table 3.11). Six per cent of those who were working for more than 16 hours per week were still receiving RTWC at the time of survey interview.

The receipt of RTWC among currently working existing customers was much higher. Two-thirds of customers had received RTWC at some stage during their current period of work.

**Table 3.11 Receipt of RTWC among customers currently working**

	<i>Column %</i>	
	<b>New and repeat customers %</b>	<b>Existing customers %</b>
<b>Received RTWC during current work (net)</b>	<b>22</b>	<b>66</b>
Currently receiving RTWC at time of wave two interview	6	17
No longer receiving RTWC at time of wave two interview	16	49
<b>Did not receive RTWC during current work</b>	<b>78</b>	<b>34</b>
<i>Weighted n</i>	<i>809</i>	<i>117</i>
<i>Unweighted n</i>	<i>831</i>	<i>192</i>

Notes:

1. Base: Customers currently working 16 hours or more per week.

New and repeat customers who worked for 16 to 29 hours per week were more likely to have received RTWC at some point during the period of work than those who worked 30 hours per week or more (35 compared to 15 per cent) (Table 3.12). This is likely to be related to the lower level of earnings for part-time work bringing them below the eligibility threshold.

Customers who were affected by their health condition to some extent were more likely to have received RTWC (for example, 32 per cent compared to 14 per cent of those with no condition or one which had no effect).

There was a positive relationship between multiple WFIs and RTWC receipt – the more times a customer attended WFIs the more likely they were to receive RTWC. However, a notable proportion of expansion area customers who received RTWC did not recall attending any WFIs (eight per cent).

**Table 3.12 Receipt of RTWC, by key factors**

			<i>Row %</i>
	<b>Received RTWC</b>	<b>Weighted n</b>	<b>Unweighted n</b>
<b>Employee or self-employed work</b>			
Employee work	23	697	721
Self-employed work	16	113	111
<b>Number of hours worked</b>			
16 - 29 hours	35	267	284
30 hours or more	15	542	548
<b>Effect of current condition (at wave two interview) on everyday life</b>			
A great deal	19	63	83
Some effect	32	330	361
No condition/ no effect	14	416	388
<b>Total number of WFIS attended by wave two interview</b>			
No WFIs	8	152	80
One WFI	10	223	124
Two WFIs	31	164	165
Three or more WFIs	35	248	452
<b>Total</b>	<b>22</b>	<b>810</b>	<b>832</b>

Notes:

1. Base: New and repeat customers currently working 16 hours or more per week.

Among new and repeat customers who had had a period of work at any time since their start on Pathways where they worked for 16 hours or more a week, more than a quarter (27 per cent) had received RTWC at some stage. Table 3.13 demonstrates the strong association between attending multiple WFIs and receiving RTWC at some point.

**Table 3.13 Whether ever received RTWC during a period of work since their start on Pathways, by number of WFIs attended**

<b>Row %</b>	<b>Received RTWC</b>	<b>Weighted n</b>	<b>Unweighted n</b>
<b>Total number of WFIS attended by wave two interview</b>			
No WFIs	11	153	84
One WFI	10	223	126
Two WFIs	38	177	172
Three or more WFIs	43	275	511
<b>Total</b>	<b>27</b>	<b>852</b>	<b>904</b>

Notes:

1. Base: New and repeat customers who have worked for 16 hours or more since claim.

### 3.2.7 Adviser Discretionary Fund

The Adviser Discretionary Fund (ADF) is a one-off payment that IBPAs can make to customers to remove barriers to the process of moving into work. The assistance could be used for anything from help with travel costs to clothes for interviews. Originally set at a maximum payment of £100, there is now no national upper limit on the provision. Advisers have the delegated financial authority to approve ADF awards for goods and services up to £300, either as an individual award or the total of all awards made within a rolling 12-month period.

In total, 11 per cent of new and repeat customers who had attended WFIs by the time of the wave one survey interview had received ADF assistance by that time, and 15 per cent of those who attended WFIs in the period between the two interviews received the payment (Table 3.14).

Existing customers were slightly less likely to have received to the ADF. In total, 15 per cent of new and repeat customers had received ADF by the time of the wave two interview compared to 11 per cent among existing customers.

**Table 3.14 Receipt of assistance from the Adviser Discretionary Fund (ADF)**

			<i>Row %</i>
	<b>Received ADF</b>	<b>Weighted n</b>	<b>Unweighted n</b>
<b>Receipt of ADF amongst new and repeat customers</b>			
Up to Wave one interview <sup>1</sup>	11	2,121	2,333
Between wave one and wave two interview <sup>2</sup>	15	781	875
Total <sup>3</sup>	15	2,242	2,429
<b>Receipt of ADF amongst existing customers</b>			
Up to Wave one interview <sup>1</sup>	8	1,258	1,332
Between wave one and wave two interview <sup>2</sup>	13	350	393
Total <sup>3</sup>	11	1,267	1,322

Notes:

1. Base: Customers attending one or more WFIs by wave one interview.
2. Base: Customers attending one or more WFIs in-between wave one and wave two interview.
3. Base: Customers attending one or more WFIS at any stage.

Most new and repeat customers appeared to be aware of ADF. Among customers who had attended a WFI at any stage, but had not received money from the ADF, only 11 per cent did not know that it could be made available to them.

Among new and repeat customers receiving money from the ADF between the wave one and wave two interview, the most common uses of the money were to purchase clothing for interviews, jobs or other reason (60 per cent); for travel expenses (29 per cent) and to help fund training courses or college fees (18 per cent).

The more WFIs customers attended between the wave one and wave two interview the more likely they were to receive money from the ADF. New and repeat customers who had attended three or more meetings with an IBPA were seven times more likely to have received money from the ADF than those who had attended only one meeting (29 per cent compared to four per cent).

### **3.2.8 Customers' assessments of WFIs**

Customers' assessments of the WFIs that they attended in the second year following their claim for incapacity benefits were at least as positive, overall, as they were of meetings in the first year (Table 3.15). A third (31 per cent) said the meetings had helped them 'a lot' with thinking about work, and 39 per cent said they had helped 'a little'. Only around a fifth (18 per cent) said they had been 'no help at all'.

As was the case with meetings in the first year, those who attended more than one meeting were more likely to be positive about them, with 38 per cent of those attending three or more stating they had helped them 'a lot' compared with 22 per cent of those attending one.

**Table 3.15 Assessment of extent to which WFIs helped customers think about work among customers attending in the second year – new and repeat customers**

	A lot	A little	No help at all	Already had job lined up (spontaneous)	Work is not an option (spontaneous)	Weighted n	UnWeighted n	Row %
<b>Number of WFIs between wave one and wave two interview</b>								
One WFI	22	37	24	3	14	329	325	
Two WFIs	37	39	15	0	9	130	150	
Three or more WFIs	38	40	15	1	7	330	401	
<b>Health trajectory since wave one interview</b>								
High improving	27	44	22	2	5	188	151	
Medium improving	24	45	24	3	4	200	201	
Medium changeable	56	22	16	3	3	144	191	
Low declining	26	38	13	–	23	256	330	
<b>Work outcome at wave two interview</b>								
In paid work	37	37	21	5	0	181	200	
Looking for work or waiting to start	32	47	17	2	3	238	276	
Not looking for work	28	34	18	–	20	370	400	
<b>Total</b>	<b>31</b>	<b>39</b>	<b>18</b>	<b>2</b>	<b>10</b>	<b>789</b>	<b>876</b>	

Notes:

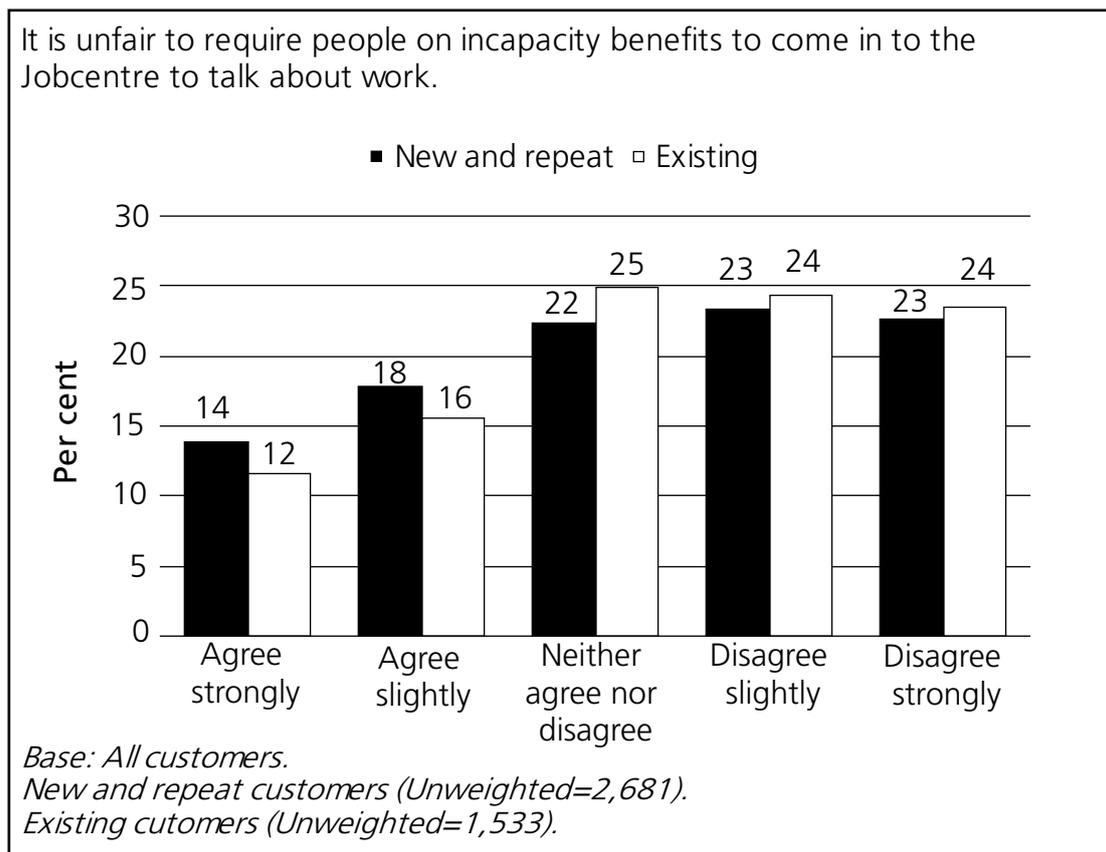
1. Base: New and repeat customers attending one or more WFIs in-between wave one and wave two interview.

### 3.2.9 Attitudes to the Pathways to Work programme

Customers were asked about their attitudes to participating in the Pathways to Work process. Two statements were read out to customers and the extent that they agreed or disagreed with them was recorded.

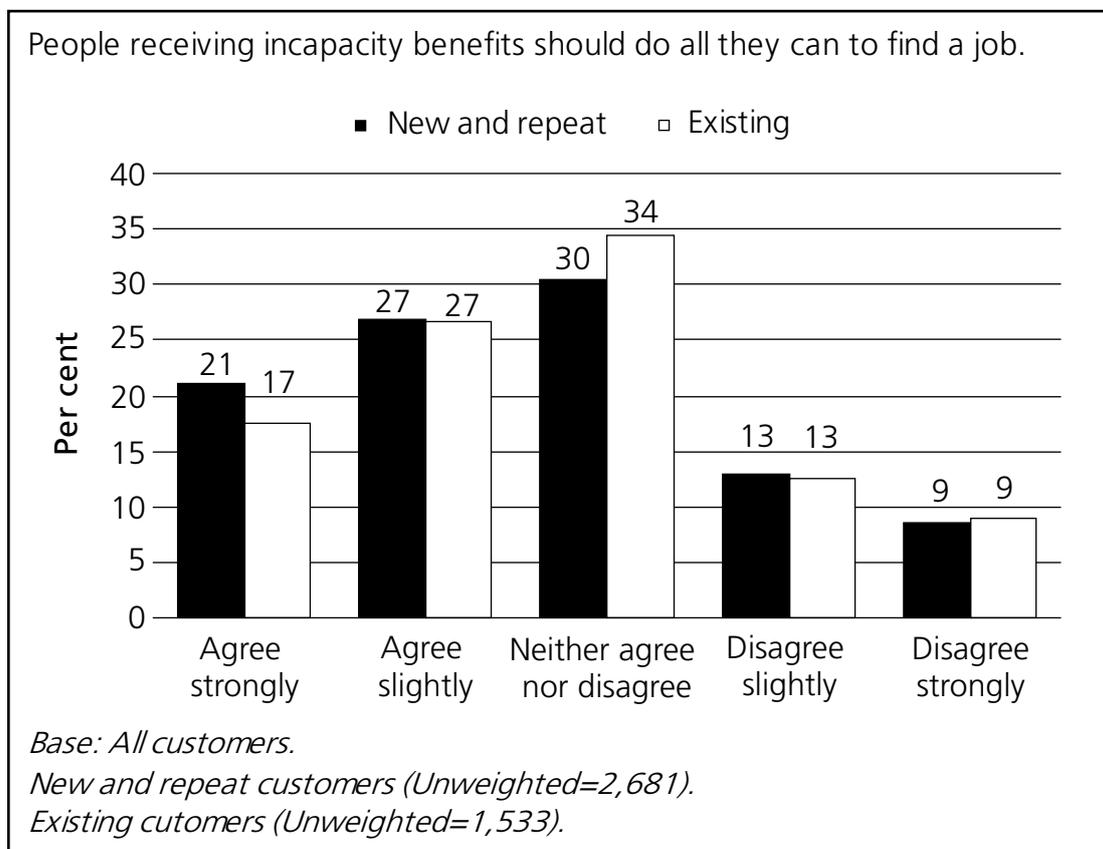
Interestingly, there was little difference between the attitudes held by new and repeat customers and existing customers towards the statement that it was unfair to ask those on incapacity benefits to come into the Jobcentre. Similar proportions of customers disagreed (either slightly or strongly) with the statement – 46 per cent of new and repeat customers and 48 per cent of existing customers. For both customer groups, a higher proportion disagreed than agreed with the statement (Figure 3.2).

**Figure 3.2 Attitudes to IB claimants having to come into the Jobcentre to talk about work**



Turning to customers' attitudes towards whether those on incapacity benefits should do all they can to find a job, again there was little difference between the attitudes held by new and repeat and existing customers. More customers agreed (either slightly or strongly) than disagreed with this statement – for example 48 per cent compared to 22 per cent for new and repeat customers (Figure 3.3). A relatively high proportion neither agreed nor disagreed (30 per cent for new and repeat and 34 per cent for existing customers) which may reflect a view for some that it would depend on the circumstances of the individual.

**Figure 3.3 Attitudes to IB claimants having to look for a job**



Interestingly, there was no statistically significant relationship between the level of attendance at WFIs and new and repeat customers' attitudes towards whether it is unfair to require people on incapacity benefits to come in to the Jobcentre to talk about work (Table 3.16).

**Table 3.16 Attendance at WFIs, by customers' attitude to people having to come into the Jobcentre**

	<i>Column %</i>				
	<b>Agreement with statement 'it is unfair to require people on incapacity benefits to come in to the Jobcentre to talk about work'</b>				
	<b>Agree strongly</b>	<b>Agree slightly</b>	<b>Neither agree nor disagree</b>	<b>Disagree slightly</b>	<b>Disagree strongly</b>
<b>Total number of WFIS attended by wave two interview</b>					
No WFIs	15	17	13	13	16
One WFI	17	19	23	31	23
Two WFIs	18	17	15	14	20
Three or more WFIs	50	47	49	43	41
<i>Weighted n</i>	<i>363</i>	<i>475</i>	<i>574</i>	<i>618</i>	<i>605</i>
<i>Unweighted n</i>	<i>335</i>	<i>425</i>	<i>548</i>	<i>689</i>	<i>649</i>

Notes:

1. Base: all new and repeat customers.

There was, however, a clear relationship between the work status of new and repeat customers at the wave two interview and their agreement with a statement that those on incapacity benefits should do all they can to find a job (Table 3.17). Customers who strongly believed that people should do all they can to find a job were considerably more likely to be in paid work at the time of the wave two interview than those who disagreed (slightly or strongly) with this statement (45 per cent compared to 25 and 16 per cent).

Moreover, customers who strongly disagreed that people should do all they can to find a job, were considerably more likely to state that they did not expect to work in the future than those who agreed with this statement (49 per cent compared to 34 per cent of those who agreed slightly and 23 per cent of those who agreed strongly).

**Table 3.17 Attendance at WFIs, by customers' attitude to people having to come into the Jobcentre**

	<i>Column %</i>				
	<b>Agreement with statement 'people receiving incapacity benefits should do all they can to find a job'</b>				
	<b>Agree strongly</b>	<b>Agree slightly</b>	<b>Neither agree nor disagree</b>	<b>Disagree slightly</b>	<b>Disagree strongly</b>
<b>Work status at wave two</b>					
In paid work	45	39	32	25	16
Looking for work or waiting to start	21	15	17	12	17
Look within year	7	7	4	9	7
Look at some point	4	6	4	17	11
Do not expect to work in future/ DK	23	34	42	37	49
<i>Weighted n</i>	<i>565</i>	<i>723</i>	<i>818</i>	<i>348</i>	<i>230</i>
<i>Unweighted n</i>	<i>627</i>	<i>725</i>	<i>764</i>	<i>348</i>	<i>217</i>

Notes:

1. Base: all new and repeat customers.

### 3.3 The Choices package of services

One of the roles of IBPAs at Jobcentre Plus was to signpost customers towards appropriate services within the voluntary 'Choices' package. The Choices package includes a set of work-focused services that aim to help customers make the transition to work and also a service that was primarily focused on health management outcomes (CMP):

- Condition Management Programme (CMP) – health management services through NHS providers;
- New Deal for Disabled People (NDDP) – Job Broker services;
- Programme Centres - job search and related work preparation services;
- Work Based Learning for Adults (WBLA)<sup>7</sup> and Training for Work (TfW);
- Work Preparation – independent provision of various work-oriented services;
- Work Trials – a period in an actual job for up to 15 working days;
- Permitted Work – longer-term paid work of up to 16 hours per week;
- WorkStep – supported work.

<sup>7</sup> WBLA is no longer available in England. It is continuing as the Skill Build in Wales and Training for Work in Scotland.

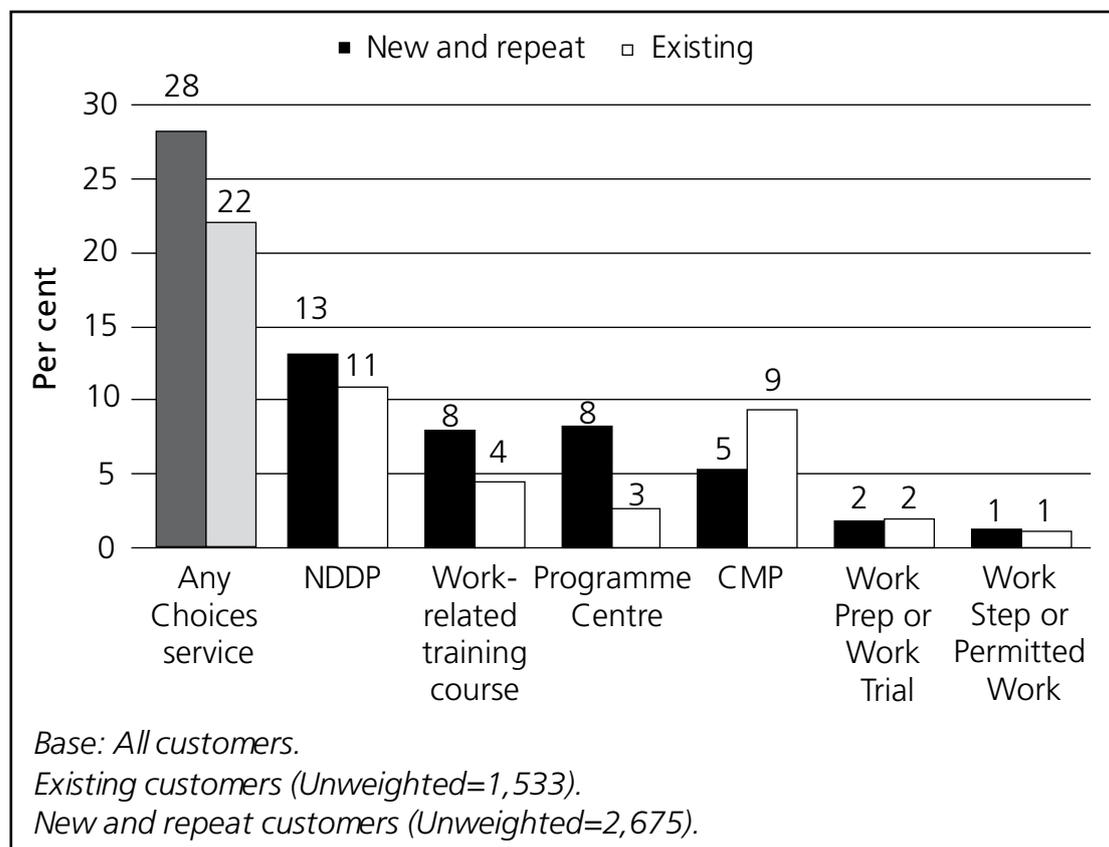
The actual content of and services available within the individual elements varied between the Jobcentre Plus districts and between the pilot and expansions areas, but broadly speaking the services provided were the same.

### 3.3.1 Longer-term take-up of Choices elements

Overall, twenty-eight per cent of new and repeat customers had registered or taken part in one of the Choices elements considered in the survey by the time of the wave two interview (Figure 3.4). Existing customers were slightly less likely to have taken part in one of the Choices elements with 22 per cent having done so by the time of the wave two interview. The most common element taken up was NDDP job broker services (13 per cent for new and repeat and 11 per cent for existing customers).

New and repeat customers were more likely to take up other services generally aimed at those close to work – work-related training and Programme Centres, while existing customers were nearly twice as likely to take up CMP health management services (nine per cent compared to five per cent). Only a small proportion of customers took part in Work Preparation or Work Trials or Work Step programmes or Permitted Work.

**Figure 3.4 The take up of elements of the Choices package (by wave two interview)**



As with attendance at WFIs, Pathways customers were taking up Choices elements during the course of the second year after their start on the programme, albeit at a lower level than in the first year (Table 3.18). Overall, 23 per cent of new and repeat customers participated in Choices services in the first year after starting on Pathways and nine per cent in the second. This compares to 18 per cent and eight per cent for existing customers. This pattern was also reflected in that for the individual Choices services. For example, in the case of NDDP, the figures were ten per cent and four per cent, and for CMP four per cent and two per cent for new and repeat customers.

**Table 3.18 Take-up of Choices services by customers in the first and second years after their claim for benefit/start on Pathways**

	<i>Row %</i>						
	Any choice	NDDP	Work-related training course	Programme Centre	CMP	Weighted <i>n</i>	Unweighted <i>n</i>
<b>New and repeat customers: Choice participation occurrence</b>							
Up to Wave one interview	23	10	7	6	4	2,664	2,671
Between wave one and wave two interview	9	4	1	3	2	2,678	2,681
Total take up by Wave two interview	28	13	8	8	5	2,665	2,675
<b>Existing customers: Choice participation occurrence</b>							
Up to Wave one interview	18	8	4	2	8	1,536	1,533
Between wave one and wave two interview	8	4	1	1	2	1,540	1,537
Total take up by Wave two interview	22	11	4	3	9	1,536	1,533

Notes:

1. Base: all customers.
2. Minimum bases presented.

Most customers who took part in the Choices package had done so by wave one (Table 3.19). For example, nearly a fifth (18 per cent) of new and repeat customers participated in Choices services in the first year only, with a further four per cent participating in both periods. Only five per cent of customers participated in a Choices service for the first time in the second year after their claim, which indicates that most take-up of Choices services during the second year was among those who had not participated in the first year.

**Table 3.19 Take-up of Choices services in each of the two years since claim/Pathways start**

	<i>Column %</i>	
	<b>New and repeat customers %</b>	<b>Existing customers %</b>
No Choices services use	72	78
First year only	18	15
Second year	5	4
Both years	4	3
<i>Weighted n</i>	2,653	1,536
<i>Unweighted n</i>	2,663	1,529

Notes:

1. Base: all customers.

Those new and repeat customers who had taken up a Choices service in the first year were more likely than those who had not to take up a service in the second (Table 3.20). Nearly a fifth (19 per cent) of new and repeat customers who had taken up a Choices service in the first year took one up in the second compared to seven per cent of those who had not taken one up in the first year. This pattern was reflected in the take-up of the individual NDDP and CMP elements (i.e. those who had done CMP before were more likely than others to do it in the second year). In addition, some customers moved from the Condition Management Programme in the first year to the job broking services of NDDP in the second year. This may indicate a progression from getting help to manage a health condition to being able to seriously consider finding work, although the numbers were too small for analysis.

**Table 3.20 Take-up of Choices services by wave two by take up at wave one**

	<i>Column %</i>	
	<b>Choice participation by wave one interview</b>	
	<b>Took part %</b>	<b>No participation %</b>
<b>Any Choices service participation between wave one and wave two interview</b>		
Took part	19	7
No participation	81	93
<i>Weighted n</i>	<i>607</i>	<i>2,057</i>
<i>Unweighted n</i>	<i>1,204</i>	<i>1,467</i>

Notes:

1. Base: all new and repeat customers.

### **3.3.2 Associations with later take-up of Choices among new and repeat customers**

It might be supposed that, in some cases, take up of Choices services in the second year will be related to changes in health and work status. There was some association between the trajectory of customers' health during the second year after the claim and take up of CMP (Table 3.21). Four per cent of those who were in 'medium improving' health took up CMP during this time, compared with zero per cent among those in the 'high improving' category. These may be individuals whose health has improved sufficiently for them to consider work in the future, but who nevertheless seek support through this voluntary programme.

**Table 3.21 Take up of Choices services between waves one and two by health trajectory since wave one**

	<i>Row %</i>			
	Health trajectory since wave one interview			
	High improving (very good health or good health improving)	Medium improving (very good health declining or changeable, fair static or improving)	Medium changeable (good health declining, fair changeable, poor improving)	Low declining (fair health declining, poor changeable or declining)
Did any Choices service in-between wave one and wave two interview	10	12	7	8
Did NDDP in-between wave one and wave two interview	4	5	2	3
Did CMP in-between wave one and wave two interview	0	4	2	2
<i>Weighted n</i>	<i>735</i>	<i>561</i>	<i>473</i>	<i>906</i>
<i>Unweighted n</i>	<i>658</i>	<i>528</i>	<i>523</i>	<i>964</i>

- Notes:
1. Base: all new and repeat customers.
  2. Minimum base presented.

There was a stronger association with work status at the wave one interview (Table 3.22). Those who were looking for work at the start of the second year were more likely to take up any Choices service and NDDP in particular (seven per cent of this group took up NDDP in the second year compared to eight per cent of those not looking for work). There was a less clear relationship with CMP take-up, but zero per cent of those in work at the start of the period took up this service.

