

Research report

Can altering the structure of financial support payments aid work retention amongst lone parents? Qualitative evaluation of the In Work Retention Pilot

by Kathryn Ray, Christine Bertram, Rosemary Davidson
and Lucia Durante

Department for Work and Pensions

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Abbreviations

ASM	Advisory Service Manager
BOC	Better Off Calculation
BWC	Better off In Work Credit
CETL	Customer Engagement Team Leader
CTC	Child Tax Credit
DLA	Disability Living Allowance
DWP	Department for Work and Pensions
EDF	Emergency Discretion Fund
ERA	Employment Retention and Advancement Demonstration
ESA	Employment and Support Allowance
FACS	Families and Children Survey
HMRC	HM Revenue & Customs
IS	Income Support
IWAS	In Work Advisory Support
IWC	In Work Credit
IWCO	In Work Credit Officer
IWCTL	In Work Credit Team Leader
IWEDF	In Work Emergency Discretion Fund
IWRP	In Work Retention Pilot
JSA	Jobseeker's Allowance
LMS	Labour Market System
LPO	Lone Parent Obligations
LPWFI	Lone Parent Work Focused Interview
MI	Management information
NDLP	New Deal for Lone Parents
NHS	National Health Service
NVQ	National Vocational Qualification

PA	Personal Adviser
ppt	Percentage point
PSI	Policy Studies Institute
QAF	Quality Assurance Framework
RWC	Return to Work Credit
SOC	Standard Occupational Classification
WFI	Work-Focused Interview
WFTC	Working Families Tax Credit
WTC	Working Tax Credit

Glossary of terms

Balance of Time	If a lone parent claiming In Work Credit (IWC) stops their claim before the maximum 52 weeks is claimed, the Balance of Time (i.e. the balance of the 52 weeks) may be available if they subsequently return to work and the job is suitable. For example, if the customer finds further work (or hours return to above 16 hours per week, the balance of weeks owed, up to the maximum 52 weeks, will be paid as long as the job is suitable and is expected to last longer than five weeks.
Better off In Work Credit (BWC)	Applies to those who have been unemployed for six months or more to ensure that they will be at least £40 a week better off in work. The credit may be available nationally from January 2011.
Child (for Income Support (IS))	A person aged under 16 for whom an adult claims Child Benefit.
Child (for Child Benefit payments)	A person aged up to 16, or up to 20 and in full-time non-advanced education or certain forms of training for whom Child Benefit can be claimed.
Child Benefit	A universal benefit available to all families with children under the age of 16 or up to 20 if in full-time non-advanced education or certain types of training. The level of payment depends only on the number of children in the family, with a higher payment for the eldest child; it is not income-based.
Child Tax Credit (CTC)	A payment made by the government for bringing up children. Families with children will normally be eligible if their household income is no greater than £58,000.
Employment part-time	A paid job of 16-29 hours of work per week.
Employment full-time	A paid job of 30 hours or more of work per week.
Income Support	IS is a means-tested benefit for those who do not have to sign-on as unemployed. This includes some lone parents, who are not subject to Lone Parent Obligations (LPO) or are exempt from LPO.
In Work Advisory Support	IWAS was rolled out nationally from April 2008 and was intended to assist lone parents with their transition into work and career progression once in work. Eligible lone parents are able to access adviser support and guidance of approximately one hour per month during their initial 26 weeks of employment.

In Work Credit	A wage supplement paid at £40 a week (£60 in London) for 12 months to lone parents moving in to work. To be eligible, lone parents must have been claiming a relevant benefit for 12 months previously and be entering work of at least 16 hours a week.
In Work Emergency Discretion Fund	This provides extra financial help (up to £300) to lone parents during the first six months of work. It is intended to help lone parents overcome any unexpected financial barriers which might prevent them from staying in work.
In Work Retention Pilot (IWRP)	The IWRP is part of a series of policy interventions designed to encourage greater numbers of lone parents to take up paid work.
Jobseeker's Allowance (JSA)	JSA is the main benefit for people of working age who are out of work, work less than 16 hours a week on average and are available for and actively seeking work.
Job Grant	A tax-free lump sum of £500, eligible to those who have been claiming benefit continuously for more than six months and are starting work of more than 16 hours per week.
Lone Parent Obligations	Changes to entitlement conditions for lone parents claiming IS, starting from 24 November 2008. Most lone parents with a youngest child aged 12 or over were no longer eligible for IS if they made a new claim for benefit only because they were a lone parent, subject to certain exemptions and conditions. Instead those able to work could claim JSA and are expected to look for suitable work in return for personalised help and support. Lone parents with a health condition or a disability can claim Employment and Support Allowance (ESA). The change is being introduced in three phases: A youngest child aged 12 or over from November 2008; a youngest child aged 10 or over from October 2009; and a youngest child aged seven or over from October 2010. Existing lone parent's entitlement to IS is also phased in line with the above timescales.
New Deal for Lone Parents (NDLP)	NDLP was launched nationally in October 1998. It is a voluntary programme that aims to encourage and help lone parents into paid work with access to a Jobcentre Plus Personal Adviser. Eligibility for NDLP includes all lone parents aged 16 or over whose youngest child is aged below 16, and those who are not working, or are working less than 16 hours per week.

New Deal Plus for Lone Parents	This has been delivered through a number of pilot areas since April 2005. The pilot tests the delivery of an ‘enhanced’ package of support for lone parents and couple parents (key elements of the pilots were extended to couple parents from April 2008) to increase the number of parents finding and remaining in work through both increasing NDLP/NDP participation and outcome rates. It adds additional support to existing NDLP provision.
Options and Choices Events	Events organised for lone parents affected by Lone Parent Obligations. The purpose of the events is to let lone parents know about changes to IS entitlement that affect them, as well as the support that will be available to help them with the changes.
Return to Work Credit (RWC)	RWC was introduced as part of the Pathways to Work scheme and, like IWC, is a payment of £40 per week payable for a maximum of 12 months. RWC is for people who have been claiming benefits due to sickness or ill health for at least 13 weeks prior to moving into work and would not be claimed in conjunction to IWC.
Self-employment	Paid work of 16 or more hours per week where the person is in business for themselves as their main job, whether or not they have employees.
Work Focused Interview	From April 2001 it became a requirement to participate in Lone Parent Work Focused Interviews (LPWFIs) as part of making a claim for IS. The WFI involves a face-to-face interview with a Jobcentre Plus Adviser. The aim is to encourage and assist customers to address barriers to work and move towards sustainable employment, through accessing a range of support options. Lone parents entitled to IS take part in mandatory LPWFIs every six months, until the year before their IS eligibility is due to end (based on the age of their youngest child) when they become quarterly (i.e. every three months).
Working Tax Credit (WTC)	WTC provides financial support on top of earnings. This is payable in addition to Child Benefit. Child Support maintenance is wholly disregarded when calculating WTC.

Summary

The In Work Retention Pilot (IWRP) for lone parents was introduced in two Jobcentre Plus districts between July 2008 and June 2010, and constituted a variation on the In Work Credit (IWC) initiative for lone parents, which was rolled out nationally in April 2008. The Department for Work and Pensions (DWP) commissioned the Policy Studies Institute (PSI) to conduct a qualitative evaluation of the IWRP. This report complements another separately commissioned qualitative study of IWC (Sims *et al.*, 2010).

IWC comprises a wage supplement paid at £40 a week (£60 in London) for 12 months to lone parents moving in to work. To be eligible, lone parents must have been claiming a relevant benefit for 12 months previously and be entering work of at least 16 hours a week. The IWRP was intended to test the effectiveness of using the IWC payments as an aid to job retention and progression. In IWRP pilot areas, eligible lone parents received £40 a week for 39 weeks (rather than the 52 weeks in other areas). Following this, they then received two lump sum payments of £260 each, at weeks 39 and 52. These payments were conditional on attending a meeting with a lone parent adviser where barriers to work retention and progression opportunities should be discussed. Thus, the pilot was testing the effects of both a different payment model, plus additional adviser support, on lone parents' work outcomes.

The objectives of the evaluation were to:

- 1 Examine participation and take up of the pilot.
- 2 Investigate the delivery of the pilot.
- 3 Explore experiences and views of the IWRP payment structure.
- 4 Explore experiences and views of retention and progression support.
- 5 Explore experiences of work retention and progression amongst participating lone parents.
- 6 Examine views on whether and how the IWRP has made a difference to work behaviour and decisions.

The study was designed as a qualitative evaluation, supplemented by an analysis of Management Information (MI) data. The latter entails a descriptive analysis of the take up rates and background characteristics of IWRP participants. It should be noted that the evaluation can not provide an assessment of the impact of IWRP on work outcomes.

The qualitative research consisted of a three-stage research process:

- A familiarisation phase examining background materials and interviews with key informants.
- Interviews with a range of Jobcentre Plus staff involved in the delivery of the pilot and observations of meetings between advisers and lone parents.
- In-depth research with lone parents, comprising 18 depth interviews and two focus groups.

Participation and take up

Take up rates for IWRP were ten per cent, measured as a percentage of all eligible lone parents in the pilot districts, and 28 per cent, measured as a percentage of eligible lone parents leaving benefits (see Section 2.1). These figures are very similar to those recorded for the take up of the IWC pilot (Brewer *et al.*, 2009). Although the comparison is only approximate, the similar findings suggest that the distinctive payment structure of the IWRP has little effect on take up.

Lone parents that started on the IWRP had several key characteristics (independent of which measure of take up is applied) (see Section 2.2). IWRP starters tended to:

- be non-disabled;
- have shorter durations on benefits prior to the pilot;
- be seeking jobs in higher occupational categories (which may suggest they are better qualified/experienced).

In addition, starters, compared to all those eligible, had fewer children; whilst starters compared to all benefit leavers were more likely to be female and to have younger children (age 5-11 rather than 12-16).

This suggests that starters compared to those staying on benefits, had characteristics known to be associated with higher rates of work entry. This largely holds for those who took up the pilot compared to all those leaving benefits too, except in this case starters were more likely to be female and to have younger (albeit not very young) children. It is possible that the latter groups are more likely to be in touch with lone parent advisers and thus have greater knowledge of the pilot.

Delivery of the pilot

After some initial implementation problems, the processing of IWRP payments had bedded in by the time of the fieldwork (see Section 3.3). Problems had been quickly resolved, although they caused some early delays in the processing of payments. There was also some confusion over the scheduling of meetings, so that lone parents did not always receive invitations to 39 and 52 week meetings on time. Some staff suggested that this was a consequence of a rushed implementation and the initial lack of clear administrative processes (see Section 3.2). Advisers in some offices would also have appreciated more administrative support through a dedicated In Work Credit Officer (IWCO).

Interviews at the 39 and 52 week stage fulfilled a largely administrative purpose; retention and advancement support was rarely provided (see Section 3.3). This seemed to be a consequence of lack of training and limited awareness among advisers that the pilot was intended to deliver this kind of support. Advisers also felt unsure what the retention and advancement support entailed and would have appreciated more training on this.

Did IWRP make a difference to work behaviour and decisions? (see Section 4.3)

Most Jobcentre Plus staff felt that the IWC payments were a good work entry incentive regardless of the payment structure. It was felt that payments would be particularly effective for those lone parents who were thinking about work but needed an extra 'push' or who were unsure about their finances. Lone parent views were equally split between those who felt the payments had some influence on their decisions about work and those who said it had no effect. Those who said it was influential were already receptive to work but felt that IWRP gave them a bit of extra encouragement or reassured them about their finances. A few people felt that it had a more direct influence as they took it into account when calculating whether they would be better off in work; these people were either on very low income or had debts to pay off. Nobody thought the distinctive payment structure of IWRP had any influence on its incentive effect.

Staff and lone parents were less inclined to view the payments as an incentive to work retention. Staff generally felt that the initial weekly payments were important for work retention, but that by nine months most lone parents had sorted out their finances, and problems that threatened work retention at that stage were unlikely to be financial. Around half of lone parents said that payments had made a difference to their work retention, but all referred to the weekly payments rather than to the lump sums. The weekly payments had enhanced their financial wellbeing, thus making respondents feel better about being in work. None said they would have left work without the payments, although a few might have reconsidered their position if, without the payments, they were not feeling better off; again these were people who were relying on the payments to pay off debts. None said that the lump sums made the key difference to their work retention, although a few described them as an encouragement to ‘keep going’ in work.

The IWRP payment structure (see Section 4.2)

The vast majority of lone parents used the weekly payments to supplement their income for day-to-day expenditures, although a small number saved them up. Almost everyone thought the payments had been helpful in meeting day-to-day expenses, and several felt that they had made a big difference to their financial wellbeing, particularly those people who had used the payments for servicing debt. Lump sums were spent differently; they were either saved up for holidays/Christmas or spent on larger items (furniture, clothes, car repairs, ‘treats’). How people coped with the transition from weekly payments to lump sums varied according to how important the weekly payments had been, but no-one experienced significant financial problems.

The majority of lone parents liked the payment structure the way it was because they felt weekly payments were better for budgeting when they first started work, while lump sums were helpful either to ‘wean them off’ IWC or to enable them to make larger purchases. A few preferred weekly payments for the full 52 weeks, often those who were more reliant on the payments or put them to a distinctive use (e.g. to pay off debts), and a few preferred just lump sums, either because they felt weekly payments encouraged reliance, or because they felt that weekly payments ‘got lost’ in their general income. These latter people tended to be less reliant on the payments.

Jobcentre Plus staff had similar views; they felt that the distinctive payment structure of IWRP was helpful for lone parents’ finances and budgeting. Most thought that the switch to lump sums helped to ‘wean’ lone parents off reliance on weekly payments and that lump sums effectively saved up money for lone parents, enabling larger purchases to be made.

Retention and advancement experiences and support needs

Respondents recounted a range of difficulties as they moved from benefits to wages, including paying new bills, finding suitable childcare and adjusting to shift work or unsocial hours (see Section 5.1). Despite this, most experienced an increase in self-esteem, confidence and a new-found sense of independence. Having a supportive network of family and friends, having children old enough to be independent and having a measure of flexibility at work to accommodate caring responsibilities were key factors facilitating work retention (see Section 5.3).

The early weeks of work were said to be critical in determining whether lone parents would remain in a job, and when they were in most need of advisory support (see Section 5.4). However, some parents also wanted ongoing support, particularly for managing the transition off IWC payments and for advice on the interactions between wage/hours increases and tax credits. The receipt of advisory support from Jobcentre Plus was inconsistent and of variable quality among respondents.

Having ongoing contact with a single adviser appeared to be key in facilitating communication and support. The types of advice sought by lone parents included in-work financial entitlements, advice about their rights at work and negotiating with employers around flexibility. Having specialist advice for parents, on an accessible, drop-in basis, in one location was most valued.

Lone parents' attitudes and aspirations to advancement were mixed (see Section 6.1). Some had clear, longer-term plans in place, to move to a different field of work and were proactively taking steps to achieve these plans. Others were keen to progress in their current field and were often taking up National Vocational Qualification (NVQ) training supported by their employers. Some had more vaguely formulated aspirations to advance in the future but were unclear about how to take the next step. Finally, some were ambivalent or negative towards the idea of advancing further. Barriers to work progression included current opportunities in the workplace, childcare responsibilities, lack of skills, poor confidence and lack of knowledge about the interactions between increases in hours/wages and in work benefits.

Advancement support was not adequately implemented as part of the IWRP and the majority of the lone parents had not received any advancement support, from Jobcentre Plus or elsewhere (see Section 6.3). Advisers tended to feel that lone parents were reluctant to advance and saw their own role in this as minor. However, some lone parents wanted help to advance, while others who lacked confidence might have been enabled to progress with further advice and encouragement. Lone parents called for both advice and information about careers and access to training as well as general support and encouragement. The importance of longer-term support, beyond the confines of the 52 weeks of payments, was emphasised.

Policy implications (see Section 7.2)

Lump sums versus weekly payments

The findings suggest that the distinctive payment structure of IWRP has little effect on retention, beyond that of the usual IWC. However, the design of the IWRP did not allow a direct comparison of lump sums versus weekly payments, since lump sums only started at 39 weeks. Whether further testing of lump sums is a useful policy option can be informed by the findings of other evaluations.

Phased withdrawal of IWC

The findings support the introduction of an altered structure of IWC payments towards the end of a claim. For example, most staff and lone parents liked the distinctive IWRP payment structure because they felt that the switch to lump sums helped to 'wean' lone parents off reliance on weekly payments. However, the design of IWRP is arguably not the best to support this. Another approach could be a more gradual withdrawal of payments. A different option would be to give lone parents the choice as to how payments are made to suit their individual budgeting strategies.

Tying payments to advancement efforts

Lone parents valued the large amount of the lump sums in order to do 'something constructive' with the money, however, they were rarely reliant on the payments by nine months. Given that the intended aim of the policy is to promote retention and advancement, one option could be to tie these larger lump sum payments to an advancement purpose, e.g. investing the money in training. This approach would need to be combined with a more effective delivery of advancement support, if it was to pay dividends.

Temporary credits or means-tested in-work benefits?

An alternative to temporary in-work credits is to provide additional financial assistance towards in-work expenditures such as school uniform and dinners, work travel, fuel payments and housing costs. Such costs continue after the first year in work when IWC payments finish, and incomes may not have risen substantially by this point. The downside to this would be greater administration costs and more complexity in the in-work benefits system.

Staff training and support needs

Neither retention nor advancement support were currently being delivered as part of this pilot. This was due to a lack of staff training, lack of awareness of this feature of the pilot, and time restrictions on 39 and 52 week meetings. If the pilot were to deliver retention and advancement support in the future, longer meeting times would be beneficial as well as substantial investment in staff training and management support.

Improving In Work Advisory Support

Advisers can deliver retention support to lone parents in the first six months of work through the In Work Advisory Support (IWAS) scheme. The findings suggests that this is an appropriate timeframe, since it was almost universally felt that the greatest retention challenges occur in the first few months of work. The experiences of lone parents showed that the support they received was highly variable and inconsistent though. More could be done to improve the delivery of in work support to lone parents including:

- measures to increase uptake;
- regular reviews of the relationship between lone parents and advisers;
- better staff training for delivering in-work support; and
- more advice and support offered on budgeting and debt.

Improving advancement support

Advancement support is challenging for Jobcentre Plus to deliver due to the training and support needs of staff. However, there was a desire expressed for advancement support among lone parents, as well as a larger number of people who might be encouraged to think about advancement if such a service were available. Most people did not currently know where to turn for support with advancement, and supported the idea of an adult careers and advancement service, providing high quality, specialist support on training opportunities and career paths. Some lone parents, though, would be unlikely to access such a service proactively without additional support and coaching to build up confidence. Such 'coaching' support could be delivered as part of the IWAS service, with appropriate staff training in place, although this would need to be extended for longer than the current six month period, since many are not ready to think about advancement at this stage. When lone parents are more confident and ready to plan for advancement, they could then be referred to a specialist careers service.

1 Introduction

The In Work Retention Pilot (IWRP) for lone parents was introduced in two Jobcentre Plus districts in July 2008 and ran until June 2010. It constituted a variation on the In Work Credit (IWC) initiative for lone parents, which was rolled out nationally in April 2008. The Department for Work and Pensions (DWP) commissioned the Policy Studies Institute (PSI) to conduct a qualitative evaluation of the IWRP. This report, which presents findings from the qualitative evaluation of IWRP, complements another separately commissioned qualitative study of IWC, which will report in autumn 2010.

1.1 Lone parent policy interventions

The IWRP was one of a series of policy interventions designed to encourage greater numbers of lone parents to take up paid work, in order to contribute to the goals of reducing child poverty and increasing employment rates.

The New Deal for Lone Parents (NDLP) was one of the earliest of these initiatives, introduced in 1998, offering personal adviser support to lone parents who were interested in entering paid work. While participation in NDLP has been voluntary, greater mandation has subsequently been introduced, through requiring lone parents to attend Work Focused Interviews (WFIs) with a Jobcentre Plus adviser at regular intervals. This programme of WFIs has been gradually extended to greater numbers of lone parents, dependent upon the age of their youngest child.

In addition, new 'lone parent obligations' (LPO) for those with children aged 12 and over were introduced in November 2008, which require those who claim benefit solely on the grounds of being a lone parent and are capable of work, to move from Income Support (IS) to Jobseeker's Allowance (JSA). A requirement of the latter is that recipients are actively seeking work. Again, this is being applied to successively more lone parents based on the age of their youngest child. From October 2009, those with a youngest child aged ten were included in LPO, in autumn 2010 this will be extended to include those with a youngest child aged seven, and in the 2010 budget the new Government announced that this would be reduced to those with a youngest child at primary school (usually age five) in October 2011.

Alongside these programmes, other initiatives have also been introduced to encourage work entry, such as 'making work pay' through the National Minimum Wage and tax credits for working families, and measures to support working parents, such as improvements in childcare facilities and changes to parental leave allowances and flexible working.