**Table 3.22 Take up of Choices services between waves one and two by work status at wave one**

	<i>Column %</i>		
	<b>Work status at wave one</b>		
	<b>In paid work %</b>	<b>Looking for work or waiting to start %</b>	<b>Not looking for work %</b>
Used any Choices services between wave one and wave two interview	5	20	8
Did NDDP between wave one and wave two interview	3	7	3
Did CMP between wave one and wave two interview	0	3	2
<i>Weighted n</i>	<i>838</i>	<i>523</i>	<i>1,316</i>
<i>Unweighted n</i>	<i>817</i>	<i>637</i>	<i>1,226</i>

Notes:

1. Base: all new and repeat customers.
2. Minimum base presented.

### **3.3.3 Choices services take-up over the two years and previous work history**

Unlike the association observed between attendance at WFIs and individuals' history of work, there was no significant relationship between Choices services take-up and work history prior to the benefit claim (Table 3.23).

Table 3.23 Take up of Choices services (at any point) by pre-claim work pattern

	Before IB claim work pattern						Column %
	In steady work until months 1-12 before claim	Had one long period of employment but then was out of work for a large period of time	Unemployed more than in employment	In work and out of work several times over	Always employed	Never employed	
Any Choices service	27	30	30	24	35	26	34
NDDP	11	19	14	14	14	12	13
CMP	6	5	6	3	5	6	3
<i>Weighted n</i>	715	405	103	124	204	1,014	100
<i>Unweighted n</i>	819	465	102	112	133	969	75

Notes:

1. Base: all new and repeat customers.

### 3.4 Conclusions

Participation in Pathways to Work continued over the longer term for many incapacity benefits customers. About a quarter of those claiming incapacity benefits continued to meet with IBPAs at Jobcentre Plus during the second year after their start on the programme – some time after the period intended for delivery of the WFI sequence (which was, for new and repeat customers, six meetings spread over the first six months of starting on the programme). Those attending meetings at this stage were more likely to be looking for work, and on middling health trajectories.

Participation in the voluntary Choices package of services continued into the second year, with levels of take-up of NDDP and CMP at around two-fifths of that seen in the first year. This was the case for both existing customers and new and repeat customers.

Although customers could have had their meetings deferred, at this later point, it might be supposed that a good proportion of the meetings at Jobcentre Plus were voluntary. If this was the case, the fact that most of those attending meetings in the second year had also attended in the first year indicates receptiveness to them. In most cases, customers' assessments of the helpfulness of the meetings at this later stage were positive.

Although views were polarised, two years after their start on Pathways to Work, most customers disagreed with a statement that it was unfair to ask those on incapacity benefits to attend meetings at Jobcentre Plus. Those who disagreed with a statement that incapacity benefit customers should do all they can to find work were more likely to say that work was not an option for them personally.

The Pathways to Work programme seems to have reached a substantial proportion of eligible new and repeat customers over the period from their claim for benefit up until the wave two interview (around a two year period on average). Including the late participation in WFIs (by the end of the second year after starting on Pathways), 85 per cent of new and repeat customers had attended meetings and just under half had attended three or more. Take up of NDDP stood at 13 per cent by this time and CMP at five per cent.

Likewise, the large majority of existing customers seemed to have participated in elements of the Pathways to Work programme. Nearly nine-tenths (86 per cent) attended one or more WFIs by the time of the wave two interview (around two years since their start on the Pathways to Work programme). In addition, 22 per cent had taken part in one of the Choices elements by the time of the wave two interview.



## 4 Understanding work patterns before and after a claim for incapacity benefits

### 4.1 Summary

- A work history was established in the second survey interview that allows us to see the pattern of work three years before a claim for incapacity benefits and 20 months after it (for new and repeat customers). From a high of 55 per cent in paid work three years before a claim, there was a gradual fall out of work, accelerating in the six months leading up to the claim. Subsequent to the claim there was a steady rise in the proportion of customers in paid work for 12 months. The proportion in work began to level off towards the 20 month mark, and peaked at 35 per cent in employment – below the high three years prior to the claim.
- A segmentation of patterns of work in the 36 months prior to the claim for incapacity benefits and in the subsequent 20 months following the claim (and starting on Pathways) revealed five higher level categories. Among new and repeat customers:
  - five per cent of all claimants were always in work;
  - twenty-nine per cent did not work at all in the five year period;
  - sixteen per cent had a similar pattern of work before and after their claim for incapacity benefits: 11 per cent fell out of steady work, claimed incapacity benefits, and subsequently moved back into steady work; five per cent had unstable periods of work before and after their claim;

Continued

- ten per cent moved into work following a claim having had sporadic, short or no periods of work before the claim;
- A third fell out of work, claimed incapacity benefits, and subsequently did not move back into work or moved into a less stable pattern of work.
- A work history was also collected from existing customers. A very small proportion of existing customers were in work following the start of the programme, and the proportion moving into work steadily increased to the end of the period to stand at 11 per cent (some way short of the third who were in work five years previously).

This chapter is based on work history information collected as part of the second interviews with cohorts of new and existing customers in pilot and expansion areas. It provides quantitative detail of the work patterns experienced by customers in the three years before a claim for incapacity benefits (for new and repeat customers) or their start on Pathways (for existing customers), and in the subsequent 20 months.

## 4.2 Exploring customers' work patterns before and after a claim (new and repeat customers)

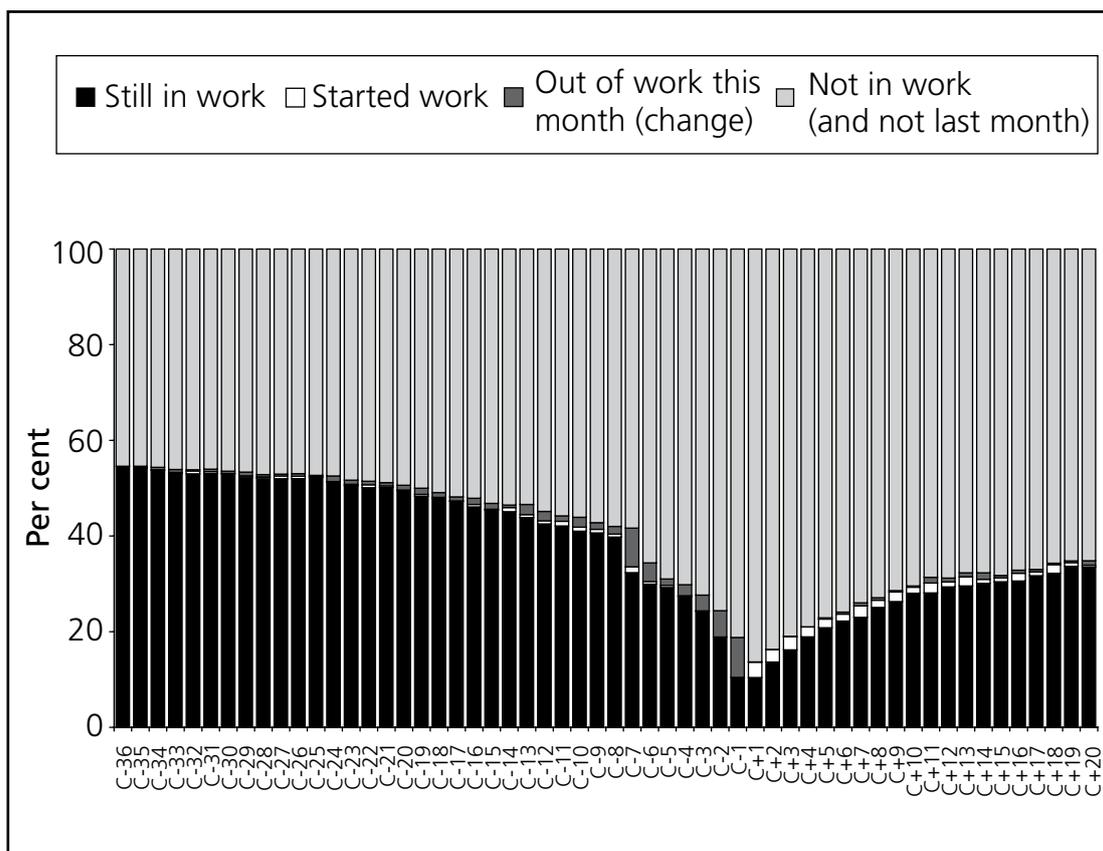
Five years of work history data was used to establish whether or not a customer had been in paid work in each month prior to and following their claim for incapacity benefits. Figure 4.1 shows the work status of the sampled incapacity benefits claimants during each month prior to the claim, going back 36 months (labelled as C-36) and during each month following the claim, going forward to 20 months after their claim (C+20). The date of claim is the first day of the month represented by 'C+1'. The 'still in work' and 'started work' bars together provide the total proportion of customers who were in work at some point during any particular month (in some cases, customers will only have been in work for part of the month). The 'started work' bar is provided as a means of understanding the degree to which this overall level hides gross change month on month (those in the 'started work' category were not in paid work in the previous month and those in the 'out of work this month' were in paid work in the previous month).

We see that the proportion of customers 'still in work' month on month declined very gradually in the 36 to 24 months before a claim from a high point of 55 per cent. After this point, the gradient became steeper as more and more customers

moved out of work. This change is mirrored by the 'out of work this month' gradient, which increased especially in the seven months prior to a claim.<sup>8</sup>

A small proportion of customers remain in work around the point of a claim<sup>9</sup>, and the proportion moving into work after a claim gradually increased to 35 per cent by month 20 – a lower level than in most of the months prior to a claim.

**Figure 4.1 Average pattern of work before and after a claim for incapacity benefits**



<sup>8</sup> The work history data, collected retrospectively in the second interview, was edited with reference to the first interview with each respondent about a year earlier. In some instances, dates of start and end points of work were amended or assumptions applied to improve accuracy and maintain the logic of the accounts provided (for instance this accounts for a proportion of the large fall out of work at the point around six months before the claim). A fuller discussion of the editing process can be found in Appendix B.

<sup>9</sup> In some cases this may relate to Permitted Work – work of less than 16 hours per week that Jobcentre Plus allows without there being a reduction in benefits – or undeclared work. However, it is likely that in some instances respondents have not equated a period where they were not working due to ill-health with being 'out of paid work'.

The overall picture that the chart shows – the movement out of work to the point of claim, and then back into work for a proportion of customers – is what we might expect to see. However, it provides limited detail on the different types of work patterns experienced by customers. For example, some customers will fall out of work whereas others might have many spells of work before the claim date as their health condition fluctuates. Likewise, some who were in work before the claim date may not move back into work following a claim. This chapter seeks to explore some of the questions raised by Figure 4.1, such as how long on average were customers in work before and after a claim? How many work periods did customers have before and after a claim? Did claimants of incapacity benefits experience different work patterns around their claim date?

### 4.3 What is work like before and after a claim for incapacity benefits?

The work history allows us to see what work patterns were like before and after a claim for incapacity benefits. Before a claim, 62 per cent of customers were in work at least once. Table 4.1 presents the length of the work period closest to the claim date, and so we see that 46 per cent of customers before a claim for incapacity benefits were in work that lasted for a year or more. After a claim for incapacity benefits, 27 per cent of customers moved into work that lasted for a year or more (however, some were still in work that was continuing but that had not lasted a year by the 20 month point).

**Table 4.1 Length of work period closest to claim date**

Length of work	Before or after a claim for incapacity benefits	
	Before a claim %	After a claim %
Not in work	38	64
Work period lasts 6 months or less	9	6
Work lasts 7 to 9 months	3	2
Work lasting 10 to 12 months	4	1
Work lasting for over 1 year	46	27
<i>Base</i>	2,689	2,689

Base: All customers claiming incapacity benefits.

If we look at all those who worked in the 36 months before a claim for incapacity benefits we see that, on average, the number of months spent in employment was 25 (Table 4.2). It is important to bear in mind, that the mean number of months spent in work presented here was not necessarily months spent in consecutive work. For example, a customer may have had four distinct spells of work following a claim each of which lasting four months.

Although the overall average was 25 months spent in employment, we see in Table 4.2 that a small proportion of customers (five per cent) spent two months on average in employment and four per cent spent four to six months in employment. At the opposite side of the scale, 37 per cent were in employment for the greatest number of months before a claim (35 months on average). This high mean suggests that a proportion of customers were in employment in all months before a claim, and also at the point of the claim as indicated in Figure 4.1.

**Table 4.2 Mean number of months spent in employment before a claim for incapacity benefits**

<b>Months in employment (banded)</b>	<b>Mean number of months worked</b>	<b>%</b>	<b>Base</b>
1-3	2.1	5	82
4-6	5.2	4	72
7-12	9.5	8	127
13-18	15.8	9	148
19-24	22.0	12	203
25-30	28.1	25	420
31-36	34.5	37	610
<b>Months 1-36</b>	<b>24.9</b>	<b>100</b>	<b>1,663</b>

Base: All customers who did any work before a claim for incapacity benefits .

Table 4.3 shows that after a claim for incapacity benefits, the average number of months spent in employment was 14. It is important to note that the mean number of months spent in employment before and after a claim cannot be compared, as the number of possible months that could be spent in employment was fewer after a claim than before (20 months compared with 36). We would therefore not expect means to be similar.

In Table 4.3, we see that nine per cent of customers were in employment for an average of three months and eight per cent were in work for five months. Almost a third of customers spent an average of 20 months in employment. Again, this suggests that a proportion of customers were in employment in all months since the point of claim.

**Table 4.3 Mean number of months spent in employment after a claim for incapacity benefits**

Months in employment (banded)	Mean number of months worked	%	Base
1-3	2.5	9	91
4-6	4.9	8	82
7-9	7.8	10	102
10-12	10.9	11	118
13-15	14.0	13	140
16-18	17.1	20	208
19-20	19.8	30	317
<b>Months 1-20</b>	<b>13.7</b>	<b>100</b>	<b>1,058</b>

Base: All customers who did any work after a claim for incapacity benefits.

It is interesting to count the number of periods of work experienced by customers before and after a claim for incapacity benefits, as having had more than one period of work could be an indicator of temporary or casual employment. Equally, multiple work periods could indicate career progression. In Table 4.4, we see that before a claim 46 per cent of customers had a single period of work and roughly 16 per cent had multiple periods of work. A similar pattern is seen after a claim for incapacity benefits, although a smaller proportion of customers do any work in general.

**Table 4.4 Number of work periods before and after a claim**

Number of work periods	In months 1 to 36 before a claim	In months 1 to 20 after a claim
0	38.0	63.5
1	45.7	29.2
2	13.5	6.2
3	2.1	1.0
4	0.2	0.1
5	0.4	–
6	–	–
7	–	–
8	0.0	–
<i>Base</i>	2,689	2,689

Base: All customers claiming incapacity benefits.

## 4.4 Segmenting customers' patterns of work before a claim

By measuring the length of work periods before and after a claim, and counting the number of work periods, we are able to identify different work patterns experienced by claimants. We explore these work patterns further with analysis that identifies discrete groups of individuals with similar patterns of work. Segmenting work patterns into discrete groups is useful when describing the work behaviour of claimants before and after a claim.

Analysis of the work history data which covered the three year period before a claim for incapacity benefits, suggests that within the general trend presented in Figure 4.1, 96 per cent of customers can be categorised into one of six distinct patterns of employment prior to a claim date. Four per cent of customers were in work at least once, and experienced a pattern of work that did not fall into one of these categories. These six categories, or work patterns, are presented in Table 4.5.

As we saw in the previous section, 38 per cent of customers were never in work before a claim for incapacity benefits. Table 4.5 shows that eight per cent of customers were always in employment (including at the time of the claim). This might explain why such a high proportion of customers who did any work before a claim, spent 35 months in employment on average.

Just over a quarter (27 per cent) were in steady work until up to 12 months before a claim for incapacity benefits. By steady work, we mean employment that was not broken by a period of unemployment or by a change of job. Fifteen per cent of customers were in work for one long period of time, but then were out of work for longer than 12 months before their claim. Four per cent were unemployed more than in employment, and five per cent were in work and out of work several times over. These two groups appear to be most vulnerable in that their pattern of work suggests they found it hard to sustain or retain their work.

**Table 4.5 Segmentation of before claim work patterns**

<b>Work pattern</b>	<b>%</b>	<b>Frequency</b>
Always in work	8	204
In steady work until months 1 to 12 before claim	27	728
Had one long period of work but then was out of work for a large period of time	15	412
Out of work more than in work	4	103
In work and out of work several times over	5	124
In work at least once but followed another pattern	4	100
Never in work	38	1018
	100	2689

Base: All customers claiming incapacity benefits.

It is interesting to compare this segmentation of before claim work patterns with a measure of self-assessed health that captured the changes in health since a claim for incapacity benefits (Table 4.6). We can see that the health of those who were always in work before a claim had remained good or very good, or had improved during the time since the claim was made. At the opposite side of the scale, those who had never worked before a claim were more likely to have experienced poor health in the time since the claim.

**Table 4.6 Health since claim and segmented before claim work patterns**

Health since claim	Segmented before claim work pattern							Never employed %
	Always employed %	In steady work until months 1 to 12 before claim %	Had one long period of employment but then was out of work for a large period of time %	Unemployed more than in employment %	In work and out of work several times over %	In work at least once but followed another pattern %		
Good or very good health, improving or static	49	30	22	46	43	20	16	
Fair health static or improving, good declining or changeable	28	24	18	17	10	50	20	
Fair health changeable or declining, poor improving	13	18	18	24	20	11	20	
Poor health static, changeable or declining	10	28	42	13	27	20	44	
<i>Weighted base</i>	204	728	412	103	124	100	1,018	
<i>Unweighted base</i>	133	825	466	103	112	75	975	

Notes:

1. Base: All customers claiming incapacity benefits.
2. Health status is from the claim to the wave one interview.

To provide further context to work patterns before a claim for incapacity benefits, it is useful to look at the main or secondary health conditions experienced by customers with each work pattern category. Table 4.7 presents customers' main or secondary health condition for each work pattern category.

In line with findings in Chapter 6, which will show that those with a mental health condition were less likely to be in work, Table 4.7 suggests that a high proportion of those who were never in work had a mental health condition, unlike those who were always in work who were least likely to have this type of health condition. Those who were out of work more than in work, or were in and out of work several times over were also particularly likely to have a mental health condition. These findings suggest that those who had a mental health condition appear to be most vulnerable in terms of access to work and job retention.

The second largest group in the pre-claim segmentation were those who had been in steady work before falling out of this work in the months before their claim. Those with musculo-skeletal conditions or disabilities were particularly likely to be in this group, perhaps reflecting the point that a proportion will have experienced sudden physical injuries or conditions that become a problem for the first time.

**Table 4.7 Main and secondary health condition and segmented before claim work patterns**

Main or secondary health condition	Segmented before claim work pattern							Total %
	Always employed %	In steady work until months 1 to 12 before claim %	Had one long period of employment but then was out of work for a large period of time %	Unemployed more than in employment %	In work and out of work several times over %	In work at least once but followed another pattern %	Never employed %	
Physical disability: musculo-skeletal	37	44	37	27	38	26	32	36
Physical disability: chronic or systemic	15	27	34	18	21	34	29	28
Mental health condition	11	24	38	46	42	36	40	34
No main or secondary health condition	37	14	11	23	15	12	12	15
<i>Weighted base</i>	204	728	412	103	124	100	1,018	2,689
<i>Unweighted base</i>	133	825	466	103	112	75	975	2,689

Base: All customers who claimed incapacity benefits.

Notes:

1. Health status is from the claim to the wave one interview.
2. Respondents could report multiple health conditions

It is clear that there is an association with work patterns before a claim for incapacity benefits and health status. This relationship is investigated further in Chapter 5.

## 4.5 Work patterns after a claim

The primary aim for Pathways to Work was to help customers move from incapacity benefits and into paid work. In this section we focus on customers' employment in the 20 months following a claim for incapacity benefits. Overall, 41 per cent of customers who claimed incapacity benefit did paid work at some point in the 20 months following a claim for incapacity benefits.

Analysis of the work history data suggests customers' work patterns fit into one of seven categories following a claim for incapacity benefits (Table 4.8). Three per cent of customers were in work at least once, but their work pattern could not be segmented into one of these categories.

**Table 4.8 Segmentation of after claim work patterns**

<b>Work pattern</b>	<b>%</b>	<b>Frequency</b>
Always in work	9	249
Found steady work in first 6 months following a claim	7	184
Found steady work in the second year after a claim	5	131
Found steady work 7-12 months following a claim	6	159
Moved from a period of work to another period of work, both started after a claim	6	162
In work and out of work at least once	5	139
In work at least once but followed another pattern	3	76
Never in work after a claim	59	1,589
	<i>100</i>	<i>2,689</i>

Base: All customers claiming incapacity benefits.

The analysis identified three separate groups who moved into work following a claim, each at different rates. Seven per cent found steady work in the first six months following a claim, by steady work we mean work that had not ended at the date of interview and was not broken by a period of unemployment or a change of job. Six per cent of customers had found steady work in months seven to 12, and five per cent had found steady work in the second year following the claim. In total, 18 per cent moved into steady work following a claim.

Some customers moved into unsteady employment in that they moved between jobs without having a gap of unemployment in between (six per cent). As we discussed at the start of this chapter, having had more than one period of employment may suggest difficulty in sustaining work, however it could also be a sign of progression.

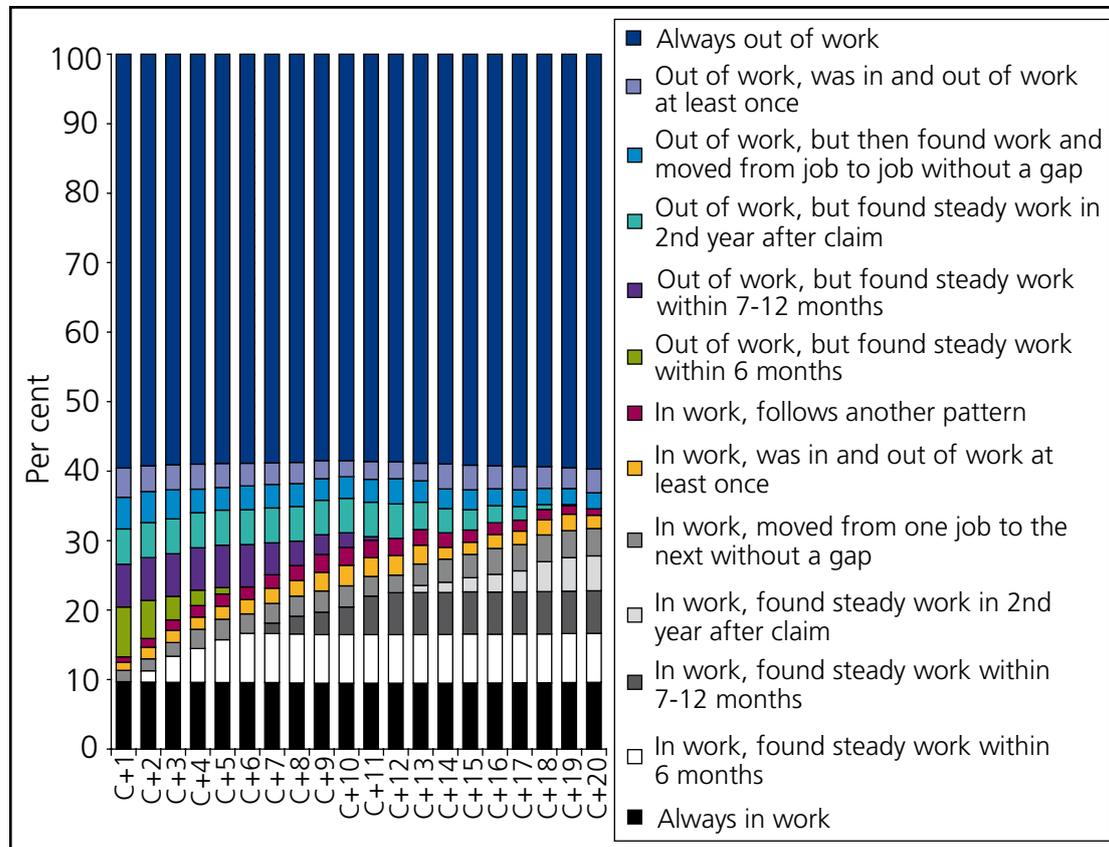
Those who moved into work and then fell out of work entirely (five per cent) were perhaps more likely to be in a vulnerable position than those who moved between jobs; the next chapter explores in more depth the factors that are associated with unsustained work.

Segmented work patterns can be presented visually and Figure 4.2 expands on what we saw in Figure 4.1 to show a more detailed picture of customers' work patterns following a claim for incapacity benefits. We see from the black and white sections in the lower part of the bars that the proportion of customers in work increases with each month following the claim, going forward to month 20 after their claim (C+20). The striped sections in the upper parts represent the proportion out of work. Overall, nine per cent of customers were always in work; that is were in work at the point of claim and remained in this employment for the 20 months following. These customers are represented by the darkest section at the bottom of the bars.

The three distinct patterns of customers finding steady work described above is clearly seen. For instance, we see that the proportion of customers who find work within the first six months following a claim increases each month until month six before reaching a plateau.

The proportion of those whose work was less stable, in that they moved from job to job, was similar each month, whereas the proportion of those in work, who fell out of employment at least once, was more variable on a month by month basis; we would expect to see this pattern as by definition this group were in and out of work at least once.

**Figure 4.2 Work patterns of customers following a claim for incapacity benefits**



As in the previous section where we explored the health of those with different work patterns before a claim for incapacity benefits, it is interesting to compare work patterns following a claim for incapacity benefits, with a measure of self-assessed health that is dynamic in that it captures the changes in health since a claim for incapacity benefits (Table 4.8).

We can see that the health of those who were always in work following a claim, and the health of those who found work within six months, was most likely to have remained good or very good or have improved during the time since the claim was made. Customers who moved from one job straight into another were also most likely to report very good, good or improving health, which suggests that poor health was not a reason for the change in employment.

Those who never moved into work following a claim had the poorest health, with 48 per cent reporting poor, static, changeable or declining health in the period since making a claim for incapacity benefits.

The health of those who moved in and out of work at least once was least variable over time, and also the health of those who found work in the second year following a claim; the proportions of those reporting good, fair and poor health was similar across each of these groups. Chapter 5 focuses on the group who moved in and out of employment and seeks to understand in more detail what makes an unsustained work period following a claim for incapacity benefits.

**Table 4.9 Health since claim and segmented post claim work pattern**

Health since claim	Segmented after claim work pattern							
	Always in work %	Found steady work in first 6 months following a claim %	Found steady work 7-12 months following a claim %	Found steady work in the second year after a claim %	Moved from a period or work to another period of work, both started after a claim %	In work and out of work at least once %	In work at least once but followed another pattern %	Never in work after a claim %
Good or very good health, improving or static	46	44	52	31	50	31	47	13
Fair health static or improving, good declining or changeable	33	36	23	25	18	20	36	18
Fair health changeable or declining, poor improving	13	6	22	22	14	26	8	20
Poor health static, changeable or declining	7	14	4	22	18	23	9	48
<i>Weighted base</i>	249	184	159	131	162	139	76	1,589
<i>Unweighted base</i>	155	169	199	177	208	130	91	1,560

Notes:

1. Base: Customers in employment after a claim for incapacity benefits.
2. This is health status at the wave one interview.

Table 4.10 presents, for each of the post-claim work pattern groups, the proportion of customers who had no health condition or whose main or secondary health condition was one that was physical and musculo-skeletal, physical and chronic, or systematic, or mental. The questionnaire allowed customers to report more than one health condition and it is for that reason that rows do not add up to 100 per cent.

Forty per cent of those never in work had a mental health condition, 44 per cent had a musculo-skeletal physical disability, and 31 per cent had a chronic or systematic physical disability. These findings suggest that health was a major reason for not finding work after claiming for incapacity benefits; just five per cent in this group had no health condition at all compared with 25 per cent of those always in work.

Mental health conditions were also associated with the length of time it takes for customers to move into work following a claim. Findings show that those who did not find steady work until the second year following a claim were more likely to have a mental health condition than those who found steady work within six months or within seven to 12 months.

**Table 4.10 Work pattern after claim date and type of health condition at wave one**

Health since claim	Segmented after claim work pattern							Total %	
	Always in work %	Found steady work in first 6 months following a claim %	Found steady work 7-12 months following a claim %	Found steady work in the second year after a claim %	Moved from a period or work to another period of work, both started after a claim %	In work and out of work at least once %	In work at least once but followed another pattern %		Never in work after a claim %
Physical disability: musculo-skeletal	39	41	38	39	42	39	37	44	42
Physical disability: chronic or systemic	20	22	22	19	17	24	22	31	27
Mental health condition	21	24	26	38	33	32	30	40	35
No main or secondary health condition	25	13	11	9	14	10	16	5	9
<i>Weighted base</i>	249	184	159	131	162	139	76	1,589	2,689
<i>Unweighted base</i>	155	169	199	177	208	130	91	1,560	2,689

Notes:

1. Base: Customers in employment after a claim for incapacity benefits.
2. This is health status at the wave one interview.

## 4.6 The overall pattern of employment for incapacity benefit claimants

The previous sections described the pre and post-claim patterns of work, but it is in bringing these together for each individual that a full picture of the varied journeys that new and repeat customers experienced is revealed. Patterns emerged from the work history, 56 months in total, which can be grouped into five high-level categories:

- 1 five per cent of all claimants were always in work;
- 2 twenty-nine per cent did not work at all in the five year period;
- 3 sixteen per cent had a similar pattern of work before and after their claim for incapacity benefits: 11 per cent fell out of steady work, claimed incapacity benefits, and subsequently moved back into steady work; five per cent had unstable periods of work before and after their claim;
- 4 ten per cent moved into work following a claim having had sporadic, short or no periods of work before the claim;
- 5 a third fell out of work, claimed incapacity benefits, and subsequently did not move back into work or moved into a less stable pattern of work.

Seven per cent of customers were in work at least once either before or after a claim, however, their overall work pattern did not fit into any of these categories.

Table 4.11 also provides a lower-level categorisation of work patterns for those whose pattern was the same before and after a claim, those who moved into work, and those who moved out of work following a claim. These categorisations provide a more specific explanation of exact patterns of work before and after a claim.

**Table 4.11 Overall work patterns before and after a claim for incapacity benefits**

<b>Pattern of work</b>	<b>%</b>	<b>Frequency</b>
Always in work	5	134
<b>Followed same work pattern before and after claim</b>	<b>16</b>	<b>425</b>
Worked steadily until 12 month period before claim, moved back into steady work within 6 months	6	168
Worked steadily until 12 month period before claim, moved back into steady work within 7-12 months	5	125
Work was unsustainable or unstable before claim, had a similar work pattern after claim	5	133
<b>Moved into work following claim</b>	<b>10</b>	<b>275</b>
Moved from short, sporadic, or no work into steady work within 6 months	4	114
Moved from short, sporadic, or no work into steady work within 7-12 months	1	34
Moved into any work after 12 months	5	127
<b>Moved out of work following a claim</b>	<b>33</b>	<b>898</b>
Moved from always being in work or from steady work that ended in 12 month before claim, to no work after claim	24	648
Moved from short or sporadic work to no work after claim	4	97
Moved from always being in work or steady work that ended in 12 months before claim, to unsustainable or unstable work	6	153
<b>Followed another work pattern</b>	<b>7</b>	<b>175</b>
<b>Never in work</b>	<b>29</b>	<b>781</b>
	<i>100</i>	<i>2,689</i>

Base: All customers claiming incapacity benefits.

As the Pathways to Work programme is focused on getting people back into work following a claim, we consider the relatively large proportion of customers who moved out of work following a claim. Within the lower-level categorisation of patterns of work, we see a noticeably high proportion of customers who moved from always being in work or from having steady work before a claim to no work following a claim. Table 4.12 shows that almost half (49 per cent) of these customers had had declining, static or changeable poor health since the claim. Likewise, 40 per cent of those who moved from short or sporadic work to no work after a claim reported the same level of health.

**Table 4.12 Health since claim of those who moved out of work since claim**

Health since claim	Moved out of work since claim		
	Moved from always being in work or from steady work that ended in 12 month before claim, to no work after claim %	Moved from short or sporadic work to no work after claim %	Moved from always being in work or steady work that ended in 12 months before claim, to unsustained or unstable work %
Good or very good health, improving or static	13	21	43
Fair health static or improving, good declining or changeable	18	11	23
Fair health changeable or declining, poor improving	20	28	14
Poor health static, changeable or declining	49	40	20
<i>Weighted base</i>	<i>648</i>	<i>97</i>	<i>153</i>
<i>Unweighted base</i>	<i>729</i>	<i>92</i>	<i>183</i>

Base: All customers claiming incapacity benefits.

The association of dynamic health since a claim and the overall pattern of work is presented in Table 4.13. Those who were always in work experienced static or improving good or very good health since the claim, as did those who followed the same work pattern as before. The latter group may include those who have had a temporary injury or illness from which they have recovered. A high proportion of those who moved into work following a claim experienced static or improving good or fair health, or had experienced declining good health which could be classified as fair at the time of interview. Half of those who never worked (50 per cent) had experienced static, changeable or declining health since making the claim for incapacity benefits.

**Table 4.13 Overall work patterns before and after a claim for incapacity benefits**

Health since claim	Overall pattern of work				
	Always worked %	Followed same work pattern before and after claim %	Moved into work following claim %	Moved out of work following a claim %	Never worked %
Good or very good health, improving or static	48	45	38	19	12
Fair health static or improving, good declining or changeable	34	23	29	18	17
Fair health changeable or declining, poor improving	11	19	17	20	21
Poor health static, changeable or declining	6	13	16	43	50
<i>Weighted base</i>	<i>134</i>	<i>425</i>	<i>275</i>	<i>898</i>	<i>781</i>
<i>Unweighted base</i>	<i>78</i>	<i>415</i>	<i>329</i>	<i>1,004</i>	<i>698</i>

Base: All customers claiming incapacity benefits.

## 4.7 Exploring existing customers' work patterns

The five years of work history data was used to establish whether or not an existing customer had been in paid work in each month prior to and following the month in which they started the Pathways to Work programme. These existing incapacity benefits customers started the Pathways to Work programme one to three years after their claim.

This analysis differs to that in Section 4.2, which focused on paid work in each month prior to and following a customer's claim for incapacity benefits. Here we focus on work prior to and following the start of the Pathways to Work programme for a group of customers who have been claiming incapacity benefits on a longer term basis. Although we present our analysis in the same way as in Section 4.2, we would not expect work patterns of existing customers around the programme start date to be comparable with the work patterns of new and repeat customers around the claim date.

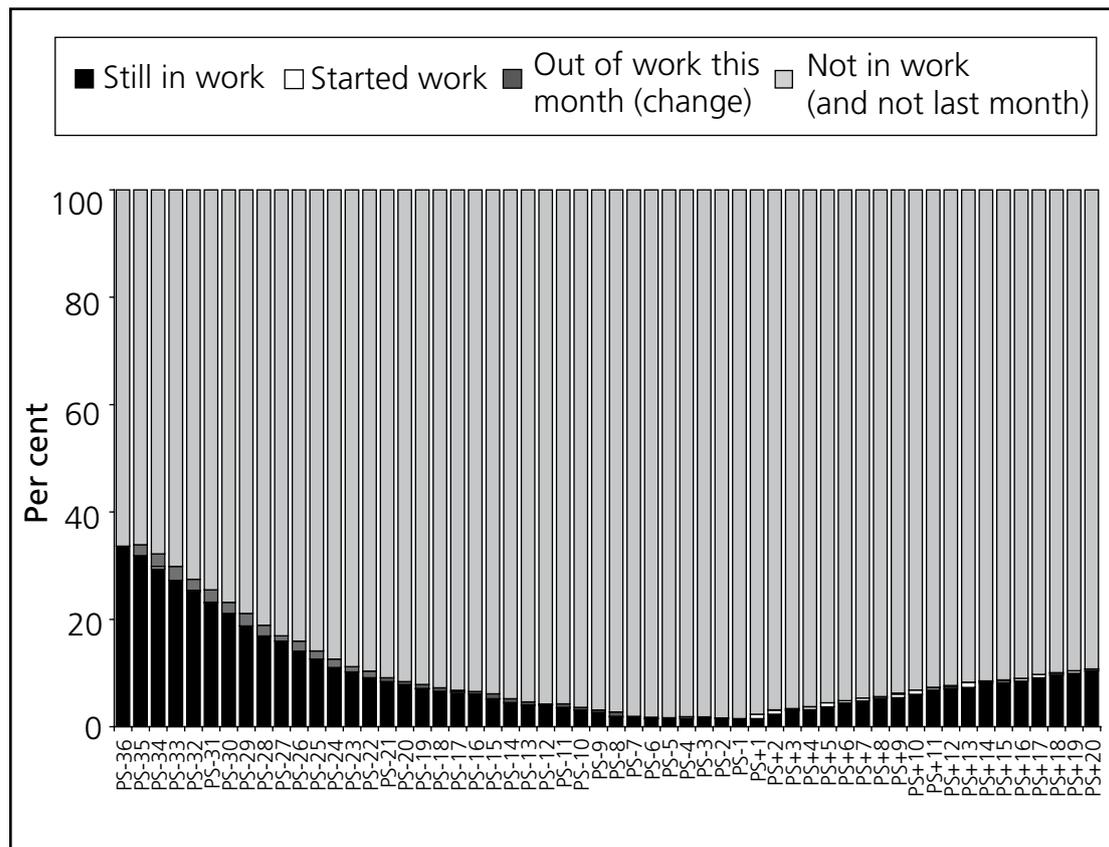
Figure 4.3 shows the work status of existing incapacity benefits customers during each month prior to the programme start, going back 36 months (labelled as PS-36) and for each month following the programme start, going forward to 20 months after the start month (PS+20). The date of the start on Pathways is the first day of the month represented by 'PS+1'. The 'still in work' and 'started work' bars together provide the total proportion of customers who were in work in any

particular month. The 'started work' bar is provided as a means of understanding the degree to which this overall level hides gross change month on month (those in the 'started work' category were not in paid work in the previous month and those in the 'out of work this month' were in paid work in the previous month).

The group included in the first extension of Pathways to Work to existing customers (from which our sample was drawn) had been claiming incapacity benefits for between one and three years at the point of being called onto the programme and were not in paid work. This is reflected in the chart, where we see the proportion of existing customers 'still in work' month on month declines quite steeply in the 36 to 24 months before the programme start date, and subsequently the gradient becomes gentler.

A very small proportion of existing customers were in work around the programme start (two per cent)<sup>10</sup>, and the proportion moving into work steadily increased to the end of the period to stand at 11 per cent.

**Figure 4.3 Work patterns of existing incapacity benefits customers around the start on Pathways**



The work history data allows us to explore the work history of existing customers in more detail (Table 4.14). Before the programme start, we see that 62 per cent

<sup>10</sup> This may either reflect Permitted Work of less than 16 hours per week, undeclared work or be the result of recall errors.

of existing customers spent no time in employment in the 36 months prior, 35 per cent had a single period of work and around three per cent had more than one period of work. After the programme start, 88 per cent of all existing customers spent no time in employment. 11 per cent had a single period of work, whereas just one per cent had more than one period of work.

**Table 4.14 Number of work periods before and after starting on Pathways**

<b>Number of work periods</b>	<b>In months 1 to 36 before programme start</b>	<b>In months 1 to 20 after programme start</b>
0	62.3	87.8
1	34.8	11.0
2	2.6	0.9
3	0.3	0.2
4	0.0	–
<i>Base</i>	<i>1,541</i>	<i>1,541</i>

Base: All existing customers claiming incapacity benefits.

In addition to counting the number of work periods existing customers had before and after the programme start, it is interesting to consider the average number of months spent in employment. In Table 4.15 we see that the overall mean number of months existing customers spent in employment before the programme start was 11. A very small proportion (two per cent) spent an average of 34 months in employment, whereas a much larger proportion (20 per cent) spent two months in employment on average. It is important to bear in mind that the mean number of months presented here is not necessarily the average number of months spent in consecutive work. We can see from the previous table that a small proportion of existing customers had more than one period of employment before or after the start of the programme.

**Table 4.15 Mean number of months spent in employment prior to the Pathways start**

<b>Months banded</b>	<b>Mean number of months worked</b>	<b>%</b>	<b>Base</b>
1-3	2.1	20	110
4-6	5.0	19	104
7-12	9.4	28	152
13-18	15.2	15	80
19-24	21.6	9	49
25-30	27.1	7	38
31-36	33.6	2	8
<b>Months 1-36</b>	<b>10.6</b>	<b>100</b>	<b>541</b>

Base: All existing customers who did any work before the programme start.

Table 4.16 shows that after the programme start, the overall average number of months spent in employment was 11. It is important to note that the average number of months spent in employment following the programme start, cannot be compared to the average number of months spent in employment prior to the programme start; the number of possible months that could be spent in employment was fewer after the start date than before.

There was variation in the number of months customers were in work since the programme start. In Table 4.16 we see there was a relatively even distribution of customers who spent 1-3, 4-6, 7-9, 10-12, 13-15, 16-18, and 19-20 months in work.

**Table 4.16 Mean number of months spent in employment after starting on Pathways**

<b>Months banded</b>	<b>Mean number of months worked</b>	<b>%</b>	<b>Base</b>
1-3	2.1	13	24
4-6	4.7	14	26
7-9	8.0	14	26
10-12	11.0	16	30
13-15	14.1	11	21
16-18	16.6	13	24
19-20	19.7	18	33
<b>Months 1-20</b>	<b>11.2</b>	<b>100</b>	<b>185</b>

Base: All customers who did any work following the programme start.

We applied our after-claim segmentation of work patterns to the experience of existing customers to understand in more detail the work patterns that followed the programme start illustrated in Figure 4.3. This allows a comparison with the pattern found for new and repeat customers set out in Table 4.8.

The difference in the level of work between the two populations is immediately clear from the application of the new and repeat customer segmentation to existing customers (Table 4.17). The large majority of existing customers (87 per cent) were not in work at any stage in the period. Although there was less variation among existing customers in this sense, those who did work could be found across the segmentation's categories. Similar proportions of existing customers (two or three per cent) found work in the first six months, the second six months and the second year after the programme start, reflecting the steady movement into work observed in Figure 4.3. A further two per cent of cases did not move into steady work, but did work during the period.

**Table 4.17 Segmentation of work patterns for existing customers following start on Pathways**

<b>Work pattern</b>	<b>%</b>	<b>Frequency</b>
Always in work	2	24
Found steady work in first 6 months following Pathways start	2	32
Found steady work in the second year after Pathways start	3	48
Found steady work 7-12 months following Pathways start	2	38
Moved from a period of work to another period of work, both started after Pathways	2	31
In work and out of work at least once	1	14
In work at least once but followed another pattern	1	9
Never in work after Pathways start	87	1,344
	<i>100</i>	<i>1541</i>

Base: All existing customers.

## 4.8 Conclusions

The five-year work history data provided an overall picture of the pattern of work for new and repeat incapacity benefits claimants that we might expect. From a peak in the proportion in paid work three years before a claim, there was a gradual fall out of work, accelerating in the six months leading up to the claim. Subsequent to the claim there was a steady rise in the proportion of customers in paid work for 12 months. The proportion in work began to level off towards the 20 month mark.

The high point three years prior to the claim was 55 per cent – which is below the employment for the general working-age population around that time of 74

per cent.<sup>11</sup> It is clear that the cohort claiming incapacity benefit and moving onto Pathways was not typical of the general working-age population from an early point. A proportion of customers included in the cohort are 'repeat' incapacity claimants, and previous reports have described how health conditions were frequently long term.<sup>12</sup>

At 35 per cent, the peak in the proportion in work after the claim was well below the 55 per cent seen prior to it. Although the period observable following the claim was limited to 20 months, the levelling-off of the proportion in paid work by that time makes it unlikely that the level would climb back to the previous high in the short or medium term.

The overall pattern of a sharp fall out of employment and a steady rise back into work hides a more varied experience for individuals. The segmentation of work patterns usefully separated the overall journey into those whose post-claim work pattern mirrored their pre-claim pattern (principally, steady work either side of a claim or no work at any point) and those who saw a change (largely moving out of steady work, but also moving into work from not being in work or having unstable work). Pathways to Work's recognition of these varied journeys and targeting of varied services would seem the correct response.

The work history collected from existing customers showed markedly less work during the five-year period. A very small proportion of existing customers were in work following the start of the programme, and the proportion moving into work steadily increased to the end of the period to stand at 11 per cent (some way short of the third who were in work five years previously). In the 20 months following the start on Pathways, 87 per cent found no work.

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<sup>11</sup> Office for National Statistics (2004).

<sup>12</sup> See Bailey *et al.* (2007).

# 5 Sustaining work following a claim for incapacity benefits

## 5.1 Summary

- The ability to sustain work following a claim for incapacity benefits is crucial to the long-term success of individuals and the Pathways to Work programme. This chapter used data collected about work that happened since a claim for incapacity benefits, and bivariate and multivariate analysis was used to explore the factors that were important to a sustained work outcome. For the purposes of this comparative analysis, sustained work was defined as employment that started after a claim for incapacity benefits and was unbroken at the point of interview. Unsustained work was defined as employment that started after a claim for incapacity benefits, but ended within six months and was followed by a period without work. Fourteen per cent of customers who found work experienced unsustained work by this definition.
- Not having managerial responsibilities, compared to being self-employed or a manager or supervisor, increased the chances of work not being sustained by over 300 per cent.
- Customers in non-professional roles were more likely to have a period of unsustained work following a claim, as were those on temporary contracts (and conversely, those in professional roles or who had permanent contracts were more likely to sustain work).
- Those with a chronic or systemic physical disability had a greatly increased chance of not sustaining their work following a claim, as had those with a musculo-skeletal physical disability or a mental health condition, albeit to a lesser magnitude.

Continued

- Customers with declining, static or changeable fair or poor health had an increased chance of their work being unsustainable. Improving health since a claim was associated with improved work sustainability.
- Having three or more Work Focused Interviews (WFIs) at Jobcentre Plus and visiting a Programme Centre were associated with an increased chance of work being unsustainable. However, these findings were likely to have been confounded by the other characteristics of those customers most in need of these services.

## 5.2 Defining sustained and unsustainable work

This chapter compares the characteristics of successful work periods with unsuccessful work periods following a claim for incapacity benefits, where we define a successful work period as one that is sustained over a given period. Whether or not the work customers find following a claim for incapacity benefits is sustained is crucial for individuals and the success of Pathways.

This chapter uses the work history data collected as part of the wave two interview and focuses on new and repeat customers in both the pilot and expansion areas. The analysis seeks to understand what makes a sustained, or successful, work period following a claim for incapacity benefit and focuses particularly on the first period of work following a claim as this is closest to when customers are likely to receive the most concentrated support from the Pathways to Work programme.

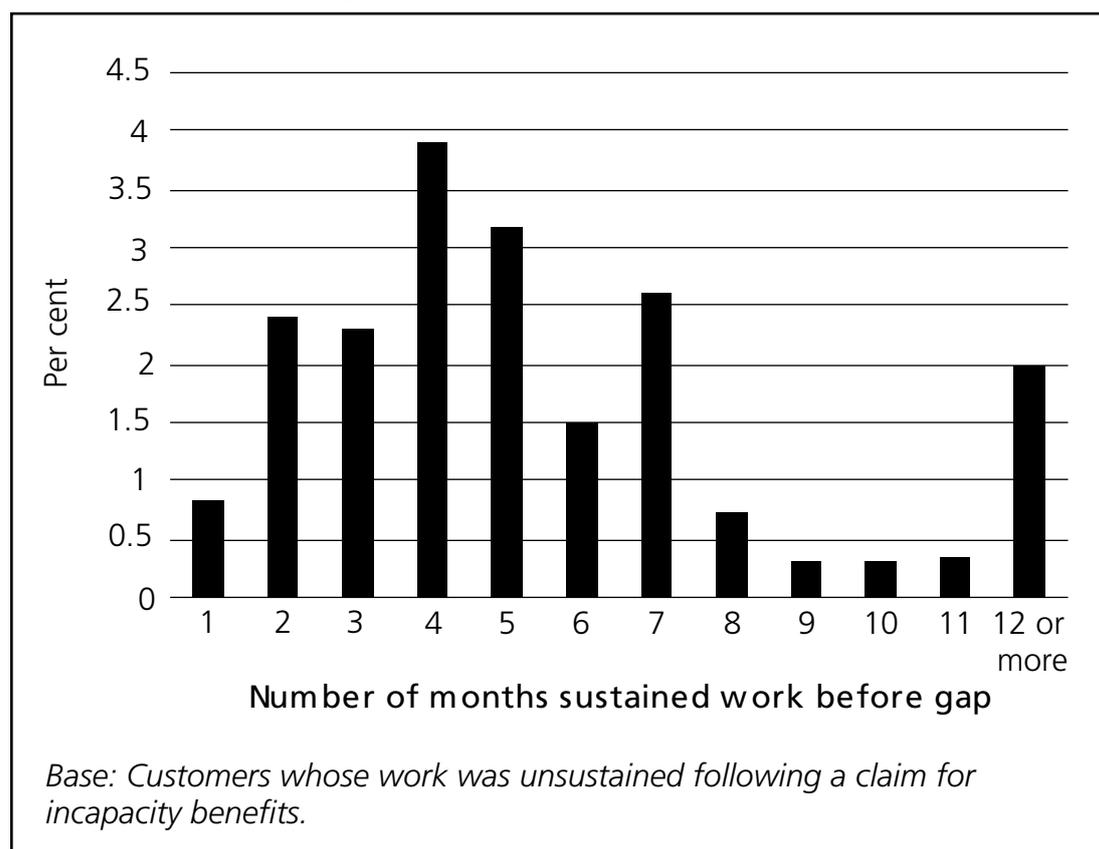
Following a claim for incapacity benefits, 36 per cent of all customers moved into work at some point in the two-year reference period. However, not all customers were able to sustain their employment. There are many factors which may impact on whether work is sustained or not. For example, the health condition that led to a claim for incapacity benefit may limit an individual's ability to retain work following the claim. Our previous work has shown that the nature of the work itself, in terms of hours worked, type of occupation, and whether a job makes the best use of a person's skills varies widely for Pathways customers (Bailey, Hales, Hayllar and Wood, 2007).

Table 5.1 and Figure 5.1 show the proportion of customers in work for a given length of time before their work ended and was followed by a period of unemployment. In total, 22 per cent of customers who found work following a claim for incapacity benefits were unable to sustain their work (i.e. their job ended and a period of being out of work followed).

**Table 5.1** Number of months in work before a gap of unemployment

Number of months sustained work before gap of unemployment	%	Frequency
No gap following employment	78	768
1	1	8
2	2	23
3	2	23
4	4	38
5	3	31
6	2	15
7	3	26
8	1	7
9	1	14
10	0	3
11	0	4
12	2	20
	100	980

Base: customers in employment after a claim for incapacity benefits.

**Figure 5.1** Number of months in work before a gap of unemployment

In the analysis, unsustained work lasting six months or fewer was compared to sustained work. We use this distinction in a discussion of what makes a successful work period following a claim for incapacity benefit.

**Sustained work** is defined as a period of employment of 12 months or more that started after a claim for incapacity benefits and was unbroken at the point of interview. In other words, this was employment that was not followed by a period of unemployment.

**Unsustained work** is defined as a period of employment that started after a claim for incapacity benefit and ended within six months. A cut-off of six months was thought to be sensible as Pathways to Work is set up to provide in-work support for the first six months of employment. Work ending after a period of time longer than six months may also be considered to be unsustained, but the stricter definition provides a clearer comparison with the longer and unbroken periods of work included in the 'sustained' work category. Fourteen per cent of all those moving into work had unsustained work which lasted for six months or fewer.

In this chapter we focus on 907 (968 unweighted) customers whose first period of work following a claim could be classified as **sustained** or **unsustained** according to our definition. Not included in this definition were customers whose work started and ended within six to nine months following a claim or within nine to twelve months. Five per cent of those moving into work following a claim, had work that lasted for seven to nine months, and three per cent had unsustained work which lasted for ten months or more.

### 5.3 Explaining unsustained work

Multivariate analysis was used to explore the association between unsustained work that started and ended within six months, and other factors; such as contract type, health status, and age. Multivariate analysis allows consideration of the association of one variable while holding others constant. For instance, contract type may not be associated with unsustained work once we take account of health status.

A stepwise logistic regression model, with unsustained work as the dependent variable, was used in the exploratory phase of the multivariate analysis. Stepwise logistic regression is designed to find the most parsimonious set of variables which best predict the dependent variable, in this case unsustained work. It excludes variables that do not contribute to explaining differences in the dependent variable, and is therefore used only in exploratory analysis. Listed below, in order of importance, are the variables identified in the stepwise regression analysis that were most likely to be associated with work being unsustained:

- not having managerial or supervisory responsibilities and not being self-employed;

- having an intermediate occupation according to the National Statistics Socio-economic Classification (these roles would include clerical, administrative, technical and sales roles with little or no authority);
- attending three or more WFIs;
- having declining or changeable good health, or static or improving fair (self-assessed) health during the period since the claim;
- having declining or changeable fair health, or improving poor (self-assessed) health during the period since the claim;
- having static, changeable or declining poor (self-assessed) health during the period since the claim;
- having attended a Programme Centre;
- working less than 16 hours a week.

These findings were useful in identifying the associations between unsustained work and the potential explanatory factors. It is clear that the nature of work, health status, and extent of involvement in the Pathways to Work programme were associated with whether work is sustained or not following a claim. However, the relationship between attendance at WFIs and unsustained work is likely to reflect the characteristics that lead to customers attending WFIs that are not captured by the model rather than an being an effect of the meetings themselves.