Recently, government policy has focused greater attention on the work retention rates of lone parents and a number of initiatives designed to improve work sustainability and progression have been introduced. A suite of initiatives were trialled under the 'New Deal Plus for Lone Parents' between 2005 and 2008 (see Hosain and Breen, 2007). Some of these initiatives have now been rolled out nationally, including:

- The In Work Emergency Discretion Fund (IWEDF), which provides financial help to lone parents for the first six months in work, to overcome any unexpected financial barriers which might prevent them from staying in work.
- In Work Advisory Support (IWAS) from personal advisers for lone parents in their first six months of work to help resolve any difficulties and direct them towards any support needed, and
- IWC, a wage supplement paid at £40 a week (£60 in London) for 12 months to lone parents moving in to work. To be eligible, lone parents must have been claiming a relevant benefit for 12 months previously and be entering work of at least 16 hours a week.

1.1.1 The In Work Retention Pilot

The IWRP was introduced in two Jobcentre Plus districts over a two year period, between July 2008 and June 2010. It was a variant on IWC, which was introduced nationally in April 2008. IWRP tested the effectiveness of using IWC payments as an aid to job retention and progression. In IWRP pilot areas, eligible lone parents received £40 a week for 39 weeks (rather than 52 weeks as in other areas). Following this, they then received two lump sum payments of £260 each, at weeks 39 and 52. These payments were conditional on attending a meeting with a lone parent adviser. In meetings, the adviser should establish that the lone parent was still in work, address any barriers to work retention and discuss progression opportunities. Thus, the pilot was testing the effects of both a different payment model, plus additional adviser support, on lone parents' work outcomes.

1.2 Previous findings on lone parents' work retention and progression

Evaluation research on the lone parent welfare to work interventions described above, such as NDLP, WFIs and tax credits, has reported broadly favourable outcomes. NDLP has been shown to have a large impact on movements off benefits (albeit only among participating lone parents who are more work ready than the lone parent population in general), while Working Families Tax Credit (WFTC) (the precursor to Working Tax Credit (WTC)) was shown to have a modest impact on lone parent employment rates (Cebulla and Flore, 2008).

Policy concern has been growing, however, about work sustainability among lone parents. Evans *et al.* (2004) showed that while lone parents were moving into paid work at a rate similar to that of other benefit claimants, they remained twice as likely to leave again. Recent analysis of data from 2001 to 2006 of the Families and Children survey (FACS) also showed that lone parents had lower retention rates than couple mothers or fathers over a three-year period (Browne and Paull, 2009). Higher work exit rates for lone mothers started to develop during the second half of the first year in work. Work exit rates dropped for all parents after the first year in work, showing a gradual decrease in the rate at which parents leave work over time.

Barriers to work retention can include low education levels and skills, transport difficulties and poor health (Riccio *et al.*, 2008). Often, barriers to entering employment persist or recur after individuals enter work. For lone parents, these are often related to family responsibilities, such as unexpected problems with the cost and reliability of childcare or transport and difficulties balancing work and care responsibilities (Graham *et al.*, 2005; Hoggart *et al.*, 2006; Ray *et al.*, 2007).

There is also a growing concern about prospects for progression among low-wage workers, which includes many lone parents. Stewart's (2008) analysis of lone parents' work trajectories over a ten year period showed that movement into low pay was far more common than movement out of it. Among steady full-time workers, 21 per cent of those starting off in low pay climbed out of low pay over the period, but 36 per cent of those who were not low paid at the start were low paid at the end. Poor work retention and low paid jobs are also linked: research shows that the chances of becoming low-paid are higher for unemployed people, and vice versa. This results in 'churning' between unemployment and low-paid work, with little chance of climbing up the pay ladder (Cappellari and Jenkins, 2008). This phenomenon has been termed 'the low pay no pay cycle'.

Policy initiatives in the UK to address retention and advancement issues are still in their infancy and little reliable research evidence on their effectiveness exists as yet. The preliminary two-year evaluation of the Employment Retention and Advancement (ERA) programme (see Riccio *et al.*, 2008) has shown that the programme (which offered a combination of adviser in-work support and

financial incentives) was effective in increasing the earnings of lone parents through encouraging them to take up full-time rather than part-time work (work of at least 30 hours attracted a financial bonus). However, there was little impact either on lone parents' work retention rates or on work progression in terms of job quality (for example, job stability, responsibilities, fringe benefits and job satisfaction).¹

In work financial support for emergencies such as the IWEDF for lone parents or the Emergency Discretion Fund (EDF) in ERA have been found to be popular with both advisers and lone parents (Hosain and Breen, 2007; Riccio *et al.*, 2008). However, there have been no evaluations which assess the impact of these initiatives on work retention, net of other initiatives with which they have been packaged.

An impact assessment of a number of pilot initiatives for lone parents, including the IWC pilot (Brewer *et al.*, 2009), showed a small positive impact on the numbers of lone parents entering work.² One percentage point (ppt) more potentially eligible lone parents were in work after 12 months exposure to the pilots, while 1.4 ppts more lone parents were in work after 24 months exposure. The authors note that this scale of impacts is similar to those previously found for NDLP and WFIs. However, little impact on work retention was reported; only nine per cent of the overall impact of the pilots was attributable to a work retention impact.

A concurrent qualitative evaluation of a number of pilots including IWC (Ray *et al.*, 2007) suggested that many lone parents who received IWC were not aware of it in advance of finding work; hence it was viewed by many as 'a windfall' rather than 'an incentive' to enter work. Nonetheless, IWC was overwhelmingly welcomed by Jobcentre Plus staff who felt that it was a powerful work incentive, particularly for lone parents who were undecided about work, and lone parents were unanimously positive about the payments, the vast majority saying that it had made a difference to their financial wellbeing whilst in work.

It should be noted, however, that since these evaluations were conducted, the new lone parent obligations, introduced in November 2008, have altered the composition of lone parents who are potential recipients of IWC. The new obligations require lone parents with a youngest child age 12 and over to move from IS to JSA and actively seek work. Hence those exposed to, and potentially taking up, IWC will now include lone parents who have been obligated to look for work rather than having chosen to do so.

This difference may alter the effect of IWC as an incentive to work entry and retention. The earlier qualitative evaluation (Ray *et al.*, 2007) suggested that IWC was most likely to act as an incentive for those who were positive towards the idea of taking up paid work but who were undecided about the financial benefits. The early implementation of LPO (Gloster *et al.*, 2010) suggests that there was varied awareness of IWC among lone parent subject to LPO, and some concern that JSA staff were not sufficiently aware to inform all eligible recipients. Those lone parents who were aware of it, generally did see it as an incentive to work.

¹ It should be borne in mind that this was only a preliminary, two-year assessment of impacts, which is a short timeframe for the emergence of advancement effects. A full five-year evaluation will be available in 2011.

² The other initiatives were Work Search Premium, Extended Schools Childcare and Childcare Tasters, Quarterly WFIs for lone parents whose youngest child is aged 12 or more, and New Deal Plus for lone parents.

1.3 Evaluation design and methodology

1.3.1 Key issues for the evaluation

As mentioned previously, IWRP was intended to test the effects of both a different payment model, plus additional adviser support, on lone parents' work outcomes.

A different payment model

The original intention for IWRP was to replace all 52 weekly IWC payments with lump sums every three months, but this was unable to be implemented due to administrative difficulties. Hence the final pilot design had weekly payments for 39 weeks plus two lump sums at weeks 39 and 52. Because of this, the pilot did not provide a clear test of the difference between weekly payments and lump sums as a work incentive. Rather the comparison was between full weekly payments and a mixture of weekly payments and lump sums. However, the transition from weekly payments to lump sums at week 39 did have the effect of introducing a more phased withdrawal of IWC support. This is something that previous qualitative evaluations of the IWC pilot suggested might be helpful (see Hosain and Breen, 2007; Ray *et al.*, 2007).

Additional advisory support

The lump sums at weeks 39 and 52 were conditional on lone parents attending meetings with an adviser to discuss work retention and progression. This was also recommended in the qualitative evaluation of the IWC pilot. Evidence from the evaluation of ERA suggests, however, that delivering advancement support to working lone parents can be a considerable challenge for Jobcentre Plus personal advisers (see Hall *et al.*, 2005; Dorsett *et al.*, 2007). The ERA evaluation concluded that it was critical to provide staff delivering retention and advancement support with appropriate training and management support, as well as performance assessments tailored to retention and advancement outcomes (Riccio *et al.*, 2008). Similar challenges to these are likely to face the IWRP pilot.

The design of this evaluation facilitates an examination of these issues from the perspectives of Jobcentre Plus staff and participating lone parents. It is designed to explore the delivery of retention and advancement support, as well as respondent views on the effect of the payment structure on lone parents' financial wellbeing and work behaviour.

1.3.2 Evaluation objectives and research questions

The principle aim of this qualitative evaluation is to examine the effectiveness of the IWRP in encouraging lone parents to stay in and advance in work. This includes the following objectives:

- 1 Examining the take up of the pilot.
- 2 Investigating the delivery of the pilot.
- 3 Exploring experiences and views of the IWRP payment structure.
- 4 Exploring experiences and views of the delivery of retention and progression support.
- 5 Exploring the experiences and views on work retention and progression amongst participating lone parents.
- 6 Examining views on whether and how the IWRP has made a difference to work behaviour and decisions.

1.3.3 Research design

The study was designed as a qualitative evaluation, supplemented by analysis of pilot take up using Management Information (MI) data supplied by DWP. The latter entails a descriptive analysis of take up rates and the background characteristics of IWRP participants.³ It should be noted, however, that this evaluation can not provide an assessment of the impact of IWRP on work outcomes. The principle intention of the MI analysis is to set the qualitative findings in a broader context. It will also allow readers to make a general comparison to take up rates and participant characteristics that have been reported for other interventions such as NDLP and the IWC pilot.

The research design aims to address the following research questions:

- What are the take up rates for the IWRP?
- What are the characteristics of lone parents who take up the IWRP and how do they compare to those who do not?
- What are staff experiences of the delivery of IWRP and what are the implementation and delivery challenges?
- How do IWRP participants come to hear about the pilot and how is the pilot ‘sold’ to them?
- How, if at all, can the implementation of IWRP be improved?
- How is retention and progression support delivered to participating lone parents?
- What are staff and lone parent views on the effectiveness of this support?
- What factors promote and constrain work retention and progression among lone parents during their first year in work and why?
- How do IWRP participants use the weekly and lump sum payments?
- What difference does the timing of payments make to lone parents?
- What are staff and lone parent views on the role of IWRP payments on lone parent finances and budgeting?
- In what ways does the IWRP affect lone parents’ behaviour and why?
- Which elements of the IWRP package are viewed as effective (and ineffective) in helping lone parents remain in and progress in work?
- How influential are the lump sum financial incentives compared to the weekly amounts?

1.3.4 Research methods

The qualitative research consisted of a three-stage research process:

- familiarisation phase;
- research with Jobcentre Plus staff;
- in-depth research with lone parents.