To understand the magnitude of these associations while controlling for all factors, a logistic regression model (non-stepwise) was fitted to the data, with unsustained work as the dependent variable. Logistic regression is a technique which describes the relationship between an independent variable and a given outcome (in this case unsustained work), while controlling for other variables. It is appropriate for analyses where the dependent variable is dichotomous.

The following variables were included in the model:

- gender;
- age;
- pilot or expansion area;
- highest qualification;
- national statistics socio-economic classification;
- ethnicity;
- tenure;
- living arrangement;
- relative deprivation of local area (in quintiles);
- typical hours worked;

- not having managerial responsibilities compared to being self-employed or a manager or supervisor;
- had a permanent contract;
- had a fixed-term contract for more than one year;
- had a temporary contract;
- work pattern before a claim;
- health status; improving, static or declining over time;
- main or secondary health condition was:
  - musculo-skeletal physical disability;
  - chronic and systemic physical disability;
  - mental health condition;
  - had no health condition;
- time off work due to health condition;
- boss sympathetic to health condition;
- number of WFIs;
- receives Return to Work Credit;
- ever met with an Incapacity Benefits Personal Advisor;
- ever took part in Condition Management Programme;
- ever did a training course;
- ever took part in New Deal for Disabled People.

Results of logistic regression analysis are usually presented in the form of odds ratios. An odds ratio is a relative measure of risk, telling us how much more likely it is that someone with a particular characteristic (for example, receipt of Return to Work Credit) will experience a particular outcome as measured by the dependent variable, in this case unsustained work following a claim for incapacity benefits.

Table 5.2 presents a summary of results from the logistic regression. The odds ratios estimated for those independent variables that were statistically significant at the 95 per cent level are shown in bold and are underlined. Findings significant at the 90 per cent level are underlined only. Statistically significant findings are summarised and discussed in the next sections.

**Table 5.2 Summary of logistic regression model of unsustained work**

Independent variables		Odds Ratio	P-value	Independent variables		Odds Ratio	P-value
Dependent variable: Sustained vs unsustained work (odds of work being unsustained)		Number of obs = 813		LR chi2(63) = 444.99		Prob > chi2 = 0.0000	
Log likelihood = -117.59035		Pseudo R2 = 0.6542					
Men	1.700	0.316	Works < 16 hours a week	0.320	0.102		
Age 30-39	12.503	<b>0.010</b>	Employee	370.639	<b>0.000</b>		
Age 40-49	2.282	0.414	Contract permanent	0.016	<b>0.000</b>		
Age 50-54	2.802	0.236	Contract fixed for more than 1 year	0.139	0.115		
Age 55+	0.991	0.993	Contract temporary	3.512	0.086		
ref Age 18-29							
Derbyshire	0.157	<u>0.086</u>	In steady work until year before claim	0.387	0.138		
RIAB	0.906	0.939	Long period of work but out of work long period	0.633	0.530		
Somerset	2.086	0.581	Unemployed more than in employment	0.249	0.322		
East Lancashire	1.960	0.541	In and out of work	1.704	0.545		
Gateshead	4.026	0.194	Always in work	1.353	0.715		
Essex	2.735	0.311	Other	0.481	0.554		
Tees Valley	0.232	0.251	<i>ref Never employed</i>				
Cumbria	0.380	0.467					
Lancashire West	3.943	0.236	Fair health static or improving, good declining or changeable	4.102	<b>0.043</b>		
Glasgow	0.010	0.016	Fair health changeable or declining, poor improving	2.413	0.226		
ref Bridgend			Poor health static, changeable or declining	15.273	<b>0.001</b>		
			<i>ref Good or very good health, improving or static</i>				
Unclassified or no qualifications	1.205	0.834					
NVQ 1 or 2 OR GCSE below C or AtoC	2.246	0.346	Physical disability: musculo-skeletal	3.610	<b>0.016</b>		
NVQ 3 OR A-Level	0.861	0.877	Physical disability: chronic and systematic conditions	6.170	<b>0.003</b>		
ref NVQ 4 or 5 OR 1st or higher degree			Mental health conditions or disabilities	3.019	<u>0.066</u>		
			No health condition	1.097	0.924		

Continued

Table 5.2 Continued

Intermediate occupations	8.226	<u>0.030</u>			
Routine and manual occupations	0.704	0.691	Not off work due to health condition	0.355	0.179
<i>ref Managerial and professional occupations</i>			Off work for a week or more	0.539	0.463
			<i>Ref no limiting illness</i>		
Non-white	1.001	0.999			
			Boss fully or partly sympathetic to health	0.945	0.941
Renting - private	8.851	<b>0.009</b>	Boss not really or not at all sympathetic	4.264	0.121
Renting - social or council	0.908	0.881	<i>Ref no limiting illness</i>		
Other situation	1.611	0.586			
<i>ref owned outright or mortgage</i>			Receives Return to Work Credit	0.738	0.594
Live with partner and children	0.635	0.519	One WFI	0.203	0.235
Live with partner	2.080	0.316	Two WFI	0.543	0.378
Live with children	0.251	0.126	Three or more WFI	3.191	0.056
Live with others	0.613	0.532	<i>ref No WFI's</i>		
<i>ref Live alone</i>			Ever met with IBPA	0.530	0.687
2nd least deprived quintile	0.470	0.446	Ever took part in CMP	2.038	0.374
3rd least deprived quintile	0.348	0.259	Ever did training course	0.545	0.407
4th least deprived quintile	2.959	0.112	Ever used programme centre	3.504	<u>0.059</u>
Most deprived quintile	1.298	0.703	Ever took part in NDDP	1.116	0.852
<i>ref Least deprived</i>					

## Notes:

1. Odds ratios for independent variables that were statistically significant at the 95 per cent level shown in bold and are underlined.
2. Findings significant at the 90 per cent level are underlined only.

### 5.3.1 Nature of work

Customers who had no managerial or supervisory responsibilities and were not self-employed were much more likely to have found work that was unsustainable following a claim for incapacity benefits. Controlling for all other variables, the chance of experiencing unsustainable work was over 300 per cent more for this group, than it was for managers, supervisors or self-employed customers, suggesting that having some degree of responsibility in a job role increases the chances of sustaining work.

It could be that it is the level of responsibility held in a job that determines work retention, for instance, as a result of an association with better pay, a greater degree of satisfaction with the role or being less prone to ending due to short-term business cycles. However, it may be the case that other factors such as motivation or good health over a period have led to individuals being able to progress to positions of some degree of responsibility and are also linked to sustained work outcomes.

Customers who had a permanent contract as opposed to another type of contract were almost 100 per cent less likely to have work that was unsustainable following a claim for incapacity benefits. Likewise, those with a temporary contract as opposed to another type were more likely to have unsustainable work (note the latter finding had a p-value of 0.086 and so was only statistically significant at the 90 per cent level). The way in which we have defined unsustainable work means that we will pick up work that was temporary or casual and perhaps scheduled to end within six months, and so it is unsurprising that our dependent variable is associated with having a temporary contract. In addition to the essential contractual differences and the different way in which employers view permanent staff, those on a permanent contract may feel differently about their job than those on temporary contracts. Controlling for health conditions and other limiting factors, it may be that those on permanent contracts sustain work due to reasons not measured here, such as loyalty to the employer.

It is clear that the ability to sustain work was in part due to the terms and conditions of the employment, and it was not just the type of contract that was important but also the level of responsibility held. Adding to this picture, we can say that customers in occupations classed as 'Intermediate' by the National Statistics Socio-economic Classification (which include positions that do not involve general planning or supervisory powers, such as clerical, sales, service and intermediate technical occupations)<sup>13</sup> were more likely than those in occupations classed as 'Managerial and Professional' to have a period of unsustainable work following a claim for incapacity benefits.

Looking across these findings, it is clear that it was those with low-ranking jobs in terms of responsibility, and also those with non-permanent contracts who were most likely to experience unsustainable work.

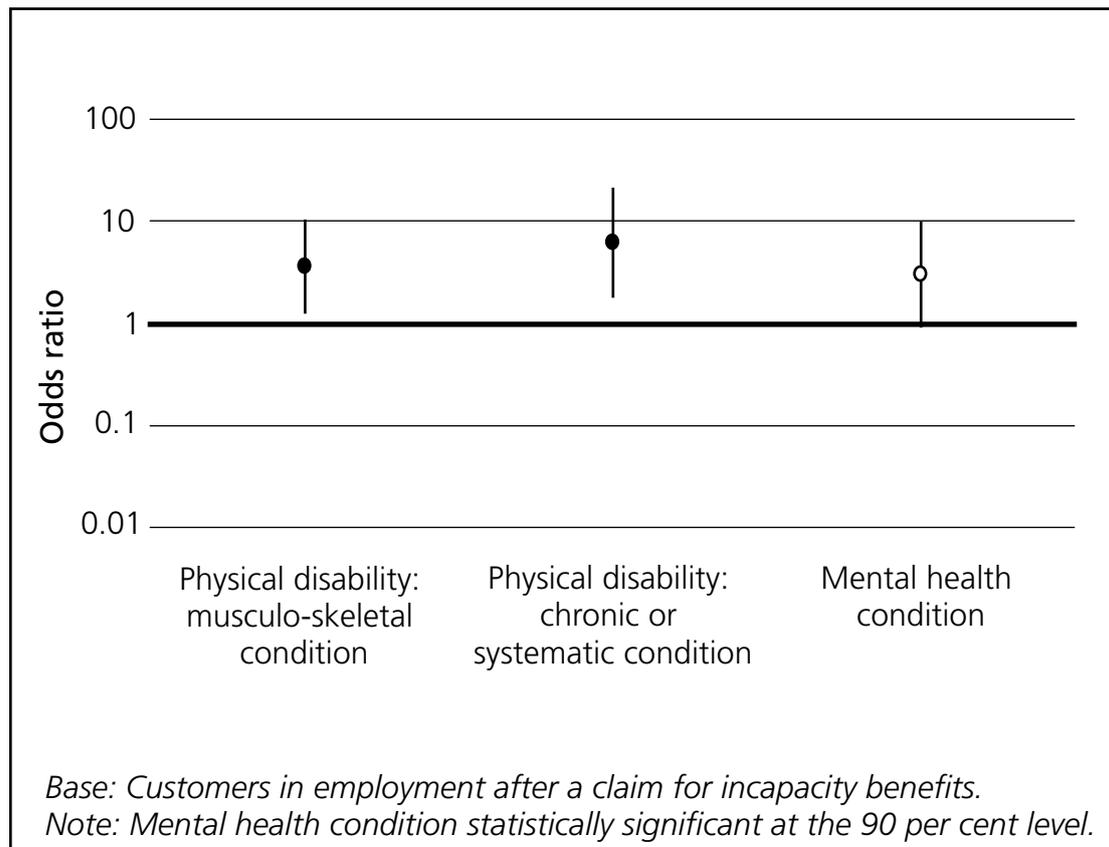
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<sup>13</sup> See the Office for National Statistics website for details at <http://www.ons.gov.uk/about-statistics/classifications/current/ns-sec/index.html>

### 5.3.2 Health

Health plays a large part in whether work following a claim for incapacity benefits is sustained or unsustained. Certain health conditions were negatively associated with sustained work following a claim for incapacity benefits. Customers with chronic and systemic physical conditions were around six times more likely to experience unsustained work, than those who did not have this condition. Likewise, people with musculo-skeletal physical conditions were around four times more likely than those without this condition; and those with mental health conditions were three times more likely than those without this condition, although this was only significant at the 90 per cent level. Figure 5.2 illustrates the magnitude of the effect of having these health conditions on the increased risk of having an unsustained work period following a claim for incapacity benefits. We see that it is those with chronic conditions who had the greatest chance of unsustained work following a claim.

**Figure 5.2 Odds of unsustained work for people with musculo-skeletal, chronic or mental health conditions**



Customers with chronic or systemic health conditions were less likely to see an improvement in their health over time. This is likely to have a negative effect on their ability to sustain work, as it is customers whose health since claiming incapacity benefits had improved who were more likely to sustain work. Those whose health remained fair, or had declined from situation of good health, were more likely to have a period of unsustained work after a claim than customers whose health had remained good or very good, or had improved since the claim was made. Similarly, customers whose poor health had remained static, changeable, or had declined since a claim had a greatly increased chance of being unable to sustain work following their claim. Those with chronic or systemic conditions were most likely to be in this group.

Table 5.3 further shows the relationship between poor health and work that is unsustained. The health of those who had a period of unsustained work following a claim was increasingly worse, compared to the health of those who had a period of sustained work.

**Table 5.3 Health since claim and unsustained work following a claim**

Employment after a claim for incapacity benefits	Health since claim			
	Good or very good health, improving or static %	Fair health static or improving, good declining or changeable %	Fair health changeable or declining, poor improving %	Poor health static, changeable or declining %
Sustained	89	88	75	76
Unsustained	11	12	25	24
<i>Weighted base</i>	<i>401</i>	<i>230</i>	<i>144</i>	<i>131</i>
<i>Unweighted base</i>	<i>376</i>	<i>270</i>	<i>197</i>	<i>123</i>

Base: customers in employment after a claim for incapacity benefits.

### 5.3.3 Pathways to Work programme

Associations between customers' involvement in the Pathways to Work programme and their ability to sustain work following a claim were not statistically significant at the 95 per cent level. At the 90 per cent level of statistical significance, having attended three or more WFIs was associated with an increased chance of unsustained work. This result is more likely to be due to the type of individuals requiring and taking up WFIs, rather than the meeting itself causing a negative association with sustained work. Likewise, having used a Programme Centre was associated with an increased chance of unsustained work. Again this is likely to be due to the characteristics of individuals using the Programme Centres, rather than the nature of the programme itself.

In interpreting these results, it is clear that the associations between sustained work and the Pathways to Work programme are not in the direction that one would expect. It is important to recognise the potentially confounding factors here and to understand that the customers most likely to use the services provided by programme have other characteristics that may make work retention difficult.

#### **5.3.4 Demographics**

When considering the demographic characteristics of customers, those aged 30-39 were much more likely than customers aged 18-29 to experience unsustained work following a claim, although increasing age as a whole was not significantly associated with unsustained work. Customers who were private renters were more likely to have an unsustained work period, than customers who owned their home or were buying with the help of a mortgage.

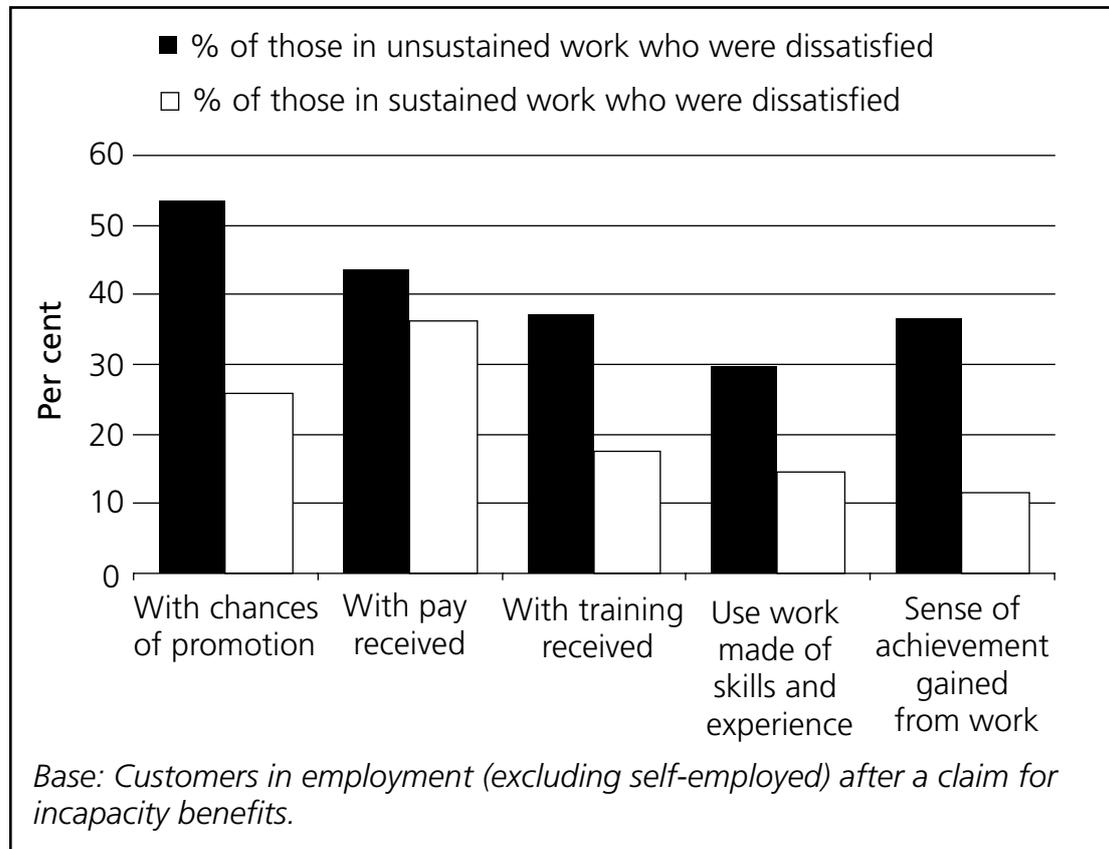
Qualifications, gender, ethnicity, and living arrangements were not associated with unsustained work. There appears to be a statistically significant difference between customers in Glasgow and customers in Bridgend, however, the range of potential explanatory factors, including variation in local labour markets and in the delivery of Pathways to Work, make these differences difficult to interpret.

### **5.4 The impact of job satisfaction on sustaining work**

Job satisfaction is a further dimension which may impact on whether work is sustained or not.

Data was collected on satisfaction with the chances of promotion, pay received, training, the use work makes of skills, and the sense of achievement gained with work. These variables were not included in the logistic regression model because it was felt that responses to them would be related to whether customers were still in that job. Customers may report job dissatisfaction as a means of explaining to an interviewer why a period of work came to an end. Nonetheless, descriptive analysis highlights the importance of such attitudinal variables in peoples' ability (or choice) to sustain work. Figure 5.3 shows the proportion of job dissatisfaction reported by those in sustained work and unsustained work.

Customers in unsustained work were more likely to be dissatisfied with their chances of promotion, with training received, with the use the work made of their skills and experience, and with the sense of achievement gained from work. Customers were also more likely to be dissatisfied with their salary, although the difference between this group and customers whose work was sustained was less marked.

**Figure 5.3 Job dissatisfaction and sustained/unsustained work**

## 5.5 Barriers to work

This section considers the potential big effects, or barriers, customers might face when trying to sustain their work. For this analysis we use data from customers in pilot areas only, who were in work at the wave one interview and who also took part in the wave two interview. These customers were asked what effect each of the barriers to staying in work (listed in Table 5.4) might have on their ability to sustain their work.

Table 5.4 shows that 25 per cent of those in work at wave one and who took part in the wave two interview reported that insufficient pay and their health were 'big' factors that made it difficult for them to stay in work. Smaller proportions of customers said that not doing the job they wanted (18 per cent), having personal troubles (14 per cent), and lacking confidence (13 per cent) were also big barriers to them sustaining their work.

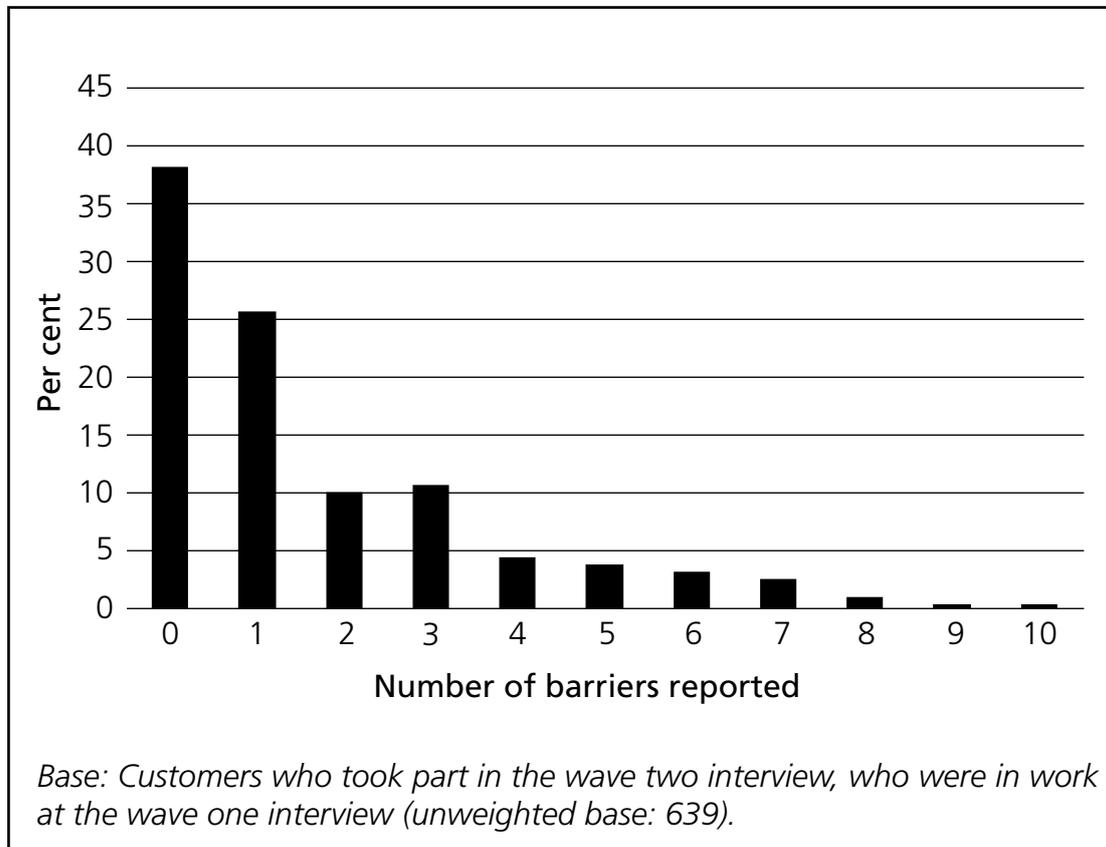
**Table 5.4 Barriers to sustaining work**

<b>Barrier to staying in work</b>	<b>Big' effect on staying in work %</b>
Money not enough	25
Health	25
Not doing the job I want	18
Personal troubles	14
Lack confidence	13
Not motivated to work	9
Attitudes towards health	9
Lack skills or experience	9
More health support needed	9
Hours too long for health	9
Difficulties with journey to work	8
Caring for an adult or child	8
Hours not flexible enough for health	5
Way employers view age	4
<i>Unweighted base (minimum)</i>	636

Base: customers who were in work at the wave 1 interview and who took part in wave 2 survey.

There was some variation in the number of barriers that customers reported. Figure 5.4 shows the distribution of responses.

**Figure 5.4** Number of big barriers to staying in work reported by those in work at wave one



The vast majority (62 per cent) of those in work at wave one reported at least one barrier to work. The most common number of barriers was one and the mean number was 1.65. It was uncommon for respondents to report four or more barriers to work.

In order to analyse this data in greater depth a statistical technique called Latent Class Analysis (LCA) can be used. This method can identify relationships in survey data where there is a latent, or underlying, variable measured by the survey questions. In this instance, a number of related questions were asked in an attempt to gauge respondent's underlying perceptions about barriers to staying in work. LCA divides respondents into groups (or latent classes) on the basis of their answers to these questions.

The aim of LCA is for each group to be reasonably uniform, so that individuals within a group are similar to one another, while respondents in different groups are dissimilar. For each group identified by the analysis, a set of probabilities is produced for the 14 barriers. These probabilities show, for each barrier, the likelihood of a person reporting a big effect on them sustaining work. These probabilities are useful when defining the groups identified by the analysis. Further details of LCA can be found in the Appendix.

Groups are presented hierarchically when considering the mean number of barriers experienced by those in each. Those in group one had, on average, the fewest barriers to work, whereas group five had the most barriers.

Five groups, or latent classes, were identified in the analysis. Groups are labelled according to the most prominent barriers. We do this to simplify our discussion of these groups and it is important to bear in mind that people within each group reported multiple barriers and not just those used in the labelling. As part of the labelling process it became evident that some barriers were common among the majority of customers in work, and appeared in more than one group (health and money were two common barriers to work for those reporting at least one barrier).

The five groups identified in the LCA were given the following labels:

- 1 No big barriers to work.
- 2 Health in general.
- 3 Specific health barriers and lack of confidence.
- 4 Not enough money and dislike for the job.
- 5 Health, tiring job and not enough money.

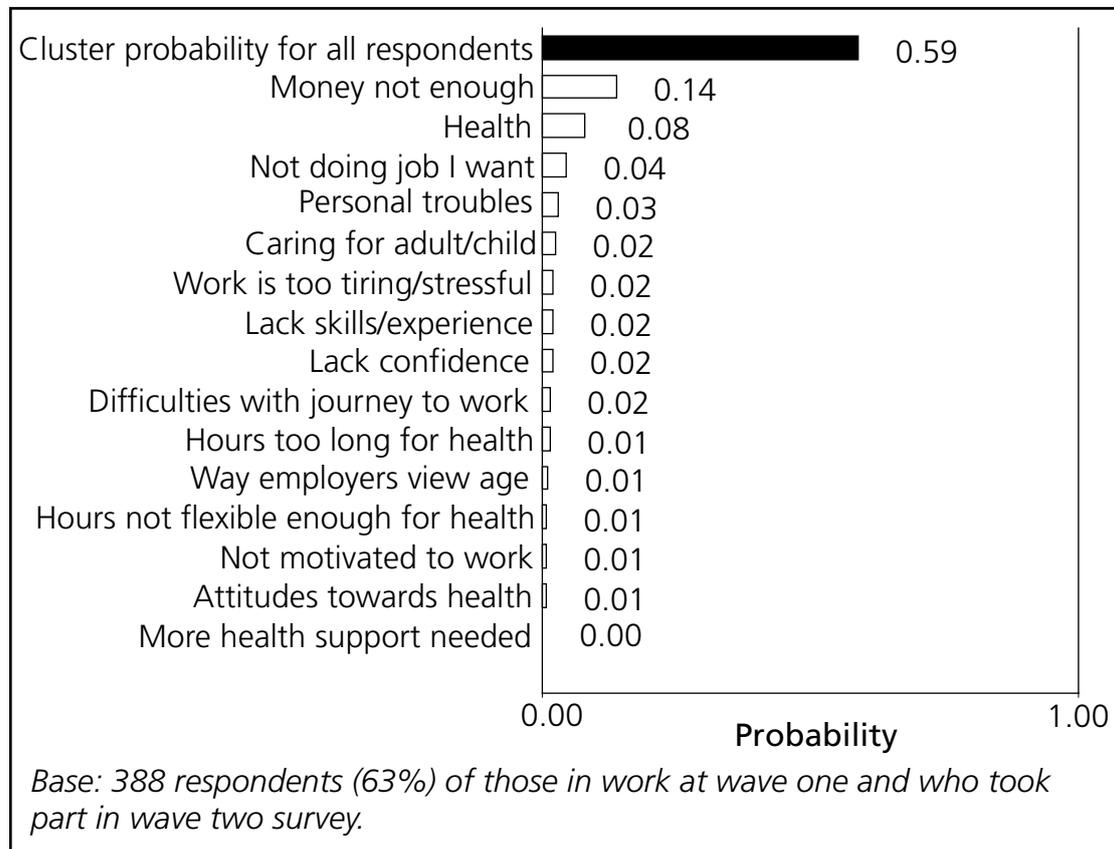
These labels correspond to customers' answers to the barriers to staying in work questions. They group individuals in terms of their perceptions of employment barriers. It is not to say, for example, that those in the 'specific health barriers and lack of confidence' group do not experience non-health or non-confidence related barriers, but the fact that this group predominantly reported barriers about health and confidence. Membership to a particular latent class represents the customer's opinion of what might prevent them from working in future.

### **5.5.1 Group one: 'No big barriers to work'**

Sixty-three per cent of those in work at wave one who also took part in the wave two survey belong to a group who were unlikely to report big barriers to work. Figure 5.5 shows us that overall, customers in work at the wave one survey had a 59 per cent chance of belonging to this group.

On average, customers in this group reported zero barriers to work (mean of 0.41). This group had a 14 per cent chance of reporting that the money was not enough to sustain the work held at wave one, and had a less than a ten per cent chance of reporting other barriers to work.

**Figure 5.5 Probabilities of barriers to work: Group one – ‘no big barriers to work’**

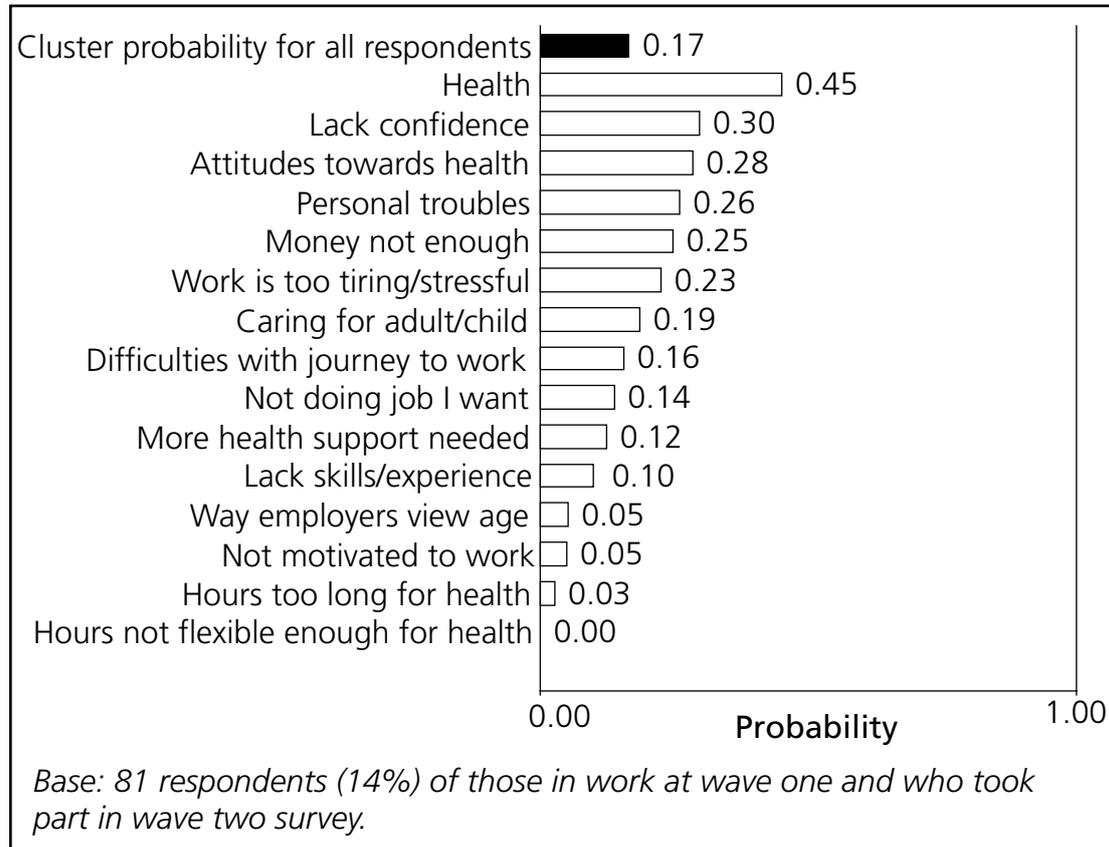


### 5.5.2 Group two: ‘Health in general’

Fourteen per cent of customers formed a group who predominantly considered health in general to be a barrier to sustaining work. Overall, customers in work at the wave one survey had a 17 per cent chance of belonging to this group and, on average, customers in this group reported three barriers to work (mean of 2.83).

This group had a 45 per cent chance of reporting that health was a big barrier to staying in work. Although this was the predominant barrier, customers in this group had a 30 per cent chance of citing lack of confidence as a barrier to work, a 28 per cent chance of reporting that employers’ attitudes towards health were a barrier, and a 26 per cent chance of reporting personal troubles. Customers had a 25 per cent or less chance of experiencing other barriers to sustaining work.

**Figure 5.6 Probabilities of barriers to work: Group two – ‘health in general’**

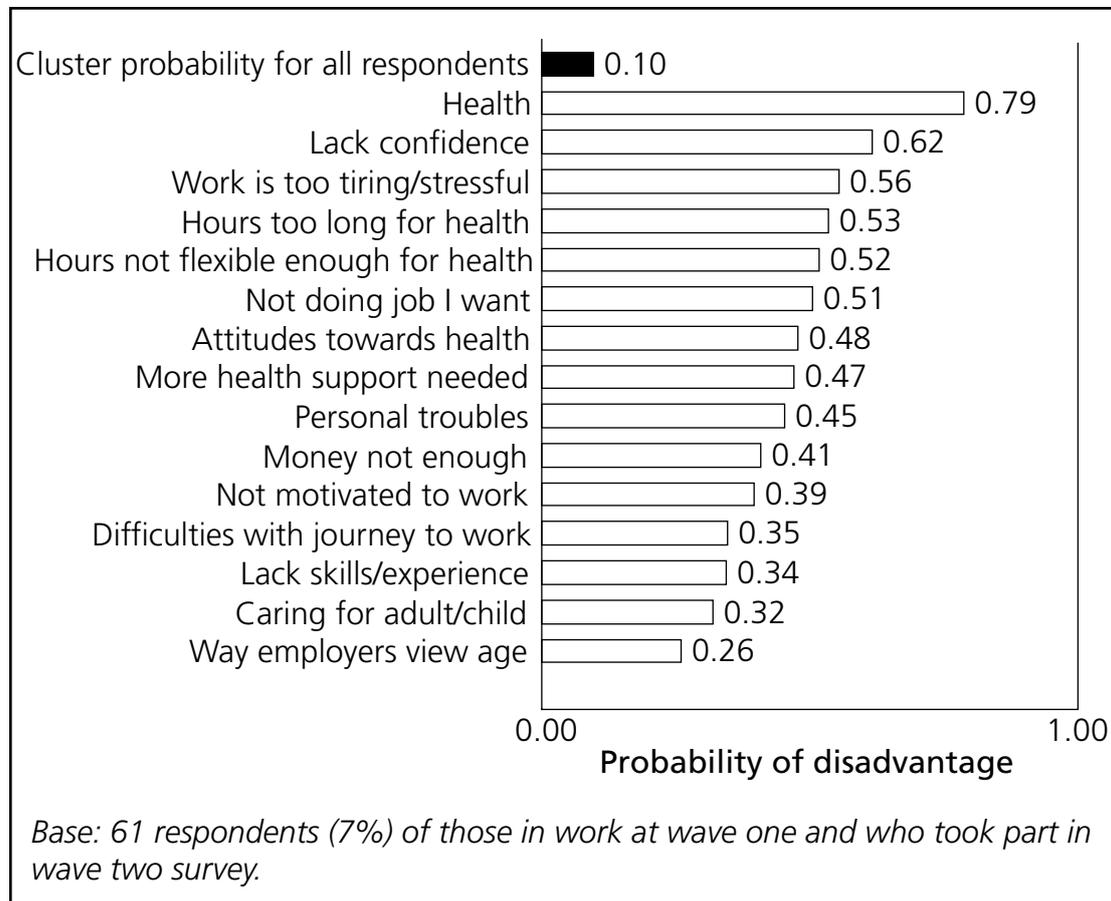


### 5.5.3 Group three: ‘Specific health barriers and lack of confidence’

Seven per cent of customers formed a group who had specific health barriers in addition to lack of confidence being a barrier to work. Overall, customers in work at the wave one survey had a ten per cent chance of belonging to this group and, on average, customers in this group reported three barriers to work (mean of 2.87).

This group had a 62 per cent chance of citing lack of confidence as a big barrier to staying in work. However, the barriers most widely associated with this group were health barriers – the group had a 79 per cent chance of reporting health in general as a barrier; 56 per cent chance that work was too tiring; 53 per cent chance that hours were too long for health; 52 per cent chance that working hours were not flexible enough to accommodate health condition; 48 per cent chance that attitudes to health were a barrier; and 47 per cent chance that a barrier to work was that more health support was needed.

**Figure 5.7 Probabilities of barriers to work: Group three – ‘specific health barriers and lack of confidence’**



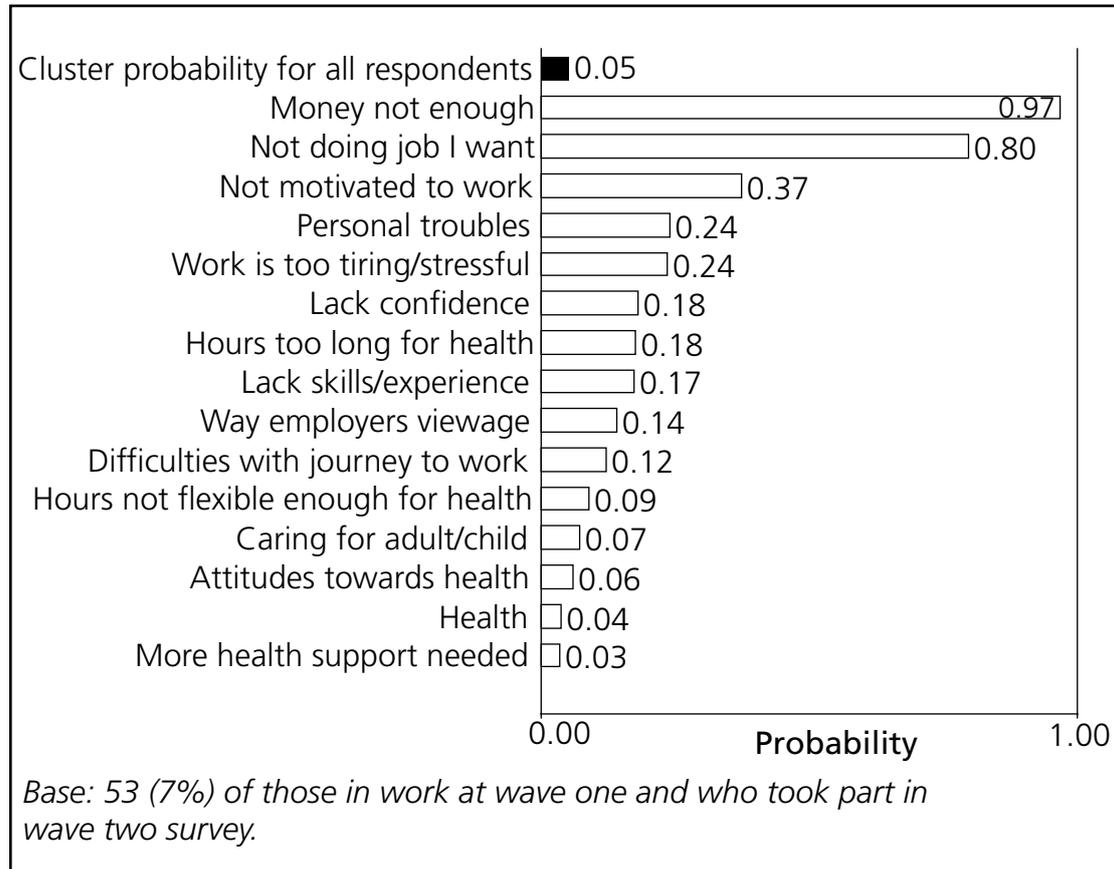
#### 5.5.4 Group four: ‘Not enough money and dislike for job’

Seven per cent of customers formed a group where not being paid enough money and dislike for the job were the predominant barriers to staying in work. Overall, customers in work at wave one had a five per cent chance of belonging to this group and, on average, customers in this group reported three barriers to work (mean of 3.08).

The majority (97 per cent) had a chance of citing insufficient pay as a barrier to staying in work, in that it was not enough. This group had an 80 per cent chance of reporting that the job was not what they wanted and therefore a barrier to staying in work, and 37 per cent of the group had a chance of reporting no motivation for job as a barrier. Less than 25 per cent of the group had a chance of citing other barriers.

Unlike groups two, three and five, customers in group four were unlikely to cite health as a barrier to staying in work.

**Figure 5.8 Probabilities of barriers to work: Group four – ‘not enough money and dislike for the job’**

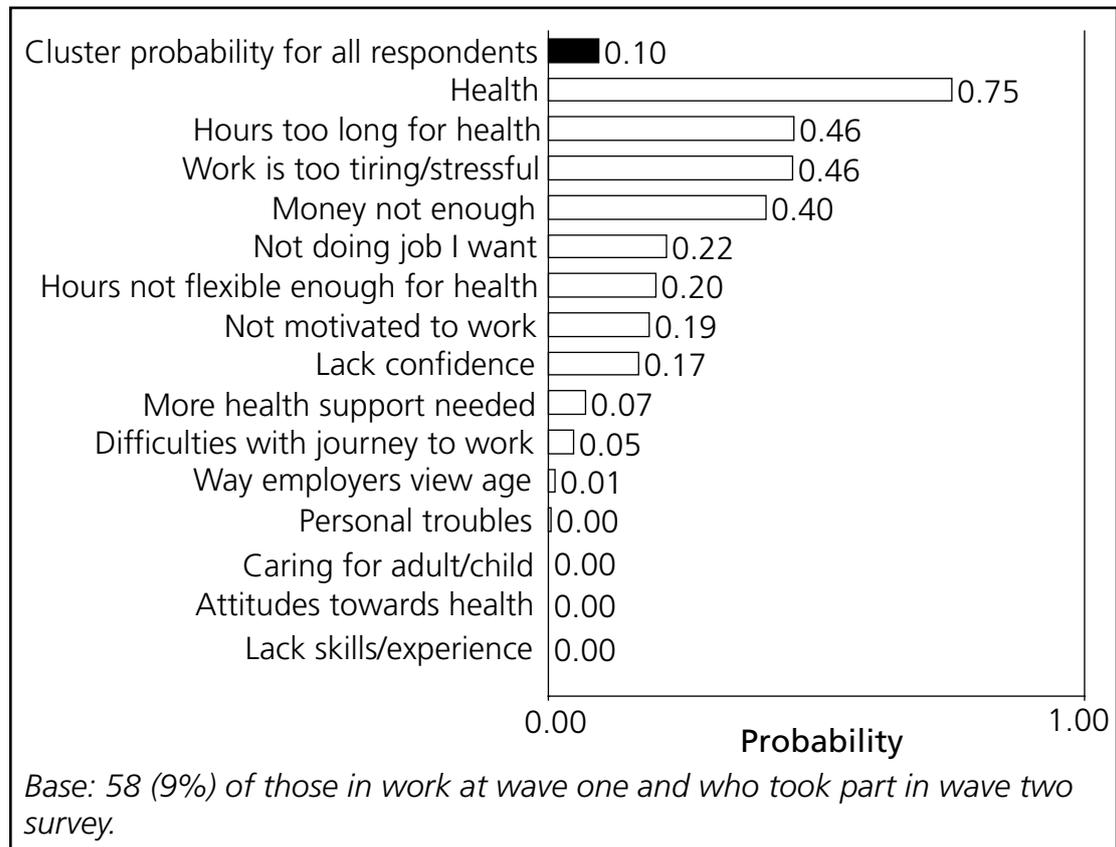


### 5.5.5 Group 5: ‘Health, tiring job and not enough money’

Nine per cent of customers formed a group where not enough money and dislike for the job were the predominant barriers to staying in work. Overall, customers in work at wave one had a ten per cent chance of belonging to this group. This group cited the most barriers to work on average, which was seven (mean of 6.55).

As with groups two, three and four, customers in this group had a chance of citing multiple barriers to work (the majority of which with less than 20 per cent probability). Seventy-five per cent of customers in this group had a chance of reporting health in general as a barrier to work, 46 per cent had a chance of citing work as tiring or hours being too long for health condition; and 40 per cent reported work not paying enough money as a barrier.

**Figure 5.9 Probabilities of barriers to work: Group five – ‘Health, tiring job and not enough money’**



As membership to a particular latent class represents the customer's opinion at wave one of what might prevent them from working in future, we can map the latent class groups to data collected at wave two to see where these customers ended up in terms of their employment.

In Table 5.5, we see that out of the five latent class groups identified in the analysis, the highest proportion of customers in paid work at wave two (88 per cent) were those identified as belonging to the 'no big barriers to work' group at wave one. A relatively high proportion of customers identified as belonging to the 'health in general' group were in work at wave two (79 per cent). Findings from the regression model in Section 5.3 suggest that improved health over time increased the chances of sustaining work, and it may be for this reason that a high proportion of customers in this group and in the other groups where health was a key barrier, were in work at wave two. The lowest proportion of customers in paid work at wave two (63 per cent), were those who belong to the 'not enough money and dislike for job' group at wave one. This group were most likely to be looking for work or waiting to start work at wave two (35 per cent) suggesting that attitudes to employment play an important role in whether work is sustained over time.

**Table 5.5 Wave one LCA group and work status at wave two interview**

	LCA group				
	No big barriers to work %	Health in general %	Specific health barriers and lack of confidence %	Not enough money and dislike for the job %	Health, tiring job and not enough money %
<b>Work at wave two interview</b>					
In paid work	88	79	84	63	85
Looking for work or waiting to start (including being off sick for 3 months)	6	11	5	35	6
Not looking for work	6	11	11	3	9
<i>Weighted base</i>	341	76	37	40	47
<i>Unweighted base</i>	388	81	61	53	58

Base: customers in work at wave one and who took part in the wave two survey.

We have been considering the effect of factors that make working difficult in terms of whether or not work is sustained, but another impact short of work being unsustainable might be a reduction in the number of hours of work that can be managed each week. In Table 5.6 we consider the relationship between barrier groups identified at wave one and working hours at wave two. We see that a relatively high proportion of those identified as belonging to the 'no big barriers to work' group work 40 or more hours when compared to the other four groups, although the base sizes are very small and results are therefore only suggestive.

**Table 5.6 Wave one LCA group and hours worked at wave two interview**

Hours worked	LCA group				
	No big barriers to work %	Health in general %	Specific health barriers and lack of confidence %	Not enough money and dislike for the job %	Health, tiring job and not enough money %
	%	%	%	%	%
1 to 15	9	5	13	0	31
16 to 29	25	41	20	36	40
30 to 39	26	29	30	32	10
40 or more	41	25	37	32	19
<i>Weighted base</i>	<i>303</i>	<i>63</i>	<i>30</i>	<i>25</i>	<i>42</i>
<i>Unweighted base</i>	<i>341</i>	<i>63</i>	<i>50</i>	<i>42</i>	<i>46</i>

Base: customers in work at wave one and who took part in the wave two survey.

## 5.6 Conclusions

Results of the logistic regression model have shown that customers who find non-professional, low-ranking (in terms of managerial or supervisor responsibility), or temporary employment were more likely to have a period of unsustained work following a claim for incapacity benefits. A possible explanation is that the nature of this work is very different and is less easy to sustain than professional, managerial, or permanent employment, particularly when faced with physical or mental health conditions. At a demographic level, it is private renters who were most likely to have had unsustained work. This group were most likely to work in non-professional (intermediate and routine or manual) occupations compared to those who owned their own home. These results suggest that more could be done to support those incapacity benefit claimants who move into temporary, non-professional and low-ranking work following a claim in sustaining their employment.

Similarly, results highlight the need for policy to focus support on those with a physical disability, particularly those with a chronic or systemic health condition, who were less likely to be in a high-ranking role in terms of responsibility and were very likely to be associated with unsustained work following a claim. Findings suggest that improvements to health following a claim, improves the chances of sustaining work.

The impact of the Pathways to Work programme on the ability to sustain work cannot easily be summarised in this report, as the negative relationship between programme initiatives and sustained work is likely to be due to confounding factors not analysed here. For example, the customers who had the most WFIs were likely to be those who needed them the most because of their other characteristics, for example they were more likely to live in a deprived area.

When considering the possible barriers to remaining in work we identify five groups that each share common barriers. Health and money were reported as the predominant barriers to continued work after wave one, and when we look at working patterns at wave two we see that those citing dissatisfaction with pay and job were less likely to have sustained their work.

In answering the research question of what makes a successful work period, it is clear that health condition, health status over time, and the nature of the work itself in terms of responsibility, type of occupation, and type of contract are the most important factors in sustaining work. However, in explaining why these factors are important it is necessary to look beyond these, and to consider attitudes, job satisfaction and other psychological attributes that may influence work retention. These factors were not measured in the logistic regression modelling but should be considered when interpreting the results.

## 6 Longer-term work-related outcomes for Pathways customers

### 6.1 Summary

- Overall, a third of new and repeat customers (34 per cent) were in paid work two years after their start on Pathways to Work. A further 17 per cent were actively seeking work but half of all customers (49 per cent) were not looking for work.
- Existing customers were much less likely to be in paid work or looking for work than new and repeat customers. A tenth (11 per cent) were in paid work at the time of the wave two interview, with three-quarters not actively seeking work. Two-fifths of existing customers (43 per cent) did not expect to work again in the future and a further fifth (19 per cent) did not know when they would work again.
- The majority of new and repeat customers in work had full time jobs, with 59 per cent working 30 hours or more each week. A third (34 per cent) of existing customers worked this number of hours, whilst 29 per cent were doing only limited work each week (one to 15 hours per week).
- Half (49 per cent) of new and repeat customers were either very satisfied or satisfied with their pay. Existing customers were more likely to state that they were dissatisfied or very dissatisfied with the amount of pay they received (35 per cent).
- A minority (29 per cent) of those who said they were looking for work at the wave one interview were in paid work at wave two a year later. None of those who did not expect to work again were in work by that time.

Continued

- Factors found in multivariate analysis to be important for new and repeat customers being in work at two years included:
  - Those with a ‘high improving’ health trajectory were the most likely to be in paid work (correspondingly, those in the ‘low declining’ group were the least likely);
  - The pre-claim work history of customers was important. Those who had had steady work before their claim for benefit had higher odds of being in paid work at two years than others;
  - Those living in the most deprived quintile of areas were less likely to be in paid work than those in other areas;
  - Those aged 30 to 54 were more likely to be in paid work than customers in other age groups.

The primary aim of the Pathways to Work programme was to help customers to move from receiving incapacity benefits to being in paid employment. Another important aim was to move customers closer to work if paid work was not immediately appropriate. In addition to the potential for this group to make the move into work at a later date, the readiness to start work may indicate personal benefits.

In Chapter 4 we described the pattern of work for customers from before their claim up until a point 20 months after their claim. This chapter explores the detail of the paid work and ‘out of work’ outcomes of customers at the time of the wave two survey interview (around two years since their claim for benefit or start on Pathways to Work). In doing so it builds on the findings from the wave one interview which took place around one year after the claim.

## 6.2 Extent of paid work and job seeking

Table 6.1 sets out the proportion of customers who were in paid employment, looking for work or not seeking work at the time of the wave two survey interview.

Overall, a third of new and repeat customers (34 per cent) were in paid work two years after their start on Pathways to Work. A further 17 per cent were actively seeking work but half of all customers (49 per cent) were not looking for work. Within the group who were not looking for work, the majority either did not expect to work again in the future or did not know whether they would work again.

There were notable differences between new and repeat customers in the pilot areas compared to new and repeat customers in the phase one expansion areas. Those in pilot areas more likely to be in paid work – 38 per cent compared to 30 per cent. As shown in Hayllar *et al.* (2010), expansion areas customers were less likely to have been in paid work at the wave one interview as well (26 compared to 35 per cent).

Existing customers were much less likely to be in paid work or looking for work at the time of the wave two interview than new and repeat customers. Around a tenth (11 per cent) were in paid work at the time of the wave two interview (around two years after their start on Pathways to Work), with three-quarters not actively seeking work. Indeed just over two-fifths of existing customers (43 per cent) did not expect to work again in the future and almost a further fifth (19 per cent) did not know when they would work again.

**Table 6.1 Work outcomes at the time of the wave two survey interview**

	<i>Column %</i>	
	<b>New and repeat customers</b>	<b>Existing customers</b>
	%	%
In paid work	34	11
Actively seeking work	17	12
<b>Not seeking work (net)</b>	<b>49</b>	<b>76</b>
Look within year	6	6
Look at some point	7	9
Do not know when may look for work	11	19
Do not expect to work in future	25	43
<b>Total</b>	<b>100</b>	<b>100</b>
<i>Weighted n</i>	2,689	1,541
<i>Unweighted n</i>	2,689	1,541

Notes:

1. Base: All customers.

### 6.3 The nature of work found

The successfulness of paid work as an outcome for an individual can be defined in terms of the degree to which it provides adequate pay and is appropriate in terms of the skills required and any health or other needs. This section summarises the type of work that customers were doing at the time of the wave two interview.

### 6.3.1 Number of hours worked

The number of hours worked in a job each week is clearly of key importance, particularly as an indicator of the degree to which other financial support might still be required. Table 6.2 shows the number of hours worked per week among customers who were in paid employment at the wave two interview.

The majority of new and repeat customers in work had full-time jobs, with 59 per cent working 30 hours or more each week. In contrast, around a third (34 per cent) of existing customers worked this amount of hours, with a sizable proportion doing only limited work (29 per cent worked for 1-15 hours a week – the threshold for permitted work).

On average, new and repeat customers in employment were working for 31.5 hours per week, while the average for existing customers was 24 hours.

**Table 6.2 Weekly number of hours worked**

	<i>Column %</i>	
	<b>New and repeat customers</b>	<b>Existing customers</b>
	<b>%</b>	<b>%</b>
1-15 hours a week	13	29
16-29 hours a week	29	36
30-39 hours a week	26	17
40 or more hours a week	32	18
<i>Weighted n</i>	926	175
<i>Unweighted n</i>	932	248

Notes:

1. Base: All customers in paid employment and not temporarily off work for more than 90 days.

Table 6.3 provides the number of hours worked per week at wave one in comparison to wave two among new and repeat customers. There were some slight differences (fewer customers were working for only one to 15 hours per week), but the profile of hours worked had essentially changed very little over the year between the interviews.