³ It was initially intended to include an analysis of work retention outcomes for participants by looking at participant durations on IWRP, however, the data on duration was considered be unreliable. Therefore, this analysis had to be omitted.

Stage one: Familiarisation

Stage one, which took place in August-September 2009, served as a developmental phase for the subsequent research with Jobcentre Plus staff and lone parents. It comprised:

- 1 An examination of background materials to the pilot supplied by DWP, including the guidance on IWRP issued to Jobcentre Plus staff.
- 2 Two semi-structured telephone interviews with DWP and Jobcentre Plus Key Informants, responsible, respectively, for the design and implementation of IWRP. Informants were asked about the rationale behind the development of the pilot, its relationship to other policy initiatives, delivery challenges and its anticipated outcomes.

Stage two: Research in Jobcentre Plus offices

Stage two of the research took place in September-October 2009, and investigated the delivery of the pilot, focusing primarily on the perspectives of Jobcentre Plus staff.

Two offices in each of the pilot districts were selected to undertake the fieldwork, on the basis of pilot intake profiles and in consultation with DWP and local Jobcentre Plus staff. This allowed an assessment of how the pilot operated in different office settings. Fieldwork was undertaken during a one-day site visit to each office, and comprised semi-structured interviews with Jobcentre Plus staff as well as observations of lone parent-adviser meetings.

Semi-structured interviews with Jobcentre Plus staff

A range of Jobcentre Plus staff involved in the pilot were interviewed, including:

- Three interviews with Advisory Services Managers (ASMs).
- Eleven interviews with lone parent Personal Advisers (PAs).
- Two interviews with In Work Credit Team Leaders (IWCTLs).⁴

Information about the topics covered and a copy of the topic guide are included in Appendices B and C, respectively.

Observations

Observations of meetings with lone parents were carried out to provide insights into how IWRP is 'sold' to and received by lone parents and how retention and progression support is delivered. Due to timetabling problems, however, very few 39 and 52 week meeting observations were possible. The following observations were achieved:

- six WFI meetings where the IWRP was introduced to lone parents;
- two 52 week meetings.

A standardised pro-forma was used for recording observations (see Appendix C). Following the observations, lone parents were asked to participate in a brief 15 minute interview to ascertain their initial reactions to the meeting.

⁴ Two of the ASMs interviewed were also acting as IWCTLs, while advisers in all of the offices had taken on the tasks of the In Work Credit Officer (IWCO) post.

Stage three: Research with participating lone parents

The Jobcentre Plus-based research was followed by in-depth research with lone parents participating in the pilot. This allowed a detailed examination of their experiences and views of the pilot, their experiences of work while on the pilot, any retention and progression challenges faced, and their views on the role played by the pilot in their work-related decision-making. This stage comprised two elements:

- Depth interviews with 18 lone parents who had passed the 39 week stage of IWRP, which were carried out in January-February 2010. (Sampling criteria and a description of the sample characteristics are provided in Appendix A.) The main focus of the interviews was the switch from weekly payments to lump sums and the effect of this on family finances and decisions about work. Depth interviews were chosen because they can elicit detailed information about an individual's thoughts and behaviours and are best used for exploring issues that people may not be comfortable talking openly about in a group situation, for example, questions of finances and budgeting.
- Two focus groups with lone parents, which were carried out in March 2010, examining their experiences in the first year of work and their perspectives on different policy interventions supporting retention and advancement. Focus groups were chosen because they generate discussion and allow participants to compare experiences, challenge ideas, change or modify their viewpoints and generate new insights. They are ideally suited to exploring the pros and cons of different policy interventions.

For further detail about the content of interviews and focus groups and a copy of the topic guides, see Appendices B and C.

1.3.5 Qualitative analysis

All interviews were recorded and transcribed verbatim. The transcripts were then imported into QSR NVivo software for analysis. The data was stored in one database and a single coding framework was developed. This allowed the analysis to compare and draw out similarities and differences between the experiences and perceptions of different stakeholders (staff and lone parents). Alongside thematic coding, the development of lone parent case summaries facilitated a case analysis of their work experiences and an examination of the enablers and constraints on retention and progression.

When reporting verbatim quotations in the report, lone parent participants are assigned a number from 1-18 (e.g. LP01, LP02 etc.); focus groups are labelled 'focus group 1' and 'focus group 2', respectively, and participants within focus groups assigned a respondent number (e.g. R1, R2, etc.). Staff quotations are labelled with their job title (e.g. ASM, PA, etc.)

1.4 Report outline

The remainder of this report comprises:

- Chapter 2: Descriptive analysis of take up rates and background characteristics of IWRP participants based on administrative data.
- Chapter 3: The implementation of IWRP in Jobcentre Plus offices and discussion of staff and lone parent views on pilot delivery.

- Chapter 4: Lone parent finances during the first year in work, their experiences and views of the IWRP payments, and staff and lone parent perspectives on the influence of IWRP payments on work decisions and financial wellbeing.
- Chapter 5: Lone parents' experiences of staying in work and the barriers and facilitators of work retention.
- Chapter 6: Lone parents' experiences of advancing in work and the barriers and facilitators of work advancement.
- Chapter 7: A summary of the findings and a discussion of the implications for future retention and advancement policy for lone parents.

2 Descriptive analysis of In Work Retention Pilot participants

This chapter presents a descriptive analysis of the participants of the In Work Retention Pilot (IWRP). Section 2.1 provides an overview of the take up rates in the two pilot districts, using different measures. This provides an initial insight into the effect of IWRP with regards to labour market outcomes (work entry); although a detailed impact assessment would need to be carried out separately. Section 2.2 then analyses the characteristics of IWRP participants.

The findings are based on Management Information (MI) data compiled by the Department for Work and Pensions (DWP), which includes benefit recipients in the pilot areas who were eligible for IWRP between July 2008, when the pilot started, and January 2010.

2.1 IWRP take up rates

In order to be potentially eligible for the IWRP, a lone parent needs to have been claiming benefit (Jobseeker's Allowance (JSA) or Income Support (IS)) for the past 12 months and live in one of the two pilot districts. In order to claim IWRP, lone parents need to have left benefits and started employment of at least 16 hours per week.

There are two different ways of measuring IWRP take up rates:

- The number of lone parents that took up IWRP as a percentage of the potentially eligible population.
- The number of lone parents that took up IWRP as a percentage of eligible lone parents that left benefits over some period ('benefit off-flows').

It is important to note that neither of these measures provides a 'true' take up rate (that is the proportion of those entering work of 16 hours per week who take up IWRP) since MI data is not available on the numbers of those entering work. The nearest measure to this is the second measure which calculates the percentage of those leaving benefits who take up IWRP. However, there are, of course, other reasons for lone parents to leave benefits than to enter work. Thus, the figure will be lower than the 'true' take up rate. The first measure looks at those entering work and taking up IWRP as a percentage of all those eligible, and thus provides insight into the differences between those entering work and those staying on benefits, although of course some lone parents entering work may not have claimed IWRP. Both measures thus provide different insights.

The overall potentially eligible IWRP population across both pilot districts was 47,820 people.⁵ Their distribution over the two districts varied slightly with District 1 covering 45 per cent of the total population and District 2 covering the remaining 55 per cent. The IWRP take up rate as a percentage of the total eligible population was ten per cent. The take up rate in the two pilot districts was roughly equal with nine per cent for District 1 and ten per cent for District 2. If measured as a percentage of benefit off-flows, the data show that 15,760 people left benefits between July 2008 and December 2009. Of those, just over a quarter (28 per cent) took up IWRP. Both of these figures are similar to the take up rates reported for IWC during the first three years of the pilot (see Brewer *et al.*, 2009), which were ten per cent and 33 per cent for the two measures, respectively. Although the comparison is only approximate, as different geographical areas and timescales are used in each case, the similar findings suggest that the distinctive payment structure of the IWRP has little effect on the extent of take up.

Female lone parents make up the majority of the overall eligible population: 45,380 women compared to 2,420 men. However, take up rates for the two genders differed, with ten per cent of the female population compared to six per cent of the male population taking up the IWRP, using the first measure of take up (proportion of total eligible population) (see Figure 2.1). However, when regarded as a percentage of benefit off-flows, the picture changes somewhat. Using this measure, the female population is far more likely to take up IWRP (28 per cent female to nine per cent male) (see Figure 2.2). Evidence from previous research suggests that this might be due to male lone parents having a higher propensity to return to work within a shorter timeframe than female lone parents. Thus, there is a smaller proportion of male lone parents attending work focused interviews and having regular contact with a lone parent adviser (Cebulla *et al.* 2008). The lower take up of IWRP among men leaving benefits might, therefore, be due to a lack of awareness about the support available.

⁵ The data for the two types of eligible benefits (IS or JSA) have been combined in the analysis because there was a very low take up of IWRP by lone parent JSA recipients (only about one per cent). Evidence from the recent report on Lone Parent Obligations (LPOs) (Gloster *et al.*, 2010) suggests that low take up of In Work Credit (IWC) among lone parents on JSA may be due to local implementation differences, in particular whether lone parents starting on JSA continued to see a lone parent adviser. The report suggests that mainstream advisers had less insight into the additional support available to lone parents, including IWC.