**Table 6.3 Weekly number of hours worked at wave one and wave two**

	<i>Column %</i>	
	<b>New and repeat customers</b>	<b>New and repeat customers</b>
	<b>Work at wave one interview%</b>	<b>Work at wave two interview%</b>
1-15 hours a week	16	13
16-29 hours a week	24	29
30-39 hours a week	29	26
40 or more hours a week	31	32
<i>Wtd n</i>	824	926
<i>Unwtd n</i>	813	932

Notes:

1. Base (wave one): new and repeat customers in paid employment at wave one interview.
2. Base (wave two): new and repeat customers in paid employment and not temporarily off work for more than 90 days at wave two interview.

### 6.3.2 Socio-economic classification of work

There was wide variation in the socio-economic classification of the work that customers had found, defined using NS-SEC (which is the National Statistics classification). This combines labour market position with the particular work situation that people are in and has been found to be a good predictor of health, educational and other outcomes<sup>14</sup>.

The variation in the socio-economic classification was found both within and across the customer groups (Table 6.4). While 19 per cent of new and repeat customers were in managerial and professional occupations, just over half (51 per cent) were in routine or semi-routine occupations<sup>15</sup>.

Existing customers were less likely to be in managerial and professional occupations (11 per cent compared to 19 per cent) and slightly more likely to be in routine and routine occupations (27 per cent compared to 23 per cent).

<sup>14</sup> See [http://www.statistics.gov.uk/methods\\_quality/ns\\_sec/default.asp](http://www.statistics.gov.uk/methods_quality/ns_sec/default.asp) for more details.

<sup>15</sup> As examples, semi-routine occupations include receptionists, market research interviewers, steel erectors, home carers, educational assistants, assembly line workers in electrical or automotive plants. Routine occupations include cleaners, unskilled factory workers, labourers and bus drivers.

**Table 6.4 Socio-economic classification of current work (NS-SEC)**

	<i>Column %</i>	
	<b>New and repeat customers %</b>	<b>Existing customers %</b>
Higher managerial and professional	3	0
Lower managerial and professional	16	11
Intermediate occupations	10	12
Small employers and own account workers	13	13
Lower supervisory and technical	7	11
Semi-routine	28	25
Routine occupations	23	27
<i>Weighted n</i>	923	175
<i>Unweighted n</i>	933	248

Notes:

1. Base: All customers in paid employment and not temporarily off work for more than 90 days.

Table 6.5 compares the socio-economic classification of current work at wave one and wave two among new and repeat customers. There were some minor variations between the periods, with an increase in the proportion of customers working in semi-routine and in lower managerial and professional occupations by wave two and fewer in intermediate and lower supervisory technical occupations. However, there did not appear to be clear signs of progression in work based on these measures.

**Table 6.5 Socio-economic classification of current work at wave one and wave two (NS-SEC)**

	<i>Column %</i>	
	<b>New and repeat customers</b>	<b>New and repeat customers</b>
	<b>Work at wave one interview</b>	<b>Work at wave two interview</b>
	%	%
Higher managerial and professional	2	3
Lower managerial and professional	13	16
Intermediate occupations	14	10
Small employers and own account workers	15	13
Lower supervisory and technical	11	7
Semi-routine	22	28
Routine occupations	23	23
<i>Wtd n</i>	<i>840</i>	<i>923</i>
<i>Unwtd n</i>	<i>816</i>	<i>933</i>

**Notes**

1. Base (wave one): new and repeat customers in paid employment at wave one interview.
2. Base (wave two): new and repeat customers in paid employment and not temporarily off work for more than 90 days at wave two interview.

**6.3.3 Weekly pay**

Table 6.6 shows the take home weekly pay of customers who were employees two years after their start on Pathways.

New and repeat customers earned on average £183, notably more than the average for existing customers of £136. There was little difference in the weekly take-home pay between customers in the pilot areas (£183) or customers in the expansion areas (£181).

Forty per cent of new and repeat customers earned more than £200 per week compared to only 17 per cent of existing customers. Indeed two-thirds of existing customers (65 per cent) earned less than £150 per week, compared to only 42 per cent of new and repeat customers. The variation in pay observed in the table will be strongly linked to hours worked – existing customers worked fewer hours overall (Table 6.2).

**Table 6.6 Weekly take-home pay among employees**

	<i>Column %</i>	
	<b>New and repeat customers %</b>	<b>Existing customers %</b>
Over £250	20	10
£200 to £250	20	7
£150 to £200	18	17
£100 to £150	19	32
£100 or less	23	33
Average (mean)	183	136
<i>Weighted n (minimum)</i>	<i>707</i>	<i>117</i>
<i>Unweighted n (minimum)</i>	<i>720</i>	<i>173</i>

Notes:

1. Base: Employees not temporarily off work for more than 90 days .

As well as recording the amount of pay, customers were also asked whether or not they were satisfied with the amount of pay they received (Table 6.7). Although half of new and repeat customers were either very satisfied or satisfied (49 per cent), nearly a third (29 per cent) stated that they were dissatisfied or very dissatisfied. Existing customers were more likely to state that they were dissatisfied or very dissatisfied with the amount of pay they received with 35 per cent saying this compared to 37 per cent who were very satisfied or satisfied.

**Table 6.7 Satisfaction with the pay received**

	<i>Column %</i>	
	<b>New and repeat customers %</b>	<b>Existing customers %</b>
Assessment of the amount of pay they receive		
Very satisfied	6	5
Satisfied	43	32
Neither satisfied nor dissatisfied	21	28
Dissatisfied	20	21
Very dissatisfied	9	14
<i>Weighted n</i>	<i>924</i>	<i>175</i>
<i>Unweighted n</i>	<i>932</i>	<i>249</i>

Notes:

1. Base: All customers in paid employment and not temporarily off work for more than 90 days.

### 6.3.4 Job satisfaction

Customers were asked to assess how much the work they were in at the wave two interview made use of their skills and experience. This is a useful indicator of the appropriateness of the work found by customers.

The large majority of customers (75 per cent for new and repeat, 77 per cent for existing) stated that they were either very satisfied or satisfied with the use that the work made of their skills, with only about one-tenth of customers (13 per cent for both customer groups) being dissatisfied or very dissatisfied.

**Table 6.8 Extent to which work made use of previous skills and experiences**

	<i>Column %</i>	
	<b>New and repeat customers %</b>	<b>Existing customers %</b>
<b>Assessment of the use the work makes of customers skills and experience</b>		
Very satisfied	33	26
Satisfied	42	51
Neither satisfied nor dissatisfied	13	11
Dissatisfied	9	10
Very dissatisfied	4	3
<i>Weighted n</i>	918	174
<i>Unweighted n</i>	919	245

Notes:

1. Base: All customers in paid employment and not temporarily off work for more than 90 days.

There was variation in the satisfaction with use of skills and previous experience by the socio-economic classification of the work (Table 6.9), but overall, most expressed satisfaction (being either very satisfied or satisfied). Those in semi-routine and routine occupations were less likely to be 'very satisfied' with this aspect of their job than those in other economic classification groups, although even here there was a high level of satisfaction (either very satisfied or satisfied) overall.

**Table 6.9 Extent to which work made use of previous skills and experiences, by socio-economic classification of current work (NS-SEC)**

	Socio-economic classification (NS-SEC)							Column %
	Higher managerial and professional %	Lower managerial and professional %	Intermediate occupations %	Small employers and own account workers %	Lower supervisory and technical %	Semi-routine %	Routine occupations %	
Assessment of the use the work makes of customers skills and experience								
Very satisfied	-	45	45	44	40	25	22	
Satisfied	-	42	35	46	32	42	44	
Neither satisfied nor dissatisfied	-	7	9	8	11	16	21	
Dissatisfied	-	3	5	2	16	13	8	
Very dissatisfied	-	4	5	0	1	5	5	
<i>Wtd n</i>	30	147	94	115	69	250	209	
<i>Unwtd n</i>	25**	147	108	109	81*	254	194	

Notes

1. Base: new and repeat customers in paid employment and not temporarily off work for more than 90 days

\*small base

\*\* very small base

## 6.4 The nature of intermediate outcomes

Two-thirds (66 per cent) of new and repeat customers were not in paid work at the time of the wave two survey interview. This comprised 17 per cent who stated they were either looking for or waiting to start work, and a further 49 per cent who said they were not.

In contrast, nearly nine-tenths (89 per cent) of existing customers were not in paid work at the time of the wave two survey interview. This was comprised of 12 per cent who stated they were either looking for or waiting to start work, and 77 per cent who said they were not.

Although paid work is the most obvious success criteria for Pathways, becoming motivated to work and preparing for work could be regarded as positive outcomes in themselves. Both new and repeat and existing customers who had said that they were not in work were asked what they instead considered to be their **main** current activity from a list of suggested options. The main activities of the two populations are discussed in separate sections below.

### 6.4.1 New and repeat customers

Of those who indicated during the survey interview that they were looking for work, only just over half (55 per cent) stated that this was their **main** activity (Table 6.10).

For the remainder, while they had said they were seeking work, this was not their main focus. Common main activities included: having their health condition as their main focus (16 per cent), being on an education and training course (nine per cent), mainly looking after the home or family (six per cent), or looking after children or caring for sick children or adults (five per cent).

Among customers who stated that they were not looking for work, having their health condition as their main focus was overwhelmingly the most common activity (63 per cent). About a tenth (13 per cent) stated that they mainly looked after the home or family. Relatively few customers simply stated that they were claiming benefit as their main activity (four per cent).

**Table 6.10 Main activity of new and repeat customers not in paid work**

	<i>Column %</i>		
	<b>Looking for work/ waiting to start</b>	<b>Not looking for work</b>	<b>Total</b>
Looking for paid work/preparing to be self-employed	55	–	13
Unpaid work (not domestic work)	0	1	1
A work trial or work placement	0	0	0
In education, on a course or other training course/waiting to start training	9	3	4
Looking after a child/children (including caring for sick adult or child)	5	8	7
Looking after the home (in the daytime on a weekday)	6	13	11
Off sick/focus was health condition or disability	16	63	52
Retired	1	8	6
Claiming benefit <sup>3</sup>	4	4	4
Other	3	0	1
<i>Weighted n</i>	<i>448</i>	<i>1,315</i>	<i>1,763</i>
<i>Unweighted n</i>	<i>511</i>	<i>1,244</i>	<i>1,755</i>

## Notes:

1. Base: new and repeat customers not in paid work at wave two survey interview.
2. Prompted questions, answers grouped.
3. Unprompted response.

The health status of customers at the time for the wave two interview helps to further to explain their main activity. As Table 6.11 shows, customers with no health condition (or one that did not affect their everyday activities), were much more likely to be looking for work than those customers who were affected by their health condition. Customers affected 'a great deal' were very unlikely to be looking for work (four per cent compared to 12 per cent for those with a condition with 'some effect' and 50 per cent for those with no current condition).

Customers affected 'a great deal' by their health condition were also much more likely to state that their main activity was having their health as their main focus (71 per cent).

It was also clear that having a health condition that affected them a great deal also seemed to prevent customers from doing other activities compared to those with a condition with some effect or customers with no effect (or no condition). For example, such customers were much less likely to be in education or on a training course (two per cent compared to nine per cent for those with no effect (or no condition)), or caring for children or sick persons (five per cent compared to 16 per cent).

**Table 6.11 Main activity of new and repeat customers not in paid work, by wave two health status**

	Health status at wave two interview		
	No current condition/no effect %	Some effect %	A great deal %
Looking for paid work/preparing to be self-employed	50	12	4
Unpaid work (not domestic work)	0	1	1
A work trial or work placement	0	0	0
In education, on a course or other training course/waiting to start training	9	6	2
Looking after a child/children (including caring for sick adult or child)	16	7	5
Looking after the home (in the daytime on a weekday)	10	15	8
Off sick/focus was health condition or disability	5	47	71
Retired	7	7	6
Claiming benefit <sup>3</sup>	1	5	3
Other	-	0	2
Wtd n	232	727	775
Unwtd n	171	718	831

Notes:

1. Base: new and repeat customers not in paid work at wave two survey interview.
2. Prompted questions, answers grouped.
3. Unprompted response.

We can assess the likelihood that customers who state that they are looking for work will actually find work by comparing the intention of those customers not in paid work at wave one with their work outcomes at wave two (around a year later) (Table 6.12). This shows that those who said they were waiting to start work or a business and those looking for work were the most likely to be in work a year later (36 per cent and 29 per cent), although this is still a minority of those groups. Those who stated they would look within a year had generally not been successful in moving back into work (nine per cent) and none of those who stated they did not expect to work again were in work a year later.

**Table 6.12 Wave two work outcomes for new and repeat customers, by categories of intention to look for work at the wave one interview**

	Work status at wave two			<i>Column %</i>	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	<i>Weighted n</i>	<i>Unweighted n</i>
<b>Work status at wave one interview</b>					
Waiting to start work/business	36	32	32	99	133
Looking for work	29	45	26	429	506
Look within year	9	28	62	257	269
Look at some point	6	6	88	209	233
Do not expect to work	0	6	93	311	211
Do not know	5	9	86	530	504

Notes:

1. Base: new and repeat customers not in paid work at wave one.
2. Includes customers off sick for more than 3 months.

### 6.4.2 Existing customers

Few existing customers indicated during the wave two survey interview that they were looking for work, and among those who did, only around a third (35 per cent) actually stated that this was their main activity (Table 6.13). Among customers' groups who stated that they were looking for work or indeed not looking for work, having their health condition as their main focus was overwhelmingly the most common activity (51 and 72 per cent respectively).

Among customers who stated that they were not looking for work, ten per cent stated that they were mainly looking after the home or family, and similarly to new and repeat customers, relatively few customers simply stated that they were claiming benefit as their main activity (four per cent).

**Table 6.13 Main activity of existing customers not in paid work**

	<i>Column %</i>		
	<b>Looking for work/ waiting to start</b>	<b>Not looking for work</b>	<b>Total</b>
Looking for paid work/preparing to be self-employed	35	–	5
Unpaid work (not domestic work)	2	1	1
A work trial or work placement	–	0	0
In education, on a course or other training course/waiting to start training	4	1	1
Looking after a child/children (including caring for sick adult or child)	3	5	5
Looking after the home (in the daytime on a weekday)	2	10	9
Off sick/focus was health condition or disability	51	72	69
Retired	1	6	6
Claiming benefit <sup>3</sup>	1	4	4
Other	–	0	0
<i>Weighted n</i>	<i>187</i>	<i>1,179</i>	<i>1,366</i>
<i>Unweighted n</i>	<i>209</i>	<i>1,083</i>	<i>1,292</i>

## Notes:

1. Base: Existing customers not in paid work at wave two survey interview.
2. Prompted questions, answers grouped.
3. Unprompted response.

**Table 6.14 Wave two work outcomes for existing customers, by categories of intention to look for work at the wave one interview**

	Work status at wave two			<i>Row %</i>	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	Weighted <i>n</i>	Unweighted <i>n</i>
<b>Work status at wave one interview</b>					
Waiting to start work/business	33	40	27	27	30**
Looking for work	10	56	34	131	185
Look within year	8	17	75	114	155
Look at some point	5	10	85	227	221
Do not expect to work	2	1	97	331	240
Do not know	2	8	90	564	499

Notes:

1. Base: Existing customers not in paid work at wave one.

2. Includes customers off sick for more than 3 months.

\*\* Very small base.

Table 6.14 compares the intention of those existing customers not in paid work at wave one with their work outcomes at wave two (around a year later). As might be expected (and similar to new and repeat customers), those who said they were waiting to start work or a business were the most likely to be in work (33 per cent), though even here, the proportion was low and more of this population were still looking for work or waiting to start a business a year later (40 per cent). Moreover, only ten per cent of those who stated they were looking for work or were planning to look within the year (eight per cent), had actually found work by the time of the wave two interview. For almost all customers who were not looking for work at wave one (i.e. they didn't know if they would or did not expect to work again), the situation had not changed by wave two – they were still not looking for work.

## 6.5 Explaining paid work outcomes – new and repeat customers

Multivariate analysis (stepwise logistic regression) was used to explore the association between being in paid work at the wave two survey interview and other factors: health status, demographic characteristics, recent work history and Pathways engagement (see Table 6.15). Multivariate analysis allows consideration of the association of one variable while holding others constant. For instance, older age groups may be less likely to be in paid work, but this may actually just reflect the poorer health of older age groups.

A stepwise logistic regression model, with paid work at the wave two interview as the dependent variable, was carried out. It excludes variables that do not contribute to explaining differences in the dependent variable (being in paid work). Listed below in order of importance are the variables identified that were most likely to be associated with being in paid work for new and repeat customers:

- those with a 'high improving' health trajectory were the most likely to be in paid work (correspondingly, those in the 'low declining' group were the least likely);
- the pre-claim work history of customers was related to their work outcomes, but in a complex way. Those who had had steady work before their claim for benefit had higher odds of being in paid work at the survey interview than those who had never been employed or those who had one long period of employment but then were out of work for a large period of time before the claim;
- those living in the most deprived quintile of areas were less likely to be in paid work than those in other areas;
- those aged 30 to 54 were more likely to be in paid work than customers in other age groups, once health status (and the other variables included in the model) were controlled for;
- customers who had multiple WFIs, such as seven or more, were less likely to be in paid work than those who had fewer meetings. Customers who had no meetings at all were the most likely to be in paid work. It is likely that this negative relationship is the result of confounding factors not included in the model that are associated with both attendance at WFIs and not moving into work (for instance confidence and motivation);
- customers (at the wave one interview) who owned their home (with a mortgage or outright) were more likely to be in paid work than those renting privately or in social housing.
- customers (at the wave one interview) who lived with a partner were more likely to be in paid work than those living alone or lone parents<sup>16</sup>;
- those who participated in NDDP services were more likely to be in paid work;
- the extent to which customers were likely to be in paid work varied by Jobcentre Plus district, but it is difficult to interpret these differences. To a degree, they may reflect variation in the local labour market, but there may be other factors associated with geography that are not included in the model;
- those from a non-white ethnic background were more likely to be in paid work;
- those doing work-related training were more likely to be in paid work;
- those with a main or secondary mental health condition (at the wave one interview) were less likely to be in paid work at the wave two interview.

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<sup>16</sup> An interview with partners was included in the survey of Pathways customers in expansion areas and also found that the presence of partners, particularly working partners, was strongly associated with claimants moving into work (Hayllar *et al.*, 2010).

**Table 6.15 Summary of logistic regression model of paid work at wave two interview – new and repeat customers**

Logistic regression model					
Dependent variable: In paid work at wave two interview					
Independent variables	Odds ratio	P-value	Independent variables	Odds ratio	P-value
			<b>Living arrangements at wave one interview</b>		
<b>Health trajectory</b>					
High improving (very good health or good health improving)	21.888	0.000	Lives alone	0.771	0.154
Medium improving (very good health declining or changeable, fair static or improving)	6.072	0.000	Lives with partner and children	1.387	0.091
Medium changeable (good health declining, fair changeable, poor improving)	5.547	0.000	Lives with partner, no children	1.159	0.445
			Lives with children, no partner	0.756	0.194
<i>ref. Low declining (fair health declining, poor changeable or declining)</i>			<i>ref. Other living situation</i>		

Continued

**Table 6.15 Continued**

<b>Before IB claim work pattern</b>					
Had one long period of employment but then was out of work for a large period of time	0.435	0.000	<b>Participated in NDDP</b>	1.447	0.025
Unemployed more than in employment	1.265	0.390	<b>Jobcentre Plus district</b>		
In work and out of work several times over	1.076	0.773	Bridgend	1.117	0.690
Always employed	10.040	0.000	Derbyshire	1.435	0.160
Never employed	0.504	0.000	RIAB	1.835	0.054
Other situation	0.641	0.114	Somerset	2.283	0.012
			East Lancashire	1.548	0.112
<i>ref. In steady work until months 1-12 before claim</i>			Gateshead	1.640	0.065
			Essex	2.175	0.002
<b>Relative deprivation of area (quintiles within country) at wave one interview</b>					
			Tees valley	1.766	0.038
1 Least deprived	1.869	0.008	Cumbria	2.727	0.001
2	0.927	0.703	Lancashire west	2.192	0.003
3	2.192	0.000			
4	1.234	0.177	ref. Glasgow		
<i>ref. 5 Most deprived</i>			<b>Ethnicity (white)</b>	0.474	0.012
<b>Age groups</b>			<b>Participated in Work related training courses</b>	1.566	0.022
18 to 29	1.030	0.893			
30 to 39	2.432	0.000	<b>Had mental health condition (at wave one interview)</b>	0.776	0.049
40 to 49	2.511	0.000			
50 to 54	1.746	0.008			
<i>ref. 55 and over</i>					

Continued

**Table 6.15 Continued**

Total number of WFs attended by wave two interview		
No WFs	3.607	0.000
One WFI	2.264	0.000
Two WFs	2.557	0.000
Three WFs	1.764	0.011
Four WFs	1.266	0.373
Five WFs	2.120	0.008
Six WFs	1.039	0.896
<i>ref. Seven or more WFs</i>		
Tenure at wave one interview		
Renting - private	0.461	0.000
Renting - social or council	0.643	0.003
Other situation	0.793	0.386
<i>ref. Owned outright or mortgage</i>		

## Notes:

1. Base: all new and repeat customers.
2. The odds ratios estimated for those independent variables that were statistically significant at the 95 per cent level are shown in bold and are underlined. Findings significant at the 90 per cent level are underlined only.
3. Variables included in model but not significant: gender; level of wave one qualification; having any health condition at wave one interview; having a main or secondary Musculo-skeletal condition at wave one interview; having a main or secondary chronic/systemic condition at wave one interview; participating in CMP, using the Programme Centre

The following analysis explores the outcome of being in paid work at the wave two interview by the key demographic, background, and Pathways interaction characteristics of customers (using bivariate analysis).

### 6.5.1 Health status

The health situation of customers plays a key role in their work outcomes by the time of the wave two interviews. Customers with a health condition that affected them 'a great deal' were much less likely to be in paid work than those with no condition, or one with no effect (eight compared to 67 per cent) (Table 6.16). They were also much less likely to be in paid work than those with a condition with 'some' effect on their everyday life (eight compared to 34 per cent). Customers with no condition (or one with no effect) were not only the most likely to be in

paid work, but also the most likely to be looking for work or waiting to start. The health trajectory of customers since the wave one interview also seems to have played a key part in determining whether or not customers were in paid work. Those with a ‘high improving’ health trajectory were much more likely to be in paid work or looking for work than customers with other less positive trajectories.

**Table 6.16 The current work status of new and repeat customers at wave two, by health effect and trajectory**

	Work status at wave two			<i>Row %</i>	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	<i>Wtd n</i>	<i>Unwtd n</i>
<b>Current (wave two) health status: effect on everyday life</b>					
A great deal	8	10	81	850	938
Some effect	34	18	48	1,126	1,141
No current condition/no effect	67	22	12	710	602
<b>Health trajectory since wave one interview</b>					
<b>High improving</b> (very good health or good health improving)	66	22	12	744	661
<b>Medium improving</b> (very good health declining or changeable, fair static or improving)	38	16	47	561	529
<b>Medium changeable</b> (good health declining, fair changeable, poor improving)	32	20	48	474	524
<b>Low declining</b> (fair health declining, poor changeable or declining)	8	11	81	908	967

Notes:

1. Base: all new and repeat customers.
2. Includes customers off sick for more than 3 months.

### 6.5.2 Demographic and background characteristics

Although there was little difference between male and female customers in terms of the proportions in paid work at the time of the wave two interview (34 and 35 per cent respectively), there were greater differences between the sexes when considering their other outcomes (Table 6.17). Men were slightly more likely to be looking for work or waiting to start than women (19 per cent compared to 13 per cent), and were also less likely to not be looking for work (46 per cent compared to 52 per cent).

Those in the middle age groups were the more likely to be in work two years after their claim. Forty-two per cent of customers aged 40 to 49 years were in work compared to 26 per cent of those in the youngest group (18 to 29 years) and 30 per cent in the oldest (55 years and older).

**Table 6.17 The current work status of customers at wave two, by gender and age**

Row %	Work status at wave two			Wtd n	Unwtd n
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work		
<i>Row %</i>					
<b>Gender</b>					
Male	34	19	46	1,497	1,397
Female	35	13	52	1,192	1,292
<b>Age group at wave one interview</b>					
18 to 29	26	28	46	553	424
30 to 39	39	15	47	533	539
40 to 49	42	16	42	719	803
50 to 54	32	17	51	333	423
55 and over	30	8	62	551	500

Notes:

1. Base: all new and repeat customers.
2. Includes customers off sick for more than 3 months.

New and repeat customers in the original seven pilot areas were more likely to be in paid work than customers in the phase one expansion areas, as well as being more likely to be looking for work (Table 6.18). Thirty-seven per cent of pilot area customers were in paid work compared to 30 per cent of expansion area customers.

There were also differences in the proportion of customers in paid work according to the Jobcentre Plus district they lived in. For the pilot areas, customers who lived in Somerset were more likely to be in paid work than customers in other areas (although not all differences were statistically significant). Customers in the Gateshead Jobcentre Plus area were the least likely to be in paid work (30 per cent). Turning to the phase one expansion areas, customers in the Glasgow Jobcentre Plus district were less likely to be in paid work than customers in other expansion areas. The difference between Jobcentre Plus areas probably reflects variation in the local labour market as well as other social factors such as deprivation levels although further research would be required to confirm this.

**Table 6.18 The current work status of customers at wave two, by PtW area and Jobcentre Plus district**

	Work status at wave two			Row %	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	Wtd n	Unwtd n
<b>Jobcentre Pathways</b>					
Pilot area customers	37	18	45	1,614	2,136
Expansion area customers	30	15	55	1,075	553
<b>Jobcentre Plus District</b>					
Bridgend (Pilot area)	32	24	44	191	329
Derbyshire (Pilot area)	39	14	47	349	413
RIAB Renfrewshire Inverclyde & Argyll and Bute (Pilot area)	41	18	40	158	208
Somerset (Pilot area)	50	11	40	112	193
East Lancs (Pilot area)	36	12	52	216	301
Gateshead (Pilot area)	30	25	45	217	328
Essex (Pilot area)	39	21	40	372	364
Tees Valley (Expansion area)	29	16	55	216	132
Cumbria (Expansion area)	46	12	41	174	89
Lancashire West (Expansion area)	36	13	51	279	178
Glasgow (Expansion area)	20	16	65	406	154

Notes:

1. Base: All new and repeat customers.
2. Includes customers off sick for more than 3 months.

Customers living in the most deprived quintile of areas were by far the least likely to be in paid work as well as the most likely to be not looking for work (Table 6.19). Only around a fifth (22 per cent) of customers in the most deprived areas were in paid work compared to more than half (54 per cent) in the least deprived quintile.

**Table 6.19 The current work status of customers at wave two, by relative deprivation of area of customers' residence**

	Work status at wave two			<i>Row %</i>	
	In paid work	Looking for work or waiting to start 2	Not looking for work	<i>Wtd n</i>	<i>Unwtd n</i>
Relative deprivation of area (quintiles within country) at wave one interview					
1 Least deprived	54	7	39	181	180
2	46	15	40	286	320
3	49	14	37	426	449
4	39	12	49	598	665
5 Most deprived	22	22	57	1,198	1,075

Notes:

1. Base: all new and repeat customers.
2. Includes customers off sick for more than 3 months.
3. Quintiles calculated separately within each country (England, Scotland and Wales).

### 6.5.3 Work history and qualifications

As described in Chapter 4, the pre-claim work history helps explain the work outcomes of new and repeat customers at the wave two interview.

In general, customers who had a substantial work history (such as always being in employment or being in steady work until one to 12 months before claim) were much more likely to be in paid work compared to those with more limited employment histories (Table 6.20). For example, 87 per cent of those 'always employed' were in paid work compared to only 19 per cent of those never employed or 23 per cent of those with one long period of employment but who were then out of work for a large period of time.

**Table 6.20 The current work status of customers at wave two, by pre-claim work pattern**

Column %	Before IB claim work pattern						
	In steady work until months 1-12 before claim	Had one long period of employment but then was out of work for a large period of time	Unemployed more than in employment	In work and out of work several times over	Always employed	Never employed	Other situation
<b>Work status at wave two</b>							
In paid work	45	23	43	45	87	19	36
Looking for work or waiting to start <sup>2</sup>	10	18	12	24	5	22	29
Not looking for work	46	59	45	31	8	59	35
<i>Wtd n</i>	728	412	103	124	204	1,018	100
<i>Unweighted n</i>	825	466	103	112	133	975	75

Notes:

1. Base: all new and repeat customers.
2. Includes customers off sick for more than 3 months.

Customers who held no qualifications by the time of the wave one interview were less likely to be in paid work at the wave two interviews compared to those with qualifications (Table 6.21). Customers with lower level qualifications (such as NVQ level 1) were also less likely to be in paid work than those with higher qualifications.

**Table 6.21 The current work status of customers at wave two, by qualifications at wave one**

	Work status at wave two			<i>Row %</i>	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	Weighted <i>n</i>	Unweighted <i>n</i>
<b>Qualification level by wave one interview</b>					
NVQ Level 1	31	19	50	190	200
NVQ Level 2	40	18	42	709	725
NVQ Level 3	44	16	40	335	374
NVQ Level 4	43	14	44	297	388
NVQ Level 5	63	19	17	35	38*
Has qualification, unclassified level	32	21	47	195	199
No qualifications	24	16	61	918	756

Notes:

1. Base: All new and repeat customers.
  2. Includes customers off sick for more than 3 months.
- \* Caution very small base.

#### 6.5.4 Pathways to Work elements

The connection between attendance at WFIs and the work outcomes of new and repeat customers is potentially difficult to interpret. Customers who did not attend any WFIs (which is 15 per cent of new and repeat customers) were the most likely to be in paid work at the time of the interview (46 per cent compared to 25 per cent of those attending three or more meetings) (Table 6.22). This is very likely to be explained by differences in the characteristics of the customers taking up or not taking up the meetings rather than being an effect of the meetings. The group not attending WFIs will include customers who did not deem it necessary to attend WFIs, possibly because they had a job lined up for when their health improved or had the skills and experience necessary to find a job without difficulty (it will also include a group of customers who had poor health and were not able to attend). Customers who had three or more WFIs were the least likely to be in paid work at the time of the wave two interview and this may reflect the greater need within this group.

**Table 6.22 The current work status of customers at wave two, by number of WFIs attended**

	Work status at wave two			<i>Row %</i>	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	Weighted <i>n</i>	Unweighted <i>n</i>
<b>Total number of WFIs attended by wave two interview</b>					
No WFIs	46	7	47	386	213
One WFI	40	13	48	616	370
Two WFIs	41	11	48	441	411
Three or more WFIs	25	24	50	1,198	1,660

Notes:

1. Base: All new and repeat customers.
2. Includes customers off sick for more than 3 months.

Customers who had taken part in one or more of the Choices package of services by the time of the wave two interview were more likely to be in paid work than customers who had not (41 compared to 32 per cent) (Table 6.23).

Those who had taken part in NDDP specifically were more likely to be in paid work, while those participating in Condition Management Programme (CMP) (a service aimed at helping people manage their health conditions more effectively) were less likely. The negative association between participating in CMP and being in paid work at the time of the wave two interview is likely to be related to the characteristics of those people taking up this service rather than a reflection of the lack of assistance that this service provides.

**Table 6.23 The current work status of customers at wave two, by Choices services participation**

	Work status at wave two			<i>Row %</i>	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	<i>Weighted n</i>	<i>Unweighted n</i>
<b>Participation in any Choices service</b>					
Yes	41	27	32	743	1,349
No	32	13	55	1,922	1,326
<b>Participation in NDDP</b>					
Yes	37	27	36	350	755
No	34	15	51	2,327	1,928
<b>Participation in CMP</b>					
Yes	24	25	52	141	502
No	35	16	49	2,536	2,183

Notes:

1. Base: All new and repeat customers.
2. Includes customers off sick for more than 3 months.

### 6.5.5 Barriers to work

Customers who were not in paid work at the survey interview were asked about the factors that were preventing them from working. This provides additional direct evidence from customers themselves about the issues affecting them which supplements the preceding analysis of factors associated with work outcomes.

The approach in the survey interview was to provide respondents with a set of cards with factors on them that they may have found to be barriers to work. They were asked to sort these cards under three headings: those that were 'big reasons', 'smaller reasons' and those that were 'not reasons'.

In Table 6.24 we look at work outcomes at the wave two interview for those mentioning that the particular factor was a 'big' barrier to them finding work at the wave one interview (around one year earlier). In this way, we can see which barriers were most often associated with subsequently remaining out of work. Those experiencing significant 'difficulties with journey to work' were the least likely to have found paid work by the second interview (two per cent). Five per cent or less of those mentioning as big problems the barriers of 'unlikely to get a job I would want', 'personal troubles', and 'not motivated to work' found work by wave two.

Health was the most commonly mentioned ‘big’ reason for not being in work, and was mentioned by 71 per cent. Nine per cent of those with this barrier found work, compared to 38 per cent of those who had none of the barriers listed.

**Table 6.24 The current work status of customers at wave two, by big barriers to work at wave one**

	Work status at wave two			Weighted <i>n</i>	Unweighted <i>n</i>
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work		
<i>Row %</i>					
<b>Big barriers to work at wave one</b>					
Failing during application	15	31	55	413	401
Having info needed for jobsearch	10	25	65	215	174
Lack skills/ experience	9	23	68	449	430
Health	9	17	74	1,324	1,374
Attitudes towards health	8	20	72	549	552
Caring for adult/ child	8	15	77	189	166
May not be better off	8	26	66	307	237
Few jobs in area	8	32	60	367	487
Employers unlikely to offer job	8	18	74	309	335
Lack confidence	7	18	75	770	745
Hours can work are limited	6	18	75	754	833
Not motivated to work	5	19	75	275	294
Personal troubles	4	20	75	353	331
Unlikely to get job would want	3	23	74	319	330
Difficulties with journey to work	2	32	66	398	389
No big reason mentioned	38	17	45	119	84*
<b>Total</b>	<b>12</b>	<b>21</b>	<b>67</b>	<b>1,807</b>	<b>1,836</b>

Notes:

1. Base: New and repeat customers not in work at wave one interview.

2. Includes customers off sick for more than 3 months.

\* caution small base

## 6.6 Explaining paid work outcomes – existing customers

Listed below in order of importance are the variables identified in the stepwise regression analysis that were most likely to be associated with being in paid work for existing customers (see Table 6.25):

- those with a 'high improving' health trajectory were the most likely to be in paid work (correspondingly, those in the 'low declining' group were the least likely);
- customers who had participated in NDDP were more likely to be in paid work;
- those doing work-related training were more likely to be in paid work;
- those living with a partner and children were more likely to be in paid work than those in other household situations;
- those customers with no main or secondary health condition at the wave one interview were more likely to be in paid work at the wave two interview;
- the relationship between work outcomes and the number of WFIs attended appeared to be significant, despite the direction of the relationship being unclear. The model (see the odds ratio table) seems to suggest that customers attending six meetings were more likely to be in paid work than those who attended none, or other amounts;
- customers with qualifications at the wave one interview were more likely to be in paid work than those without any;
- the extent to which customers were likely to be in paid work varied by Jobcentre Plus district (with existing customers only being mandated in pilot Pathways to work areas) but it is difficult to interpret these differences. Customers in Somerset were notably more likely to be in paid work than those in Essex;
- those aged 40 to 49 or 50 to 54 were more likely to be in paid work than those aged 55 and over;
- females were more likely to be in paid work than men.

**Table 6.25 Summary of logistic regression model of paid work at wave two interview – existing customers**

<b>Logistic regression model</b>					
Dependent variable: In paid work at wave two interview					
Independent variables	Odds ratio	P-value	Independent variables	Odds ratio	P-value
<b>Health trajectory</b>			<b>Jobcentre Plus district</b>		
High improving (very good health or good health improving)	11.200	<u>0.000</u>	Bridgend	0.749	0.447
Medium improving (very good health declining)			Derbyshire	0.902	0.739
or changeable, fair static or improving)	6.423	<u>0.000</u>	Renfrewshire	0.814	0.680
Medium changeable (good health declining, fair changeable, poor improving)	2.883	<u>0.000</u>	Somerset	2.960	<u>0.001</u>
			East Lancashire	1.147	0.683
			Gateshead	0.995	0.990
<i>ref. Low declining (fair health declining, poor changeable or declining)</i>					
			<i>ref. Essex</i>		
<b>Participated in NDDP</b>	4.018	<u>0.000</u>			
			<b>Age groups</b>		
<b>Participated in Work related training courses</b>	3.353	<u>0.001</u>	18 to 29	0.864	0.728
			30 to 39	1.226	0.568
			40 to 49	2.164	<u>0.013</u>
			50 to 54	1.895	<u>0.052</u>
			<i>ref. 55 and over</i>		
<b>Living arrangements at wave one interview</b>					
Lives alone	0.650	0.224	<b>Male customers</b>	0.641	<u>0.040</u>
Lives with partner and children	3.124	<u>0.001</u>			
Lives with partner, no children	1.845	<u>0.076</u>			
Lives with children, no partner	0.928	0.854			
<i>ref. Other living situation</i>					

Continued

**Table 6.25 Continued**

Had no health condition (at wave one interview)	3.231	<b><u>0.003</u></b>
Total number of WFIs attended by wave two interview		
One WFI	0.644	0.288
Two WFIs	1.036	0.930
Three WFIs	0.936	0.859
Four WFIs	0.784	0.592
Five WFIs	0.916	0.857
Six WFIs	3.387	<b><u>0.007</u></b>
Seven or more	1.082	0.845
<i>ref. No WFIs</i>		
Level of qualification held at wave on interview		
NVQ Level 1	1.960	<u>0.066</u>
NVQ Level 2	0.851	0.586
NVQ Level 3	0.584	0.133
NVQ Level 4	1.043	0.900
NVQ Level 5	4.813	0.502
Has qualification, unclassified level	2.174	<b><u>0.016</u></b>
<i>ref. No qualifications</i>		

1. Base: All existing customers.
2. The odds ratios estimated for those independent variables that were statistically significant at the 95 per cent level are shown in bold and are underlined. Findings significant at the 90 per cent level are underlined only.
3. Variables included in model but not significant: Relative deprivation of area (quintiles within country) at wave one interview; tenure at wave one interview; ethnicity (white/non-white); having a main or secondary Musculo-skeletal condition at wave one interview; having a main or secondary chronic/systemic condition at wave one interview; having a main or secondary mental health condition at wave one interview; participating in CMP, using the Programme Centre; participating in Work related training courses.

The following analysis explores the outcome of being in paid work at the wave two interview by the key demographic, background, and Pathways interaction characteristics of customers (using bivariate analysis).

### 6.6.1 Health status

As with new and repeat customers, the health trajectory of existing customers since the wave one interview also seems to have played a key part in determining whether or not they were in paid work at wave two. Those with a ‘high improving’ health trajectory were much more likely to be in paid work or looking for work than customers with other less positive trajectories (Table 6.25).

Existing customers with ‘low declining’ health trajectories, a large group in this population, were very unlikely to be in paid work. Only four per cent were in paid work and only six per cent were looking for work.

**Table 6.26 The current work status of existing customers at wave two, by health trajectory**

	Work status at wave two			Row %	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	Weighted <i>n</i>	Unweighted <i>n</i>
<b>Health trajectory between wave one and wave two interviews</b>					
High improving (very good health or good health improving)	44	31	25	128	165
Medium improving (very good health declining or changeable, fair static or improving)	20	22	58	263	272
Medium changeable (good health declining, fair changeable, poor improving)	13	13	74	274	295
Low declining (fair health declining, poor changeable or declining)	4	6	91	865	803

Notes:

1. Base: All existing customers.
2. Includes customers off sick for more than 3 months.

### 6.6.2 Demographic and background characteristics

As with new and repeat customers, those aged 18 to 29 and 55 and over were less likely to be in paid work at the wave two interview (eight and seven per cent respectively compared to 15 per cent of those aged 40 to 49) (Table 6.26).

Differences between male and female existing customers were not statistically significant.

**Table 6.27 The current work status of existing customers at wave two, by gender and age**

	Work status at wave two			<i>Row %</i>	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	<i>Weighted n</i>	<i>Unweighted n</i>
<b>Gender</b>					
Male	10	16	74	822	821
Female	13	8	79	719	720
<b>Age group at wave one interview</b>					
18 to 29	8	18	74	206	206
30 to 39	15	18	67	256	282
40 to 49	15	14	71	381	423
50 to 54	12	11	77	243	255
55 and over	7	5	87	455	375

## Notes:

1. Base: All existing customers.
2. Includes customers off sick for more than 3 months.

Customers living in the two more deprived quintiles were less likely to be in paid work (ten per cent in the most deprived quintile compared to 15 per cent in the least deprived). These differences were only statistically significant at the 90 per cent level (Table 6.27). Differences observed between Jobcentre Plus areas were not statistically significant.

**Table 6.28 The current work status of customers at wave two, by relative deprivation of area of customers' residence and Jobcentre Plus district**

	Work status at wave two			<i>Row %</i>	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	<i>Weighted n</i>	<i>Unweighted n</i>
<b>Relative deprivation of area (quintiles within country)</b>					
1 Least deprived	15	7	78	85	104
2	17	9	74	170	191
3	15	12	73	245	247
4	8	12	80	432	422
5 Most deprived	10	14	76	609	577
<b>Jobcentre Plus district</b>					
Bridgend	9	14	76	204	202
Derbyshire	10	11	80	321	346
Renfrewshire	11	13	76	126	153
Somerset	18	19	63	144	156
E. Lancs	12	10	78	217	180
Gateshead	11	9	80	201	206
Essex	11	12	77	328	298

Notes:

1. Base: All existing customers.
2. Includes customers off sick for more than 3 months.

### 6.6.3 Pathways to Work elements

As mentioned in Chapter 3, the intention for existing customers was that they should attend three mandatory WFIs at four-week intervals.

In contrast with new and repeat customers, there was a positive relationship between the total numbers of WFIs attended by existing customers and their wave two work outcomes (Table 6.28). Customers who did not attend any WFIs (which is 14 per cent of existing customers) were the least likely to be in paid work at the time of the interview (only seven per cent were in paid work compared to 15 per cent for customers who had three WFIs or more).

Existing customers who had three or more WFIs were not only the most likely to be in paid work, they were also the most likely to be looking for work at the wave two interview. Eighteen per cent were looking for work or waiting to start compared to only five per cent for those with no WFIs and three per cent for those with only one.

**Table 6.29 The current work status of existing customers at wave two, by number of WFIs attended**

	Work status at wave two			<i>Row %</i>	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	<i>Weighted n</i>	<i>Unweighted n</i>
<b>Total Number of WFIs attended by wave two interview</b>					
No WFIs	7	5	88	215	145
One WFI	6	3	91	283	203
Two WFIs	11	12	77	221	197
Three or more WFIs	15	18	67	772	930

Notes:

1. Base: All existing customers.
2. Includes customers off sick for more than 3 months.

Customers who had taken part in the Choices package by the time of the wave two interview were considerably more likely to be in paid work than customers who had not (26 compared to seven per cent) (Table 6.29).

Customers who had taken part in NDDP specifically were more likely to be in paid work (29 per cent compared to nine per cent), while in contrast to new and repeat customers; those participating in CMP were also more likely.

This difference between participation in CMP and paid work outcomes between the customer groups may reflect the fact that existing customers were typically experiencing worse health conditions; for example they were more likely to be affected a great deal and to have worse health trajectories; and needed the assistance provided by CMP to manage their health condition to progress back into paid work.

**Table 6.30 The current work status of existing customers at wave two, by choices participation**

	Work status at wave two			<i>Row %</i>	
	In paid work	Looking for work or waiting to start <sup>2</sup>	Not looking for work	<i>Weighted n</i>	<i>Unweighted n</i>
<b>Participation in any Choices service</b>					
Yes	26	21	53	343	704
No	7	10	83	1,193	829
<b>Participation in NDDP</b>					
Yes	29	26	44	168	317
No	9	10	80	1,373	1,222
<b>Participation in CMP</b>					
Yes	16	21	63	143	415
No	11	11	78	1,395	1,121

Notes:

1. Base: All existing customers.
2. Includes customers off sick for more than 3 months.

## 6.7 Conclusions

A third of new and repeat customers were in paid work two years after their start on Pathways to Work. A further fifth were actively seeking work but half were not looking for work.

An indication of the prospects for work among those who said they were looking at the two-year point may be gained by observing those looking for work a year earlier, a third of whom were in work by the two-year point. However, the levelling off of movement into work observed towards this point may suggest that those customers likely to move into work have largely already done so by this point.

Existing customers were much less likely to be in paid work or looking for work than new and repeat customers. A tenth were in paid work at the time of the wave two interview, with three-quarters not actively seeking work, many of whom did not expect to work again. This latter group of existing customers represents a considerable challenge for the Pathways to Work programme if the experience of new and repeat customers is repeated – none of the new and repeat customers who did not expect to work again were in work a year later.

In the majority of cases, the work that customers were doing was substantial in terms of hours per week, and customers regarded their pay to be satisfactory. Existing skills and experience were used in the majority of cases, although there were relatively high levels of routine and semi-routine work.

As with analysis of earlier periods, the overwhelmingly important factor for whether or not customers were in work was the state of their health. Those whose trajectory of health had been good or improving were far more likely to be in paid work, and it was health problems that were most frequently cited by customers themselves as a barrier to moving into employment.

However, other factors were also important, notably the earlier pattern of work before the claim. Those with steady periods of work before their claim were more likely to be in work two years later. The nature of the local area was also important – people in more deprived areas fared less well – as were personal characteristics such as age – those in the middle age groups were more likely to find work. The relationship between work outcomes and participation in Pathways and Choices services was difficult to discern due to the targeted nature of services (i.e. those needing help with a health condition were the intended recipients of the Condition Management Programme). Impact assessments require a control group, and this analysis can be found in other reports from the evaluation<sup>17</sup>.

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<sup>17</sup> See Bewley *et al.* (2007) for an account of the impact of the programme on new customers in pilot areas and Bewley *et al.* (2009) for analysis of the impact in expansion areas.

## 7 Conclusions

### 7.1 Pathways to Work: broad and long-term engagement well-received

Pathways to Work reached a substantial proportion of mandated customers among both the new and repeat and existing customer populations, and delivered services widely viewed by customers to be worthwhile. By the end of the second year after starting on the programme, 85 per cent of new and repeat customers had attended Work Focused Interview (WFIs) and just under half had attended three or more. Take up of New Deal for Disabled People (NDDP) stood at 13 per cent by this time and Condition Management Programme (CMP) at five per cent. The comparable figures for existing customers were that 86 per cent had attended WFIs, 11 per cent had taken up NDDP and nine per cent had taken up CMP.

Participation in Pathways to Work continued over the long term for many incapacity benefits customers. About a quarter of those claiming incapacity benefits continued to meet with Incapacity Benefit Personal Adviser (IBPAs) at Jobcentre Plus during the second year after their start on the programme – well beyond the mandatory period intended for delivery of the WFI sequence. Those attending meetings at this stage were more likely to be looking for work, and on middling health trajectories. Participation in the voluntary Choices package of services was also far from insignificant in the second year. Among new and repeat customers the level of take-up of NDDP in the second year was 38 per cent of that in the first year (45 per cent among existing customers) and take-up of CMP was 51 per cent of the first year level (27 per cent among existing customers).

At this later point, it might be supposed that most meetings at Jobcentre Plus would be voluntary. The fact that most of those people attending meetings in the second year had also attended in the first year indicates receptiveness to them. Indeed, in most cases, customers' assessments of the helpfulness of the meetings at this later stage were positive. This was also true of the Choices services, and assessments were most positive among those who acknowledged a need for work-related assistance and who regarded work to be a possibility in relation to their health.

Although views were polarised, two years after their start on Pathways to Work, most customers disagreed with a statement that it was unfair to ask those on incapacity benefits to attend meetings at Jobcentre Plus. Those who disagreed with a statement that incapacity benefit customers should do all they can to find work were more likely to say that work was not an option for them personally.

## 7.2 Steady movement into work but below pre-claim levels

The population that flowed onto incapacity benefits during the period captured by the survey was not typical of the working-age population, even at a point three years before their start on Pathways to Work. At that time the proportion in paid work was 55 per cent – well below the employment rate for the general working-age population around that time of 74 per cent.<sup>18</sup> A proportion of customers included in the cohort were ‘repeat’ incapacity claimants, and previous reports have described how health conditions were frequently long term.<sup>19</sup>

At 35 per cent, the peak in the proportion of customers in paid work after the claim was well below the 55 per cent seen prior to the claims. Although the period observable following the claim was limited to 20 months, the levelling-off in the proportion of people in paid work by that time makes it unlikely that the level would return to the previous high in the short or medium term.

The overall pattern of a sharp fall out of employment and a steady rise back into work hides a more varied experience for individuals. The segmentation of work patterns identified two main groups: those whose post-claim work pattern mirrored their pre-claim pattern (principally, steady work either side of a claim or no work at any point), and those whose pattern of work changed (largely moving out of steady work, but also moving into work from not being in work or having unstable work). Pathways to Work’s recognition of these varied journeys and targeting of varied services would seem the correct response.

## 7.3 Sustained work for those in improving health and in managerial and permanent roles

Job retention among Pathways customers is clearly vital to the long-term success of the programme and for individuals themselves. On a strict definition of what constitutes ‘unsustained’ work – work that lasted less than six months and was followed by a period of unemployment – 14 per cent of those who found work after their claim did not sustain their first job. This figure rises to 22 per cent if jobs ending within 12 months are included. Results of a logistic regression model showed that customers who found non-professional, low-ranking (in terms of

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<sup>18</sup> Office for National Statistics, 2004.

<sup>19</sup> See Bailey *et al.* (2007).

managerial or supervisor responsibility), or temporary employment were more likely to have a period of unsustained work. In-work support might be targeted at these groups to encourage and assist individuals to seek progression towards more stable positions or to engage with employers to develop strategies for maximising continuity of work.

Similarly, results highlighted the need for in-work support to focus on those with physical disabilities, particularly those with chronic or systemic health conditions, who were less likely to be in high-ranking roles in terms of responsibility. Findings suggest that improvements to health following a claim, improves the chances of sustaining work.

#### 7.4 Steady work for those in better health, significant barriers for those in less good health

A third of new and repeat customers were in paid work two years after their start on Pathways to Work. A further fifth were actively seeking work but half were not looking for work.

An indication of the prospects for work among those who said they were looking at the two-year point may be gained by observing those looking for work a year earlier. A third of the group who were looking for work one year after their claim were in work by the two-year point. However, the decreasing rate of movement into work observed towards this point may suggest those likely to move into work had largely done so.

Existing customers were much less likely to be in paid work or looking for work than new and repeat customers. A tenth were in paid work at the time of the wave two interview, with three-quarters not actively seeking work, many of whom did not expect to work again. This latter group of existing customers represents a considerable challenge for the Pathways to Work programme if the experience of new and repeat customers is repeated – none of the new and repeat customers who did not expect to work again were in work a year later.

In the majority of cases, the work that customers were doing was substantial in terms of hours per week, and customers regarded their pay to be satisfactory. Existing skills and experience were used in the majority of cases, although there were relatively high levels of routine and semi-routine work.

As with analysis of earlier periods, the overwhelmingly important factor for whether or not customers were in work was the state of their health. Those whose trajectory of health had been good or improving were far more likely to be in paid work, and it was their perception of their health problems that were most frequently cited by customers themselves as a barrier to moving into employment.

However, other factors were also important for finding work, notably the earlier pattern of work before the claim. Those with steady periods of work before their

claim were more likely to be in work two years later, presumably reflecting the benefits of relevant skills, recent experience and confidence. These attributes are all areas of focus for Pathways to Work services. The nature of the local area was also important – people in more deprived areas fared less well – as were personal characteristics such as age – those in the middle age groups were more likely to find work.

A programme aiming to move longer-term incapacity benefits customers back into work will, however, come up against what customers assess to be very significant health barriers. Challenging health conditions remained common for Pathways customers over the long term. For three-quarters of those making a claim for incapacity benefits (and starting on Pathways), limiting health conditions remained a feature of their lives two years later. Among existing customers who had been claiming for between one and three years when they started on Pathways, only five per cent were no longer affected two years later. In a third of cases, new and repeat customers were affected 'a great deal' by their conditions, and this was the case for over half of existing customers. Most customers continued on the same health trajectory throughout the two-year period, and the challenge will continue to be to understand where interventions can help improve individuals' management of their conditions and transform their views of what can be achieved.

# Appendix A

## Pathways to Work background

The proposals set out in the Green Paper *Pathways to Work: Helping people into employment* (2002) were for a transformation in the system dealing with incapacity benefit customers towards one that was more comprehensively a welfare to work model. The pilot reforms were a significant departure from the previous model of contact with incapacity benefits customers and the provision of support. For the first time, a mandatory element backed by sanctions was introduced in the form of the Work Focused Interview (WFI) held at Jobcentre Plus.

Complementing this change, existing services such as the New Deal for Disabled People (NDDP), Work-Based Learning for Adults (WBLA), Training for Work (TfW) and Programme Centres were brought together into a coherent 'Choices package' that provides systemic work-focused support. A new service, the Condition Management Programme (CMP), provides assistance to customers to help them manage their health conditions. In addition, payments have been introduced for those finding work to act as incentives.

### **Jobcentre Plus and Work Focused Interviews**

Jobcentre Plus is at the heart of Pathways to Work. The Pathways to Work reforms introduced new Incapacity Benefit Personal Advisers (IBPAs) with specialist knowledge of the particular circumstances facing the population claiming incapacity benefits to Jobcentre Plus offices.

It is the task of IBPAs to ensure customers are contacted and come into the Jobcentre Plus office to meet them in a WFI to discuss their situation. These are mandatory meetings, with a sanction of reduced benefits for non-compliance.