Figure 2.1 Take up of IWRP as a percentage of the total eligible lone parent population in the pilot districts and by gender

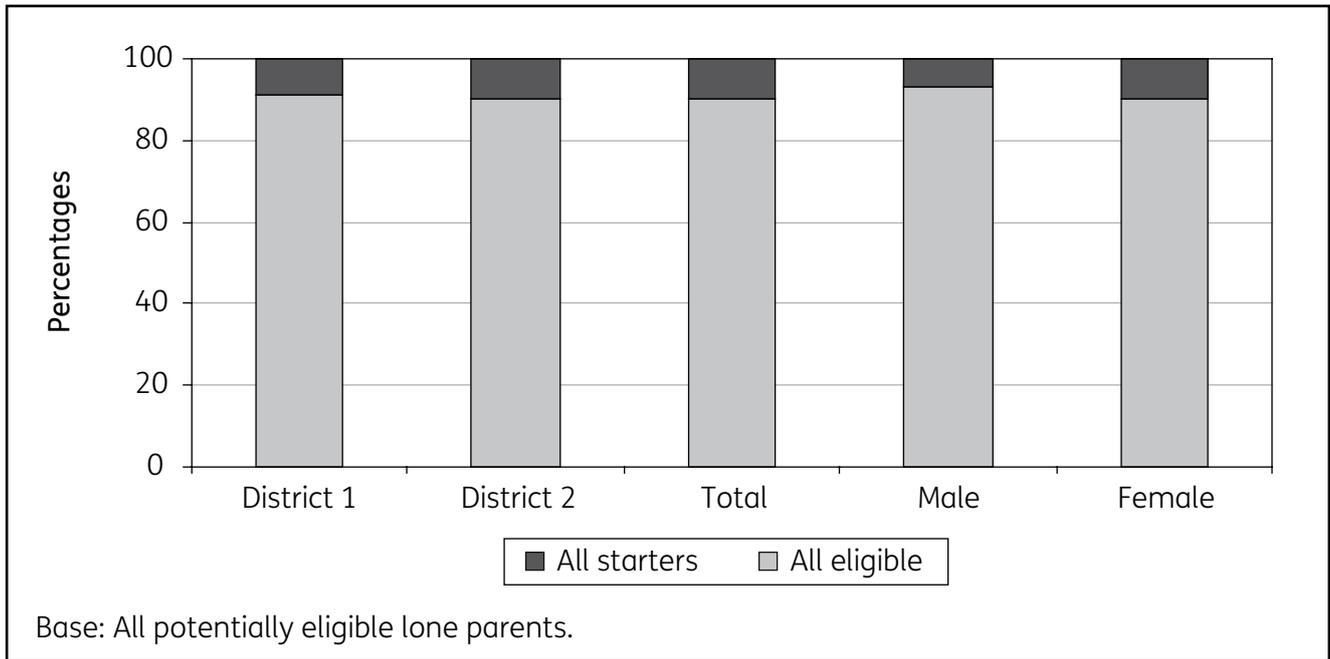
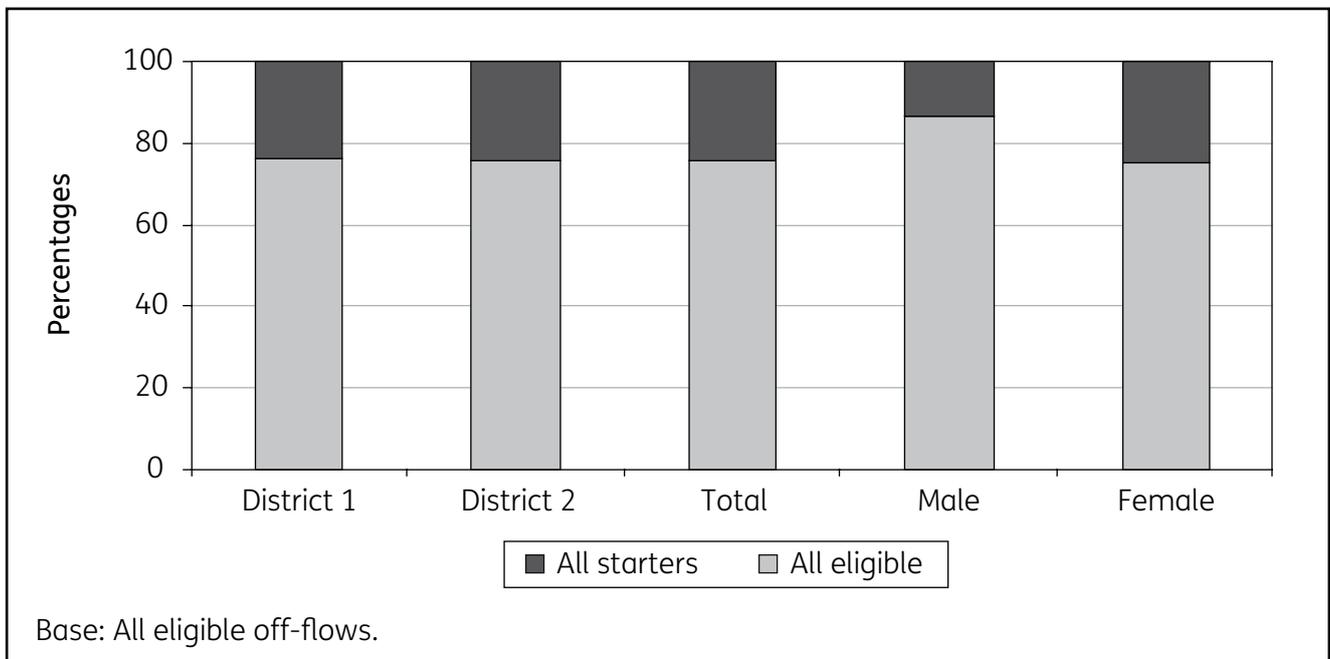


Figure 2.2 Take up of IWRP as a percentage of eligible off-flows in the pilot districts and by gender



2.2 Characteristics of IWRP participants

This section compares the IWRP participants to the overall population eligible for IWRP and to the population of eligible off-flows. A range of characteristics are considered, such as claimant age, age of youngest child, benefit duration prior to moving into work and the type of work sought. This analysis shows whether IWRP starters have particular traits as compared to their counterparts who either remain on benefits or leave benefits but do not take up IWRP.

2.2.1 Comparison of IWRP participants to the total eligible population

Tables 2.1 and 2.2 summarise the characteristics of IWRP participants compared to the total eligible population in the two pilot districts.

In some aspects, the IWRP starter population does not differ from the whole potentially eligible population. In characteristics such as the age of the recipient, their ethnicity and the age of their youngest child, the starter population shows very similar distributions to those potentially eligible. However, the following differences stand out:

- Compared to the whole population, the share of IWRP starters with a disability is much lower.
- The number of children differs substantially between starters and the eligible population. The share of lone parents with one or two children who started IWRP is much higher than their share of the total eligible population, whereas those with three or more children are more common in the total eligible population.
- The duration of the benefit claim also differs. The share of starters with a prior benefit claim duration of up to two years, compared to their share of the potentially eligible population, is much higher. Conversely, those with longer benefit durations are more numerous in the total eligible population.
- IWRP starters appear to have slightly higher aspirations in terms of their sought occupation, compared to all potentially eligible lone parents.⁶ Assuming sought occupations are a fairly reliable guide to the jobs that lone parents take, this could suggest that IWRP starters are better qualified/experienced than the total population. However, it should be noted that there is a lot of missing data on this variable so the data is less reliable.

⁶ Data on 'sought occupation' is recorded by Jobcentre Plus before lone parents enter work. This is coded using Standard Occupational Classification (SOC) codes.

Table 2.1 Characteristics of IWRP starters and all lone parents potentially eligible for IWRP in the two pilot districts⁷

	<i>Column percentages</i>					
	IWRP starters			All eligible for IWRP		
	District 1 %	District 2 %	Total %	District 1 %	District 2 %	Total %
Age of recipient at first IWRP payment						
18-29	38	43	41	35	39	37
30-39	36	36	36	36	35	35
40-49	22	19	21	24	21	23
50+	3	3	3	5	5	5
Ethnicity						
White	79	88	84	73	84	79
Black	7	1	4	8	1	5
Asian	3	3	3	5	7	6
Mixed	4	1	2	3	1	2
Other	2	1	1	2	1	1
Unknown	6	5	5	9	7	8
Disability status						
Disabled ¹	12	14	13	28	30	29
Not disabled	87	86	87	72	70	71
Number of children at the end of claim						
1-2 children	80	82	81	77	79	78
3 and more children	13	12	13	23	21	22
Unknown	7	6	6	0	0	0
Age of youngest child						
0-4 years	36	38	38	38	41	40
5-11 years	38	38	39	41	39	40
12-16 years	21	20	21	21	20	20
Unknown	4	2	2	0	0	0
Duration of prior benefit claim²						
0-2 years	32	37	35	8	11	10
3-5 years	29	33	31	36	44	40
5+ years	38	30	34	55	45	50
Base	2,140	2,920	5,060	21,460	26,360	47,820

¹ Includes people that either have a disability marker on Labour Market System (LMS), or are in receipt of an IS disability premium or both.

² Durations under one year may be due to linking rules, which were not taken into consideration.

⁷ Note: Figures were rounded to nearest 20 in the MI data provided.

Table 2.2 Sought occupations for IWRP starters and all lone parents potentially eligible for IWRP

Sought occupation	Column percentages ¹					
	IWRP starters			All eligible for IWRP		
	District 1 %	District 2 %	Total %	District 1 %	District 2 %	Total %
SOC 1-3 (Managerial, professional, technical occupations)	18	13	14	12	14	13
SOC 4-5 (Administrative occupations and skilled trades)	29	32	31	25	26	26
SOC 6-9 (personal and customer service, elementary occupations)	117	124	122	126	129	128
<i>Base</i>	1,560	2,320	3,880	11,800	16,860	28,640

¹ This is the proportion of recipients who expressed an interest in that occupation. Individuals could express an interest in more than one occupation, therefore, values greater than 100 per cent are possible. Only about 60 per cent of lone parents in each district gave an indication of their sought occupation.

2.2.2 Comparison of IWRP participants to the eligible benefit off-flow population

Tables 2.3 and 2.4 provide a summary of the characteristics of IWRP starters compared to those leaving benefits in the pilot districts.

The picture is somewhat similar to the comparison between IWRP starters and the total eligible population. For example:

- Those lone parents that are registered with a disability are less likely to start on IWRP when they leave benefits.
- IWRP starters have shorter previous benefit claim periods than the eligible benefit off-flow population.
- IWRP starters appear to have slightly higher aspirations, in terms of the jobs they are looking for, compared to the general benefit off-flow population. Notably, starters in District 2 are more interested in managerial/professional occupations than the off-flows in that district.

However, there are also differences from the previous comparison, for example:

- IWRP starters are younger than the eligible off-flow population;
- While there is little difference with respect to the number of children in the household, there are differences based on the age of the youngest child. Those with a youngest child aged 5-11 are far more likely to take up IWRP and those with children age 12-16 less so.

Table 2.3 Characteristics of IWRP starters and eligible benefit off-flows in the two pilot districts

	<i>Column percentages</i>					
	IWRP starters			Eligible off-flow		
	District 1 %	District 2 %	Total %	District 1 %	District 2 %	Total %
Age of recipient at first IWRP payment						
18-29	38	43	41	29	35	33
30-39	36	36	36	34	33	34
40-49	22	19	21	29	25	27
50+	3	3	3	8	6	7
Ethnicity						
White	79	88	84	73	85	79
Black	7	1	4	9	2	5
Asian	3	3	3	6	7	6
Mixed	4	1	2	3	1	2
Other	2	1	1	2	0	1
Unknown	6	5	5	8	6	7
Disability status						
Disabled	12	14	13	26	29	28
Not disabled	87	86	87	74	71	72
Number of children at the end of claim						
1-2 children	80	82	81	83	85	84
3 and more children	13	12	13	17	15	16
Unknown	7	6	6	0	0	0
Age of youngest child						
0-4 years	36	38	38	32	35	34
5-11 years	38	38	39	28	28	28
12-16 years	21	20	21	40	37	38
Unknown	4	2	2	0	0	0
Duration of prior benefit claim						
0-2 years	32	37	35	23	28	26
3-5 years	29	33	31	28	32	30
5+ years	38	30	34	49	40	44
<i>Base</i>	2,140	2,920	5,060	6,820	8,960	15,760

Table 2.4 Sought occupation by IWRP starters and eligible benefit off-flows

Sought occupation	Column percentages ¹					
	IWRP starters			Eligible off-flows		
	District 1 %	District 2 %	Total %	District 1 %	District 2 %	Total %
SOC 1-3 (Managerial, professional, technical occupations)	13	18	14	14	12	13
SOC 4-5 (Administrative occupations and skilled trades)	29	32	31	27	27	27
SOC 6-9 (personal and customer service, elementary occupations)	117	124	122	132	137	135
<i>Base</i>	<i>1,560</i>	<i>2,320</i>	<i>3,880</i>	<i>4,440</i>	<i>6,320</i>	<i>10,760</i>

¹ This is the proportion of recipients who expressed an interest in that occupation. Individuals could express an interest in more than one occupation, therefore, values greater than 100 per cent are possible. Only about 60 per cent of lone parents in each district gave an indication of their sought occupation.

This analysis suggests that starters, compared to benefit stayers, have more of the characteristics that are known to be associated with higher work entry rates. This largely holds for those who take up the pilot compared to off-flows too, except in this case, starters are more likely to be female and to have younger (albeit not very young) children. It is possible that the latter groups are more likely to be in touch with lone parent advisers and thus have greater knowledge of the pilot.

Overall, these findings are very similar to those for the take up of the IWC pilot (Brewer *et al.*, 2009), which showed that those who were younger, had fewer children and did not have a disability were more numerous among the IWC starter population, compared to all those eligible and all eligible benefit leavers.

2.3 Summary

Take up rates for IWRP were ten per cent, measured as a percentage of all those eligible in the pilot districts, and 28 per cent, measured as a percentage of eligible benefit off-flows. These figures are very similar to those recorded for the take up of the IWC pilot. Although the comparison is only approximate, the similar findings suggest that the distinctive payment structure of the IWRP has little effect on take up.

Lone parents that start on the IWRP have several key characteristics, independent of which measure is applied, including that IWRP starters tend to:

- be not classified as disabled;
- have shorter durations on benefits prior to the pilot;
- be seeking jobs in higher occupational categories (which may suggest they are better qualified/experienced).

In addition starters, compared to all those eligible, have fewer children; whilst starters compared to all off flows are more likely to be female and to have younger children (age 5-11 rather than 12-16).

This suggests that starters compared to benefit stayers have more of the characteristics that are known to be associated with higher work entry rates. Starters compared to all off-flows are also more likely to be female and to have younger (albeit not very young) children. It is possible that these groups are more likely to be in touch with lone parent advisers and thus have greater awareness of the pilot.

3 Implementation and delivery of the In Work Retention Pilot

This chapter outlines findings with regard to the implementation of the In Work Retention Pilot (IWRP), from the perspective of various stakeholders including key informants, Jobcentre Plus staff and lone parents. It starts with the marketing of the IWRP to lone parents, then considers administrative systems and the staff training and support received. Finally, it focuses on the content of the 39 and 52 week review meetings.

3.1 Marketing of the In Work Retention Pilot

3.1.1 Where did lone parents hear about the IWRP?

Advisers and managers reported that IWRP was mentioned to all eligible lone parents in every relevant meeting, since their aim was to provide as many incentives as possible for lone parents to return to work. Relevant meetings included Work Focused Interviews (WFIs), New Deal for Lone Parents (NDLP) meetings, and 'Options and Choices' events for lone parents who were about to move on to Jobseeker's Allowance (JSA).

Lone parents who were interviewed largely confirmed that they heard about IWRP through a lone parent adviser at Jobcentre Plus or in a community outreach setting. Some, however, reported only hearing about IWRP when they went to Jobcentre Plus to tell their adviser they had found work. This suggests that advisers might not have used it in all cases to incentivise lone parents in advance of their return to work. It is also possible that the six-month gap between WFIs did not allow more advance notice of the IWRP at the time of the introduction (or that respondents simply did not recall the information they were told). Some lone parents also heard about IWRP through word of mouth and then contacted their adviser. This scenario was exemplified by one case where a lone parent filed a complaint to be added to the scheme and receive her payments retrospectively because she had not been informed about it in advance by her adviser before she went into work.

3.1.2 How was IWRP presented to lone parents?

Staff commented that IWRP formed part of an incentive package and did not take a particular spotlight when the range of support available to lone parents was discussed. It was common practice among advisers to integrate the IWRP support into the Better Off Calculation (BOC) during meetings. Advisers discussed the benefits of IWRP and provided a leaflet about the support. However, some advisers criticised the fact that IWRP payments were not fully integrated in the BOC and they needed to specifically point out to lone parents that they could receive '*an extra £40 on top*' of whatever the BOC outcome was. Advisers felt that this could sometimes be confusing.

Observations of WFIs confirmed the inclusion of the IWRP in BOCs. Many advisers conducted 'before and after' calculations to show the lone parent the difference the payments would make to their weekly income. IWRP was always presented along with other incentives available to lone parents returning to work (for instance, the Job Grant⁸, extended payments of Housing Benefit and Council Tax Benefit (HB/CTB) for four weeks after entering work, and the Adviser Discretion Fund (ADF)).

⁸ A tax-free lump sum of £500, eligible to those who have been claiming benefit continuously for more than six months and are starting work of more than 16 hours per week.

Advisers explained the benefits to the lone parent, the eligibility criteria and their responsibilities. Lone parents interviewed immediately after these meetings were very positive about the financial support available.

In general, advisers felt very positive about the support the IWRP provided to lone parents. Particularly, the financial help was thought to be useful for lone parents at the beginning of employment. Advisers believed that the payments were a good work entry incentive (see Section 4.3.1 for more detail) and that they were also useful to encourage take up of NDLP, so that they could then work closely with the lone parent to prepare them for a return to work. Some advisers reported that it was helpful to mention the total sum that lone parents would receive over a year (£2,080) as a way of influencing them. However, they were also careful to describe the payments as ‘extra’ money, and cautioned lone parents on the limited time period the support was available for.

3.1.3 How was the IWRP payment structure presented to lone parents?

Advisers did not generally mention the term ‘IWRP’ to lone parents, and did not inform lone parents that it was a pilot initiative, feeling that this could be confusing and potentially discouraging:

‘No, we don’t do that, say that is a pilot, because you just say this is an incentive that is being offered. Because they’ll say, “Oh, pilot? what do you mean by that?” So we don’t go that way.’

(Personal Adviser (PA))

Instead, advisers simply referred to ‘In Work Credit’ (IWC) and then explained the distinctive payment structure. Some encouraged lone parents to save up the lump sums for something that would benefit them in the long-term, such as learning to drive or taking up training, others suggested saving it up for a holiday or another ‘treat’. Some advisers also said that they advised lone parents to ‘put the money away’, when they received the lump sums, rather than breaking it down into a weekly amount and spending it on an ongoing basis. Some lone parents who were interviewed also commented that advisers had told them that the switch to lump sums was in order to ease their transition off the weekly payments:

‘...she said it’s because some people were using it in their budget...she said you get £40 a week and then what happens is towards the end of it, it changes to the lump sums, and the reason you get the lump sums is so you don’t get used to having it in your weekly budget...’

(LP17)

When lone parents were asked about their reactions to the IWRP payment structure in quick interviews following observations of WFIs, they were either neutral or positive. Some said they did not mind the payment structure either way, because they felt confident in budgeting, while others liked the idea of a lump sum to save or to spend on larger items, e.g. for their children.

3.2 Administrative systems and payment processing

3.2.1 Early implementation problems

There was a general feeling among staff that IWRP processes and procedures had bedded in at the time of the fieldwork (some 14 months after the pilot start date) and that the overall administration of IWRP was running smoothly by that point. However, some managers expressed concern over the early implementation process. They reported initial teething problems due to a lack of staff training, such as errors in the processing of claim forms. A time lag in the up-date of Labour Market System (LMS) contributed additionally to a processing backlog, which led in some cases to delays of payments.

Some managers thought that these initial problems were largely due to a rushed implementation, and indeed, some felt that the offices were left to their own devices when implementing administrative processes for IWRP. For example, some offices had created local databases in addition to the data available on LMS, and kept paper copies of application and claim forms to establish an audit trail. As a consequence, some managers expected variations in the interpretation and implementation of the IWRP across offices:

‘Obviously we knew it was coming in, but sometimes it’s like, “Well how are we going to set up in offices?” It was like, you know, you’re relying on your own office methods rather than someone coming in and saying well that’s quite an ideal method...’

(Advisory Service Manager (ASM))

The lack of guidance initially was acknowledged by key informants who reported that the early version of the guidance materials was inadequate because of a very short timescale for implementation. Revised guidance, which was more comprehensive and user-friendly, was issued at a later date.

3.2.2 Payment processing

When a lone parent initially joined IWC, the adviser completed the RM2 form which initiated the weekly payments for 39 weeks. At the subsequent 39 and 52 week interviews, advisers checked the lone parent’s pay slips to determine their eligibility for the scheme and then completed the RM1 form. The forms were processed by the Shared Services team. In the initial stages, advisers and managers reported a backlog of payments, partially due to errors on the claim forms and the large uptake of IWRP. These disruptions were kept to a minimum and addressed quickly according to key informants. Advisers reported that the payment process was running smoothly at the time of the fieldwork.

If, for whatever reason, payments were stopped (e.g. the lone parent had left work), they could reclaim IWRP provided the necessary work conditions were fulfilled and that they had not gone past the 39 week stage. In this case, the ‘balance of time’ would be applied, which is the remainder of the outstanding payments up to the 39 week stage. Some advisers mentioned that this was not an uncommon scenario because some lone parents had hours reduced or were laid off due to causes outside their control. While they felt that it was positive that the balance could be applied in these cases, key informants saw a potential disadvantage for those that left work after the 39 week stage. In this case, the ‘balance of time’ rule did not apply and lone parents would only qualify for IWRP again if they had been unemployed for a further 52 weeks. Staff were unaware of cases where this rule had applied, however, informants saw this as a serious flaw of the policy that needed addressing, because it would discourage rather than encourage a return to work.

Advisers, generally, felt confident applying the balance of time rules and dealing with the necessary paperwork. Overall, advisers and managers highlighted that lone parents were very keen to resolve payment issues, because of the substantial amount of money involved. There was only one reported case in the offices visited where a lone parent had completely ‘fallen off the radar’ and payment issues could not be resolved.