For new or repeat incapacity benefits claimants in both the pilot or expansion areas, the first WFI is intended to be an information-gathering exercise, where a 'screening tool' is applied to assess whether the customer should be screened

into the mandatory programme<sup>20</sup>. It was originally intended that those who were already 'close to work' on a range of criteria would be screened out of further meetings with the IBPA in order to focus resources on those more likely to benefit from them, although they would still be able to volunteer for services. Similarly, those with manifestly serious health conditions or disabilities would not be required to take part in further meetings. This group would be identified as 'PCA exempt' during the Personal Capability Assessment (PCA), which was to be completed before the second WFI<sup>21</sup>. The estimate was that around a third of incapacity benefits customers attending an initial WFI, who were not assessed to be PCA exempt, would be screened out of Pathways to Work. For those screened in, five subsequent WFIs were planned at monthly intervals. These would allow a relationship to be developed with the customer and for referral to different services within the Choices package to be made as barriers were identified and as the customer's situation developed.

For longer-term existing claimants the process of involvement with Jobcentre Plus was different. No screening tool was applied to this customer group. Instead, customers were asked to attend three mandatory WFIs at monthly intervals. Those with manifestly serious health conditions or disabilities identified as 'PCA exempt' during the PCA were not required to take part in the Pathways to Work programme. There was also flexibility shown to eligible customers in terms of the timing of the WFIs.

## The Pathways to Work areas

Pathways to Work was originally introduced from October 2003 in seven Jobcentre Plus areas: Bridgend, Renfrewshire, Inverclyde, Argyll and Bute, Derbyshire, Somerset, Gateshead, East Lancashire and Essex for new and repeat customers (or claimants) of incapacity benefit.

In February 2005, the mandatory Pathways to Work pilot programme was extended to cover customers in the pilot areas who had already been claiming incapacity benefits for up to two years at the time of the introduction of the programme new and repeat customers (these existing customers were able to volunteer for services prior to this extension). In practice, these customers had been claiming benefits for between one and three years by the time the extension was introduced in 2005.

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<sup>20</sup> Since October 2008 this screening was replaced by a new medical assessment: the Work Capability Assessment (WCA). The new assessment focus on customers' abilities instead of focusing on what they are unable to do. The WCA incorporates a Work Focused Health Related Assessment which helps to identify the support the customer may need to achieve their aspirations.

<sup>21</sup> From 15 March 2010, the first repeat WFI must not be conducted until the customer's WCA outcome is known and the customer has been placed in the Work Related Activity Group.

From October 2005 the programme was extended to cover new and repeat customers in 14 new Jobcentre Plus areas – the expansion areas. This expansion to 14 Pathways areas occurred in three phases: Phase One from October 2005 in four areas (Tees Valley, Cumbria, Lancashire West and Glasgow), Phase Two from April 2006 in seven areas (Barnsley, Doncaster & Rotherham, City of Sunderland, County Durham, Lanarkshire & East Dunbartonshire, Liverpool & Wirral, Greater Manchester Central and South West Wales; and finally Phase Three from October 2006 in a further three areas (Eastern Valleys, Greater Mersey and Staffordshire).

This research report covers longitudinal data from two interviews with new and repeat customers in both pilot and expansion areas over a period of two to three years. It also contains analysis of longitudinal data from two interviews with existing customers in pilot areas over a period of two to three years

## The Choices package

Existing and new services have been brought together into a coherent 'Choices package' that provides support to customers in a range of situations and stages towards work. These are voluntary in nature, and can be accessed through IBPAs at Jobcentre Plus or directly in some cases. The main services are set out below.

## Condition Management Programme (CMP)

This was a new service devised for Pathways to Work and represents a significant innovation. Funded by DWP but designed between Jobcentre Plus and local health professionals, these are health services over and above NHS provision, delivered by NHS multidisciplinary health care professional teams, working in partnership with Jobcentre Plus. Their aim is to help customers understand and manage their health conditions to reach a position where work becomes a possibility, and to be better able to negotiate with their employer. It is aimed in particular at the three health conditions that affected the majority of incapacity benefit customers: mild mental health conditions, back pain and heart conditions. The nature of provision varies between districts. The planning of the content of the programme, additional to the core principles, to meet the needs of Incapacity Benefit (IB) customers in each of the district was based on work between Jobcentre Plus and the NHS actively facilitated by the partnership between Department of Health (DH) and Department for Work and Pensions. A qualitative assessment of how the CMP has worked in practice can found in Barnes and Hudson (2006).

## New Deal for Disabled People (NDDP)

Job Broker services offered through NDDP were available for some years before the introduction of Pathways to Work, but it was anticipated that take-up would be increased after its inclusion in Choices. Organisations from across the private, voluntary and public sectors are contracted to provide advice and services to

registrants including training, help with job-search and in-work support. Innovation in service provision is encouraged – rather than specifying and funding particular service elements, the major payments made to providers were linked to outcomes (the movement of registrants into paid work for sustained periods). The findings of an in-depth evaluation of NDDP are provided by Stafford *et al.* (2007).

## Programme Centres

Programme Centres offer tailored job-search help to those looking for work, including, but not exclusively, those on incapacity benefits. The main emphasis is job-search and applying for jobs using the centre's resources, but provision also consists of training modules, one-to-one support and advice. This may include help with drawing up a CV, interview practice or 'soft-skills' development such as time keeping.

## Work Based Learning for Adults

From March 2006 the WBLA was no longer available in England. Previous to this the WBLA consisted of work-based learning and transitional support following job entry. There were four main variants of the WBLA programme:

- Longer Occupational Training (LOT) for up to 12 months, aimed at people who face the greatest difficulty getting jobs, including general work skills;
- Short, Job-Focused Training (SJFT) for up to six months, for those with a need for specific skills;
- Basic Skills training, including English as a foreign language;
- Self-employment, including a period of test trading when an allowance is paid.

In Wales the equivalent 'Skill Build Wales' is still in place and 'Training for Work' is in place in Scotland.

## Training for Work

Training for work (TfW) is the Scottish equivalent of WBLA and again is focused on vocational skills. The emphasis is on short, sharp interventions for those who are closest to the labour market. As such there are two main elements of provision:

- occupational training – aimed at improving and updating skills for re-entering employment (or self-employment);
- customised training – flexible tailored provision targeted at those capable of returning to work quickly, particularly in response to specific events such as large-scale redundancies or inward investment opportunities.

There is no basic skills provision within TfW since clients with such needs are referred to other provision.

## Work preparation

This is an individually tailored programme designed to help people with health conditions and disabilities by identifying suitable work, providing work experience, developing work-related skills and building confidence. Independent providers run Work Preparation with referrals being made through Jobcentre Plus' Disability Employment Advisers.

## Work trials

Work trials consist of a period in an actual job for up to 15 working days. The customer remains on benefit during that time.

## Permitted Work

The Permitted Work rules allow incapacity benefits claimants to be employed in a job paying up to £20 a week. They can also work for less than 16 hours a week (on average) for up to a year so long as earnings do not exceed £86 a week. An important point though is that for those on Incapacity Benefit, such earnings have no effect on the amount of benefit paid, while for those claiming Income Support, any earnings over £20 are counted against benefit entitlement. Such employment can last beyond one year as long as an individual is receiving support in employment from a recognised provider or is assessed as having a sufficiently severe condition or disability that they meet the criteria for exemption from the personal capability assessment. (See Dewson *et al.* 2004). As well as this, customers are allowed to do unlimited, unpaid voluntary work if a Decision Maker decides that this is permitted.

## WorkStep

WorkStep supports those with more significant impairments to work in mainstream employment or in supported factories or businesses (see Purvis *et al.* 2006).

## Incentives and other payments

In addition to the services being offered as part of the Choices package, IBPAs have access to additional funds to assist with the process of returning to work and can organise the payment of incentives for moves into paid work.

The Adviser Discretionary Fund (ADF) is a one-off payment that IBPAs can make to customers to remove barriers to the process of moving into work. During the study the maximum payment was £100, which could be used for anything from help with travel costs to clothes for interviews. The ADF now states that there is no national upper limit on the amount of an individual ADF award providing there is justification for making the award. Advisers have the delegated financial authority

to approve ADF awards for goods and services up to £300, either as an individual award or the total of all awards made within a rolling 12-month period.

The Return to Work to Credit (RTWC) is a financial incentive payment made to customers who move into paid work of 16 hours or more. The payment was £40 per week and was paid for up to 52 weeks (although it had to be applied for again after six months). Customers are eligible for the payment if they earn less than £15,000 per year and have claimed benefits for 13 weeks or more (if customers have received Statutory Sick Pay (SSP) prior to claiming incapacity benefits, this counts towards the 13 week qualifying period).

For existing customers, an additional financial incentive was available on a discretionary basis from IBPAs. The Job Preparation Premium (JPP) of £20 per week was payable for up to 26 weeks for those engaged in work-related activity, in addition to any other benefits payable. The JPP payment was withdrawn after March 2008.

# Appendix B

## Technical Notes

### Survey aims

The first interview with both new and repeat and existing Incapacity Benefit (IB) customers had the broad aim of providing a description of the customer profile, their experiences of involvement with Pathways to Work, and their work and other outcomes in the medium to long term<sup>22</sup>. The second interview with customers had the broad aim of examining experiences of any further interaction with the Pathways to Work programme by customers as well their longer term work and other outcomes.

### Populations under study

The key focus of this report is the population of new or repeat incapacity benefit customers (those claiming incapacity benefits for the first time or making a fresh claim following a break from claiming) in both pilot and expansion areas. The population of existing customers are also examined, with key analysis of their interaction with key elements of the Pathways to Work programme, and their long-term work and health outcomes examined.

### New and repeat customers

This research report includes longitudinal data from two interviews with new and repeat customers in both pilot and expansion areas.

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<sup>22</sup> It had initially been intended to use the data from the first interview in the pilot areas with new and repeat customers to provide an impact assessment of the Choices package of services. While this was carried out for new and repeat customer data, the difficulties in creating suitable comparison groups resulting from the voluntary nature of take-up meant this was not conclusive, and the approach was not pursued for existing customers or those in expansion areas (Adam *et al.* 2009).

**In the pilot areas:** customers were sampled from all seven Jobcentre Plus areas and consisted of claimants who entered the Pathways programme between July to December 2004.

**In the expansion areas:** customers were sampled from Phase One Jobcentre Plus areas only and consisted of claimants who entered the Pathways programme between January and May 2006.

Customers had claimed qualifying benefits, primarily Incapacity Benefit, but including Severe Disablement Allowance and Income Support with a Disability Premium and had been awarded those benefits.

For full details of the new and repeat customer population in pilot areas and the first interview survey carried with them see Bailey, Hales, Hayllar and Wood (2007).

For full details of the new and repeat customer population in expansion areas and the first interview survey carried with them see Hayllar, O. Sejersen, T. Wood, M. (2010).

## Existing customers

This research report includes longitudinal data from two interviews with existing customers in pilot areas.

Customers were sampled from all seven pilot Jobcentre Plus areas and consisted of longer-term customers who had been claiming for between one and three years before they were called in to the Pathways to Work programme. Customers were sampled from those who made claims in the period October 2001 to April 2004 and were still claiming in February 2005.

Customers had claimed qualifying benefits such as Incapacity Benefit, Disability Living Allowance or Income Support with a Disability Premium and had been awarded those benefits.

For full details of the existing customer population in pilot areas and the first interview survey carried out with them see Hales, J., Hayllar, O., Iyaniwura, C. and Wood, M. (2008).

## Sampling

### **Pilot areas customers**

There were differences in the sampling approach for the two populations (new and repeat; and existing) in the pilot areas.

In the case of new and repeat customers, the sampling approach had three aims:

- 1 To create a random sample of customers who had taken up one of the Choices elements.

- 2 To create a sample of customers who had not taken up a Choices service, but that was otherwise close to the random sample of Choices customers in terms of available demographic and other characteristics found to be important for the decision to take up a Choices element.
- 3 To create a random sample of customers who had not taken up a Choices service (this would allow estimates to be produced for the full population of mandated customers).

The sample frame for the survey was Department for Work and Pensions' (DWP's) Pathways Evaluation Database, which contained all mandated customers on Pathways to Work. The Institute for Fiscal Studies used this data to identify claimants who had had taken up one of the elements of the Choices package. In the case of New Deal for Disabled People (NDDP), flags in the administrative data referred to a registration with a job broker. For Condition Management Programme (CMP), the flags referred to a referral to the service from an Incapacity Benefit Personal Adviser (IBPA) in Jobcentre Plus.

A random sample of 'Choices' customers was selected in the first instance. A matched sample of the same size of 'non-Choices' customers was then selected that would be used to facilitate a comparison to highlight the impact of the Choices services. This non-Choices sample was selected by running a probit model for Choices participation that drew on the administrative data from the Pathways Evaluation Database and Screening Tool data (so included, for example, benefit history and demographic information).

A propensity score for Choices participation was constructed for each individual. Non-Choices customers were then selected as counterparts to those taking up Choices services using a nearest-neighbour matching process, with participants with the highest propensity scores matched first.

A third sample was then drawn that consisted of a random sample of non-Choices customers. This was to ensure that, with the appropriate weighting scheme, estimates could be produced across the full mandated population.

The sample of existing customers in pilot areas was again carried out separately for Choices and non-Choices. DWP clerical data was used to identify customers who had started on Pathways to Work (i.e. had attended or been invited to attend a Work Focused Interview (WFI)) and where they had taken up one of the Choices services. Random samples of Choices and non-Choices customers of equal size were drawn.

At the second interview, all customers who had agreed to be re-contacted were approached and interviewed again where possible.

### **Expansion areas customers**

For expansion areas customers, at the first interview, the sampling approach had two aims:

- to take a random sample of customers who had taken up one of the Choices elements based on administrative records;
- to take a random sample of customers who had not taken up a Choices service (this would allow estimates to be produced for the full population of mandated customers).

The sample frame for the survey was DWP's Pathways database, with Working Age Statistical Database (WASD) and screening tool data.

Choices starts were identified in the following way:

**NDDP:** came from an administrative data flag which referred to a registration with a job broker.

**CMP:** came from an administrative data flag which referred to a referral to the service from an IBPA in Jobcentre Plus.

**Other Choices:** a single administrative data flag which referred to other Choices starts or referrals was used.

At the second interview, all customers in the Pathways areas covered by the Phase One expansion who had agreed to be re-contacted were approached and interviewed again where possible.

## Weighting

### **New and repeat customers**

The data in this report are weighted to allow estimates to be produced of the total population of expansion areas (phase one) and pilot areas customers during a specific period.

The weights were developed for the first and then second interview data within the expansion and pilot area samples separately. Design weights were developed to take account of the different selection probabilities, and a model of non-response was developed and a corresponding weight developed.

This report in the main presents 'total new and repeat' population estimates. To allow this an additional weight was developed for the second interview data which makes adjustment to take into account the relative size of the pilot and expansion area caseloads.

### **Existing customers**

The data in this report are weighted to allow estimates to be produced of the total population of existing pilot areas customers during a specific period.

The weights were developed for the first and then second interview data. Design weights were developed to take account of the different selection probabilities, and a model of non-response was developed and a corresponding weight developed.

**Data collection**

Both the first and second interviews were conducted with customers in their homes via Computer Assisted Personal Interviewing (CAPI).

The majority of the data in this report is from a second (or follow-up) interview with sampled customers.

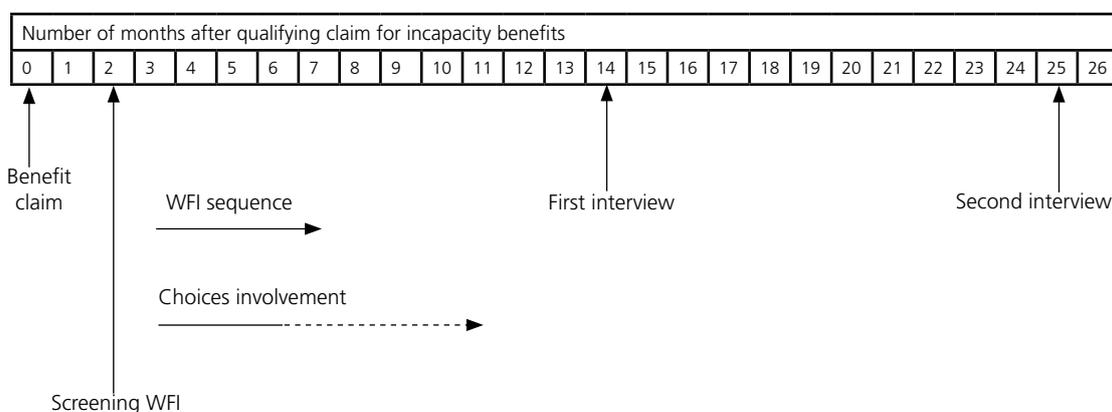
**The timing of data collection for new and repeat customers**

The first interview was timed to be a sufficient length of time after the initial qualifying benefit claim, for the majority of customers’ WFI sequence and any involvement with the Choices services to have finished, but be sufficiently close to the events to enable clear recall.

The first interview with new and repeat customers in pilot areas took place between August 2004 and March 2006, while for new and repeat customers in expansion areas the first interview took place between March and mid-May 2007. On average, for new and repeat customers across both pilot and expansion areas, the first interview was conducted 14 months after their claim for benefit (or start on Pathways).

A second interview was conducted to provide information of the longer-term outcomes of customers. On average, for new and repeat customers, the second interview was conducted 12 months after the first interview, or 25 months after their claim for benefit (or start on Pathways).

**Figure A.1 Timing of interviews – new and repeat customers**



**The timing of data collection for existing customers**

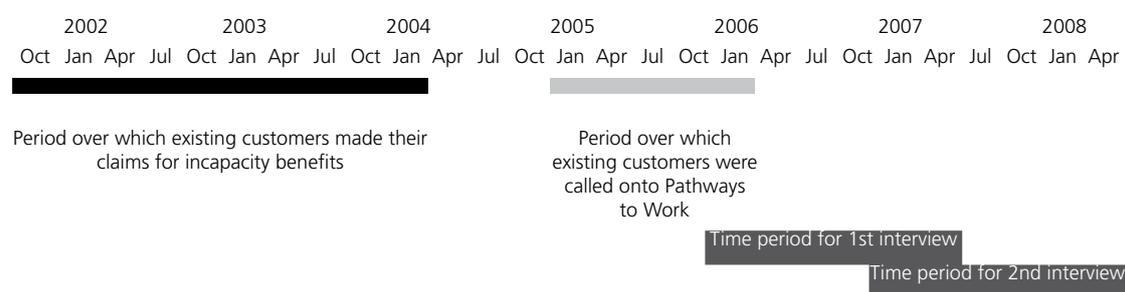
As with new and repeat customers, the first interview with existing customers was timed to be a sufficient length of time for the majority of customers’ WFI

sequence and any involvement with the Choices services to have finished, but be sufficiently close to the events to enable clear recall.

The first interview with existing customers in pilot areas took place between January 2006 and June 2007, and on average, it was conducted 13 months after their start on Pathways.

On average, for existing customers, the second interview was conducted 10 months after the first interview, or 24 months after their start on Pathways.

### Figure A.2 Timing of interviews – existing customers



### The questionnaire

The questionnaires used in the first interviews of new and repeat and existing customers in the pilot and expansion areas were similar, and all measures presented in this report are therefore comparable in this respect.

The questionnaires used in the second interviews were also similar across the populations and all measures presented in this report are therefore comparable in this respect.

## Response to the survey

### New and repeat customers

In total, second interviews were conducted with 2,689 new and repeat customers across the pilot and expansion areas. This represented a 68 per cent response rate for cases that were in-scope for fieldwork (Table A.1).

To a degree, non-response was corrected by the weights that were applied that included a model of non-response based on the available administrative data.

**Table A.1 Response to the survey at wave 1 and wave 2 for new and repeat customers**

	Wave 1	Wave 2
Total cases issued / Total interviewed from Wave 1	12,146	4,335
Opt-outs at Wave 1 / No agreement to recontact	1,454	334
Per cent of total	12%	8%
Deadwood	1,832	42
Per cent of total	15%	1%
<b>Total in-scope for fieldwork</b>	<b>8,860</b>	<b>3,959</b>
Non-contact	594	514
Per cent of in-scope for fieldwork	7%	13%
Refusal	1643	615
Per cent of in-scope for fieldwork	19%	16%
Other unproductive	437	141
Per cent of in-scope for fieldwork	5%	4%
<b>Achieved</b>	<b>6,186</b>	<b>2,689</b>
Per cent of total sampled	51%	62%
Per cent of in-scope for fieldwork	70%	68%

Notes:

1. Wave 1 response includes cases from all pilot areas and two expansion areas.
2. Wave 2 response includes all pilot cases but only the first phase of expansion areas (no wave 2 interviews were carried out in the second phase areas).

### Existing customers

In total, second interviews were conducted with 1,541 existing customers in the pilot areas. This represented a 73 per cent response rate for cases that were in-scope for fieldwork.

To a degree, non-response was corrected by the weights that were applied that included a model of non-response that was based on the available administrative data.

**Table A.2 Response to the survey at wave 1 and wave 2 for existing customers**

	Existing customers	
	Wave 1	Wave 2
Total cases issued/Total interviewed from Wave 1	4,246	2,207
Opt-outs at Wave 1/No agreement to recontact	752	100
Per cent of total	18%	5%
Deadwood	556	12
Per cent of total	13%	1%
Total in-scope for fieldwork	2,938	2,098
Non-contact	191	204
Per cent of in-scope for fieldwork	7%	10%
Refusal	432	250
Per cent of in-scope for fieldwork	15%	12%
Other unproductive	108	103
Per cent of in-scope for fieldwork	4%	5%
Achieved	2,207	1,541
Per cent of total sampled	52%	70%
Per cent of in-scope for fieldwork	75%	73%

## Editing of the work history data

There was some evidence that the five year work history collected at the wave two interview suffered from recall problems for some respondents. While work status at the time of the interview could be relied upon, respondents' recall of the month in which work began or ended across the last few years was likely to be prone to a degree of error. Interviewers on the survey were briefed to encourage an estimated date to ensure that useful data was gathered from as broad a sample as possible, but this will have led to some inaccuracies and some contradictions.

To correct for these recall problems, wave one data was used to verify the dates provided at wave two. Current work status was collected at the wave one interview as well as the dates for the most recent period of work, and where this contradicted the wave two information, the wave one data was used to adjust the work history dates accordingly (on the basis that it was more recent history than at the wave two interview).

In a number of cases there was a contradiction that could not be fully resolved. The main instance of this was in relation to periods of work that were known to have ended prior to the claim date (because there was no mention of them in the wave one interview), but which had a finish date later than the claim. In these cases, rather than lose the work history of a specific sub-group of the sample entirely, an end date for the early period of work was fixed to be six months prior to the claim for benefits (on the grounds that a common experience would be to

claim Statutory Sick Pay (SSP) during those six months before claiming Incapacity Benefit (IB)).

## Latent class analysis

Latent Class Analysis (LCA) is a statistical technique that can be used to identify relationships in survey data when respondents' answers to questions are categorical. An LCA analysis divides respondents into groups (or latent classes) on the basis of their answers to a series of questions. The aim is for each class to be reasonably homogeneous, in that every individual in a class is assumed to be similar (in the sense of having the same response probabilities for each question) while respondents in different classes are assumed to be dissimilar.

Applied to the new and repeat customer barriers to work data, LCA allows us to investigate whether there are discrete groups of individuals who experience similar forms of multiple risk markers. Once groups such as these are found, the analysis generates a probability for each respondent of them being in each class and assigns them to the class for which they have the highest probability of membership. It will also usually be possible to relate membership of each class with the respondent's answers to each question and thus describe each class. This is not a straightforward task, but it can be done either by using the output from the LCA program or by performing a further analysis on the data in another package.

In Section 5.5, five clusters identified by the LCA are discussed. This next section of the report describes how this number of classes was identified.

### Latent GOLD

The data were modelled using the package Latent GOLD<sup>23</sup>, a software package that can implement several types of latent class models.

A useful feature of Latent GOLD is that it is compatible with packages such as SPSS. In the analysis of multiple risk markers we read the data from SPSS, used Latent GOLD to identify the classes and then exported the results back in to SPSS for further analyses. As a result, we were able to create an SPSS file with variables for:

- the respondent's serial number;
- the markers of risk experienced by respondents;
- the probability assigned to each individual of them being in each class; and
- the class for which they have the highest probability of membership.

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<sup>23</sup> See the user's guide for a full description: Vermunt, J. K. and Magidson, J. (2005). *Latent GOLD 4.0 User's Guide*. Belmont, Massachusetts: Statistical Innovations Inc.

A typical analysis involved fitting several models with different numbers of classes. It was then possible to write SPSS syntax to compare different models – for example to compare a model containing five classes with one containing six. This allowed us to identify the most useful model.

### **Identifying the number of classes**

As part of an LCA we need to identify the number of classes. In practice, it is unlikely that there will be a single 'correct' model so it is usual to consider a range of possible models containing different numbers of classes and choose the most appropriate using some criteria.

A general approach to statistical model fitting is to try to balance the fit and the parsimony of a model – generally if two models fit a data set equally well the one with fewer parameters will be chosen. Under this principle, in LCA, if a model with  $k+1$  classes fits the data just as well as one with  $k$  classes the  $k$ -class model will be chosen.

LCA software packages such as Latent GOLD provide the analyst with statistics to help in the choice of the correct number of classes in the data. In particular, a process analogous to a forward selection procedure in regression modelling is sometimes used. The process starts by fitting a one-class model and then adds a class at a time. A formal hypothesis test can be performed to see if a  $k+1$ -class model is an improvement on a  $k$ -class model. (The null hypothesis is that the  $k$ -class model generates homogeneous classes; the alternative hypothesis is that the  $k+1$ -class model gives significantly more homogeneity.) If the test is statistically significant the  $k+1$ -class model is considered as being the preferred model. The process continues until adding a class does not lead to a statistically significant improvement.

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When Pathways to work was first introduced in October 2003 in seven pilot areas, this mandatory programme was initially focused on those making a new or repeat claim for incapacity benefits. In February 2005, it was extended in these areas to cover customers who had already been claiming incapacity benefits for between one and three years.

Following its introduction in pilot areas, the programme was rolled out to new and repeat customers in 'expansion' areas in three phases from October 2005 to October 2006. In all these areas, a similar model of Pathways to Work was implemented, with Jobcentre Plus as the hub of delivery.

The report presents the findings from wave two surveys of new and repeat and existing Pathways to Work customers in pilot and expansions areas. Earlier reports were based on an initial interview around a year after customers started on the programme (DWP research report 456, 627). This report is based on a further interview that was carried out with these customers a year later – around two years since their start on the programme. It aimed to address questions about further participation in Pathways services and uses a five-year work and activity history to explore patterns of working and longer-term work outcomes.

In sum, Pathways to Work reached a substantial proportion of mandated customers among both the new and repeat and existing customer populations, and delivered services widely viewed by customers to be worthwhile. As with analysis of earlier periods, the overwhelmingly important factor for whether or not customers were in work was their perception of the state of their health.

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