In the majority of cases, lone parent respondents had also experienced no problems with the processing of their payments, although one or two reported lump sum payments being delayed. In a few cases, lone parents also reported that their payments were stopped because of fluctuations in their income. For instance, one respondent reported having her payments stopped because her income had changed as she was paid by the minute. Her employment contract, which stated that she was contracted for 16 hours per week, was considered insufficient as proof, and she had to

obtain a separate letter from her employer confirming her employment and the fluctuating nature of her payments.⁹

3.2.3 Organising review meetings

Advisers highlighted that the switch to lump sum payments caused a substantial administrative workflow. Most of the offices had established a paper-based recording system to ensure that lone parents were invited for interviews at appropriate times and to ensure the timely processing of their payments, which advisers pointed out, was difficult through LMS. The paper based system appeared to work in most cases but relied on the thoroughness of advisers. There were a few occasions where lone parents received letters very near their deadline, particularly at the 52 week stage, which could have meant they would lose their second lump sum payment. Some offices tried to arrange the interviews about two weeks before the actual 39 and 52 week dates to ensure timely payment of the lump sums.

Staff also reported that interviews were scheduled by different entities (39 week interviews by Shared Services, 52 week interviews by Jobcentre Plus), which initially caused some confusion as to who was responsible for inviting the lone parent for an interview. As a consequence, some lone parents did not get their 39/52 week interviews in time in the early days. This meant that 39/52 week meetings were sometimes arranged at short notice to ensure the lone parent received the payment, which required considerable flexibility by advisers, both due to their own meeting schedules and to accommodate the working lone parents. Sometimes this necessitated meeting outside Jobcentre Plus opening hours or working through their lunch time to accommodate a meeting. For this reason, some advisers suggested keeping weekly payments for the full 52 weeks, instead of switching to lump sums at week 39, in order to improve alleviate their workload, although they also generally liked the idea of a bonus payment in the form of the two lump sums.

If a lone parent failed to attend their 39/52 week meeting, there was a possibility that the lump sum payments would be stopped. However, advisers saw this option as a last resort and would try to establish contact with the lone parent to reschedule the meeting or establish another way to get hold of the necessary documentation. The extent to which lone parents failed to attend meetings could not be fully established. However, one manager pointed out that they did not specifically observe 39/52 week interviews for quality assurance due to their infrequency and the strong possibility that lone parents would not attend or would have to reschedule.

3.3 Support for staff delivering the pilot

3.3.1 Training

The training of staff for IWRP was limited and inconsistent. Most staff reported receiving little or no formal training at all. In one office, some of the newer advisers had attended a one day training course on lone parent advising in general, where IWC was briefly explained. However, the specificities of the IWRP were not addressed in the course. The majority of advisers had received only a briefing about IWRP through their manager in either a team meeting or on a one-to-one basis. It appears that this is the procedure that was envisaged for the pilot, as key informants reported that it was sufficient for IWRP to be communicated via guidance and e-mail updates, since most advisers should have already received training on IWC.¹⁰

⁹ The concurrent qualitative evaluation of IWC (Sims *et al.*, 2010) also suggested that lone parents who were self-employed experienced some problems in confirming their ongoing eligibility for IWC.

¹⁰ The IWRP was introduced in July 2008, following the introduction of IWC in April 2008. Thus, at the time of the fieldwork, most advisers had experience of both systems.

Advisers indicated that their main source of information for IWRP processes and procedures was the online guidance. This was considered an excellent tool for quick reference purposes, but advisers and managers felt that it did not have the same effectiveness and depth as a face-to-face training session. Time was also considered to be an issue by staff when learning about IWRP processes. Some staff indicated that they relied on lone parents failing to attend interviews to keep up to date with procedures. Advisers also reported consulting with colleagues if questions arose about IWRP, and in some offices, teams had drawn up a document outlining the main information about IWRP and action points, so that service delivery would be consistent. However, staff expressed concern over this approach to learning about new policies and their implementation, highlighting a ‘trial and error’ mentality that could impact negatively on delivery.

Staff suggested that a half day training session on the specifics of IWRP would have been helpful to avoid initial implementation errors (such as forms being sent off incomplete or interviews being delayed due to uncertainties over responsibilities for workflows) and provide more consistent service delivery. Some also would have liked more in-depth information on the different payment schedule of IWRP because they could not answer lone parent questions appropriately. Additionally, staff felt that a detailed walk-through of a 39/52 week interview, specifically highlighting the additional support elements, would have been helpful. The guidance included pointers to ask questions about retention and advancement in the review meetings, but advisers reported that they felt unsure about what retention and advancement support entailed (see Section 3.4).

3.3.2 Management and administrative support

Quality checks on adviser delivery of the IWRP were integrated within the general Quality Assurance Framework (QAF) process. Advisers underwent regular QAF checks conducted by their line manager, who would observe their lone parent interviews, and this formed part of their general monthly evaluation. However, no criteria specific to IWRP were applied in this process. Moreover, managers reported that they did not generally select 39/52 week review meetings to assess an adviser, due to their scarcity and the possibility that the lone parent would not attend.

IWRP guidance specified two roles of In Work Credit Officer (IWCO) and In Work Credit Team Leader (IWCTL). The tasks of the IWCO included the checking and confirmation of eligibility for the IWRP, processing and terminating payments, dealing with lone parent queries, issuing letters to lone parents, updating the online system, as well as keeping track and following up on change of circumstances and the administrative processes in general. The IWCTL’s role included supervising the IWCO, signing off and checking IWRP payment forms for completeness and accuracy and dealing with complex cases. The tasks associated with the IWCTL role were covered in the offices visited by ASMs or Customer Engagement Team Leaders (CETLs). This was felt to work effectively in most cases. Managers often combined their quality checks with fulfilling the tasks of the IWCTL, for example, by checking ten per cent of submitted IWRP application forms in depth when signing them off. The IWCO role was occupied in all offices by lone parent advisers. This was felt to be less effective and some advisers, particularly in larger offices, commented that it would be beneficial if the role was occupied by a member of administrative staff to alleviate their workload.

3.4 The 39/52 week review meetings

Staff reported that they were keen to maintain continuity between advisers and lone parents, thus 39 and 52 week meetings would usually be carried out by the same adviser a lone parent had seen throughout their claim, unless an adviser was ill or a meeting needed to be arranged at short notice. However, lone parent comments indicated that it was quite common to have their 39/52 week interviews with advisers they had not met before, sometimes in settings outside Jobcentre Plus, i.e. an outreach centre.

The review meetings lasted around 20 minutes and fulfilled a largely administrative purpose, to ensure that the lone parent was satisfying the employment conditions of IWRP. In the meetings observed, advisers photocopied wage slips, verified if there had been any changes in the lone parent's circumstances, sometimes completed the necessary paperwork with the lone parent present and reminded them of the next steps. Two advisers summed up the 39 week interview as follows:

'I usually just ask them how they're getting on with their job, obviously talk about the In Work Credit, just in case they're not sure, take the last two payslips and copy those, and then just explain again that there will be another letter, the next payment – again we would have to do a check for when that was, let them know when it's going to arrive, just in case it doesn't and they can actually get in touch with us then, so they don't miss out.'

(PA)

'...obviously they bring their pay slips in, it's just verifying they're still working. The work is actually not the interview, the work is the admin.'

(PA)

Advisers commented that at the 39 and 52 week meetings, there was not much need to provide retention support. They felt that at this stage, lone parents would have settled into their new working life arrangements. If they encountered problems, advisers felt that it would be during the early stages of entering employment:

'Earlier, that's it, yeah. Nobody comes in and says 'I've got a problem', it's just a case of 'here's my wage slip, can I get the £260?', [laughs] seriously that's what most of our customers say.'

(PA)

While an element of retention support was sometimes provided through asking lone parents in the meetings whether they had encountered any problems at work, advancement support was rarely included. Some advisers said that they spoke to lone parents about working full-time when they did BOCs in NDLP meetings, showing them how much more they could earn by working full-time, and that this was sometimes reinforced in 39 and 52 week meetings. In one observation, advancement support was provided in the form of signposting the lone parent to a business support service because she wanted to become self-employed. The lone parent commented that she was happy the adviser had been able to do that and indicated that she had felt overwhelmed by the thought of doing it all herself. This suggests that, if implemented more consistently, advancement support might be received positively by lone parents. Drawing on other observations and comments, this experience seems to have been an exception though, because advancement support was rarely provided, or as one adviser said: 'We don't get much involved in that to be honest'. This seemed to be a consequence of a lack of training and limited awareness among advisers that the pilot was intended to deliver advancement support.

Likewise, lone parents who were interviewed also reported that they experienced the 39 and 52 week interviews as a purely administrative interaction with little additional support offered. Consequently, the most common suggestion from lone parents to improve the pilot administration was that the information about the switch to lump sum payments could be relayed by phone and that wage slips could simply be sent in by mail thus alleviating scheduling pressures on both the advisers and the lone parents. There seemed to be some offices where this was already being implemented, since some focus group participants reported simply receiving a letter asking them to send in copies of their wage slips at 39 and 52 weeks.

3.5 Summary

After initial implementation problems, the processing of IWRP had bedded in by the time of the fieldwork. The early problems had partially been anticipated and were dealt with within a fairly short timeframe. However, they caused some delay in the processing of payments initially. Advisers and managers felt that more emphasis on training during the initial implementation could have prevented some of these problems.

There was also some confusion with regards to the scheduling of work flows so that lone parents did not receive invitations to interviews in a timely fashion. Individual offices implemented local solutions to keep track of lone parents to prevent this from happening. Some managers suggested that this was a consequence of the rushed implementation and the initial lack of a clear administrative process. Advisers in some offices would also have appreciated support through a dedicated IWCO with the administrative side of IWRP to free up adviser time and ease their administrative workload.

Interviews at the 39 and 52 week stage fulfilled a largely administrative purpose; retention and advancement support was rarely provided. This seemed to be a consequence of lack of training and limited awareness among advisers that the pilot was intended to deliver this kind of support. Advisers also said they felt unsure what the retention and advancement support entailed and would have appreciated a walk through of a 39 or 52 week meeting to grasp all elements.

4 In Work Retention Pilot payments and lone parent finances

This chapter discusses the In Work Retention Pilot (IWRP) payments, focusing particularly on the distinctive payment structure of this pilot, namely the transition from weekly payments to the two lump sums at weeks 39 and 52. The chapter is divided into three parts. The first part discusses lone parents' finances, how they felt about their financial situation in work and the strategies they used for managing their money. This sets the context for the remainder of the chapter which focuses on the effects of the IWRP payments. Part two focuses on lone parents' experiences of receiving the payments and what they used them for and views on how the payment structure influenced financial wellbeing and budgeting practices. Finally, part three examines staff and lone parent views on the incentive effect of the payments in terms of work entry, work retention and work progression.

4.1 Lone parent experiences of finances and budgeting in the first year of work

4.1.1 Lone parent incomes

The majority of the lone parents interviewed were working part-time in minimum wage jobs, for example, as cleaners, care assistants or in retail. Half worked 16 hours per week and most of the remainder were working between 20 and 25 hours. Two were working fewer than 16 hours and claiming Income Support (IS) at the time of the interview. Thus their incomes were low. Calculating equivalised income for the household and comparing to the poverty line (£236 per week), shows that the majority of respondents were above the poverty line but below median income (£393 per week). The two respondents who were above median income both received Disability Living Allowance (DLA) because they had a disabled child. The income recorded by some respondents suggested that they were below the poverty line; this included those respondents who were working less than 16 hours and in receipt of IS.

4.1.2 Feelings about financial wellbeing

Respondents' experiences of financial wellbeing varied. The majority said that they were managing to get by on the money that they had, but they often had to deploy careful budgeting strategies in order to achieve this. Some found it difficult to manage with their current finances and were struggling to pay all their expenditures. This range of experiences partly related to the amount of income respondents were receiving and their current circumstances. For example, the small minority who felt that they were 'comfortable' financially either had higher incomes (due to additional benefits such as DLA) or low housing costs (e.g. one respondent was living with her parents and paid no rent). Other circumstances also affected feelings of financial wellbeing, such as household debt, fluctuations in wage income or having to cope with additional expenditures such as moving house.

Debt had a big influence on feelings of financial wellbeing. Despite a general aversion to using credit, over half of the sample had some form of debt. A number of respondents were paying off loans or catalogue purchases, while a few had larger amounts of debt, which included one lone parent

who was paying back hefty legal costs following a divorce case, as well as three people who were in arrears with either tax credits or housing benefit. In each of these cases, the debt had resulted from over-payments or administrative problems during transitions into and out of work. All three had sought debt advice or counselling and, at the time of interview, had appropriate payment plans in place, although one had experienced visits from the bailiffs before seeking advice, and all reported feeling anxious about their debts. One said that she was afraid to ask her landlord to carry out essential repairs to her house due to her debt. Another said that she had already taken out so many crisis loans through the Social Fund that if she needed extra money she now had to use a 'loan man', with a consequent high rate of interest.

In addition to the circumstances of the household, feelings about finances also reflected people's budgeting strategies and their ability to budget. Some of those on very low incomes felt they were managing well because of careful budgetary management, while some of those who were ostensibly better off, but said that they did not manage their money well, struggled more. People were, justifiably, proud of their ability to manage and get by on a low income and in the majority of cases, stressed their ability to 'manage'.

Most people felt that they were better off financially in work than they had been on benefits, and were able to spend more and in some cases to put away savings each month. A few people felt only slightly better off or 'about even' and a number of people commented that they were not as much better off as they had thought or hoped they would be. Costs that were often higher than anticipated included housing and council tax, children's school dinners and travel, and heating costs. Several respondents suggested that lone parents in receipt of working tax credit should continue to receive free school dinners for their children, while a number criticised their lack of eligibility for cold weather payments.¹¹ Because of these additional expenditures, some people felt that they had been misled by assurances that they would be better off in work:

'Sometimes it's a struggle financially because like I say, we've got used to having things paid in some ways, and then you've got to pay them, so it's like you lose your school dinners, you lose your school uniform, then I've got a big chunk of rent to pay, council tax, it's quite a substantial amount to pay. You don't really get as much help as they tell you you will.'

(LP17)

The initial transition into work was seen by some lone parents as a particularly difficult period financially, because of having to organise and manage new bill payments, such as rent, council tax and childcare costs:

'When you go into a new job, everything changes, your rent, your council tax, you worry a lot and obviously your child tax credit you don't get straightaway, so you worry.'

(LP03)

While the one-off Job Grant payment was helpful for this, eligibility rules required 26 weeks of continuous benefit receipt, which ruled out one respondent who had previously moved briefly into self-employment (which didn't work out) prior to her current job. Many felt that while the initial transition into work was difficult, at the time of the interviews (which took place between 39 and 56 weeks after work entry) they had reached a better position with regard to their finances:

'As time goes on, obviously, you know where you're at and everything just fits into place.'

(LP09)

¹¹ This latter might have been influenced by the fact that the interviews took place in January and February 2010, immediately after a particularly long cold winter with significant snowfall.

This has implications for their experiences of the IWRP payment structure, as discussed in the second part of this chapter.

4.1.3 Financial management and budgeting

Due to the relatively low incomes of many lone parents in the sample, most reported that they had to deploy careful management of their budget in order to ensure that they could make ends meet. The most common strategy was to pay all essential expenditures (rent/mortgage, bills, food shopping) first, when money came in, in order to ensure that these expenditures were covered, and then to use whatever remained for day-to-day costs such as children's school dinners and travel costs and, in some cases, socialising, taking the children out or buying them clothes.

Many used direct debits from their bank account in order to ensure that the essential bills were always covered. One strategy for ensuring bills were covered was to spread bill payment dates out over different weeks, or to pay small amounts towards bills on a regular basis rather than waiting for it to accumulate. However, a few people were clearly struggling with bills, paying off just enough to avoid 'getting nasty letters', or having to choose what to prioritise each month. Some people reported that they wrote down each month all their incomings and outgoings to ensure that it balanced, as one respondent described:

'I just have to budget everything, I've got my book there in the drawer and all my bills are in it, all my debts and everything and if it's not on the list for that week we don't have it or I'll swap something around, like I'd buy that this week and have that next week instead, that's the only way I can do it.'

(LP18)

A smaller number of people in the sample professed to being poor at budgeting, and these were people who often felt they were coping less well on their income. Some had developed strategies but were unable to carry them out in practice. Others were in the process of trying to develop a strategy for their money. One respondent, who said that she was struggling to cover all her bills each month, found it hard to develop a budget because of the debts she had to pay off.

Savings were highly valued in order to pay for holidays, children's birthdays or Christmas and some people were able to put small amounts of money away as savings each month. Some were creative in their savings strategies, e.g. saving for Christmas through purchasing shopping vouchers. Other people said that their income lasted them only until the next pay day and they had to engage in careful juggling to make their income last; one described it as '*walking a tightrope*'. Tactics for making money last and reducing expenses included careful shopping around for bargains, buying in bulk to get the best price and reducing heating use. Some talked about having to '*tighten the belt*' towards the end of the month if there was little remaining money, e.g. spending less on food.

Everybody was able to identify things that they had to cut back on and were generally unable to afford. Socialising fitted into this category; many people said that they were unable to afford nights out, eating out or takeaways. When asked what they would like to afford but couldn't, a common response was taking the children out for occasional treats. Going on holiday was also a luxury that could not be afforded for many in the sample, although this was a common purpose of saving and some did manage to put away enough to take a holiday each year. Larger household items such as furniture or carpets that needed replacing were also often out of reach and '*doing the house up*' was a common response to what they would like to afford. Finally, buying a car or taking driving lessons was another common aspiration that could not be afforded.

As this discussion suggests, people struggled to pay for larger expenditures on top of their bills and day-to-day essentials. This has implications for their views on the IWRP payment structure, as discussed further in the second part of the chapter.

4.2 The effect of In Work Retention Pilot payments on lone parent finances

4.2.1 Lone parent experiences of payments

Weekly payments

The vast majority of lone parents said that they had used the weekly payments up to week 39 to supplement their income for day-to-day expenditures, such as rent, bills, food or in some cases servicing debts. Some set the money aside for specific expenses (e.g. clearing debts) whereas others just added the money to their general budget for that week or month. A few people said that they used the payments for things that they couldn't otherwise afford on a regular basis such as children's clothes or treats. A small number of people didn't spend the payments immediately but saved them up, either for holidays or to provide a 'cushion' or 'fall back' if they needed it. Those who did this often said that they did so because they didn't want to become 'reliant' on the payments.

How the payments were used did not appear to be related to household income levels, although those people who said that they saved the payments up tended to be those who felt they were managing well on their income and were usually those people who were also careful budgeters.

Respondents varied in how much difference they felt the weekly payments had made to their financial wellbeing. Almost everyone felt that the payments had been helpful in meeting their day-to-day expenses, and several felt they had made a big difference to their financial wellbeing during their time in work, enabling them to purchase extras that they could not otherwise have afforded:

'Because like that £40 was money I wouldn't have had, so it were what I could buy the kids stuff, extra money what I wouldn't have normally had, so I liked it.'

(LP04)

A few people specifically used the payments to service debts and found it very helpful for this purpose, given the anxiety about debt, as discussed earlier. One lone parent who had significant housing benefit arrears commented:

'Like I said it has influenced my financial situation because like without that £40 you know I would just be having my standard wages, yeah so the additional help it has influenced my financial difficulties hugely, yeah it's helped loads.'

(LP14)

The payments were also especially important to people with fluctuating income, for example, one lone parent described how she lost money when she had to take time off work when her child was ill, and so the payments were particularly important to her during this period.

Several people said that the weekly payments had been most important to them when they first moved back to work, since, as discussed earlier, this was a difficult period of financial transition for some people with extra expenditures that they were not used to paying, as described by this focus group participant:

'R1: ...you're not used to having all these payments being taken out your bank, like rent and council tax, you panic and you're thinking, "Where's it all going?" even though you know you're fine because they've worked it all out for you, and you're better off, but it felt a bit safer having that £40 going in, you knew, "It's okay, I've got that there", until you get used to all the outgoings.'

(Focus group 2)

The transition to lump sums

The lump sums received at weeks 39 and 52 tended to be spent differently than the weekly payments. Most people said that they saved up these larger amounts, often for holidays/Christmas or to provide a fall back to be spent on ‘treats’ or ‘extras’ in the future. Other people spent them all in one go, often on larger items that they could not otherwise afford, such as things for the household (furniture, decorating, etc.), clothes, car repairs, or for ‘treats’ such as taking the children out or for Christmas presents.¹² As discussed previously, many lone parents said that they were not able to afford these items out of their ordinary income, which sometimes had to be ‘juggled’ carefully to last from one pay day to the next.

Although the majority of people were using the weekly payments for day-to-day spending, no-one in the sample spent the lump sum in the same way, i.e. breaking it down into weekly or monthly amounts to spend on day-to-day items. Some did say that they were careful not to spend it all at once though, for fear that they might need it in the future; they tended to save it for unanticipated expenses.

How people coped with the transition from weekly payments to lump sums varied according to how important they felt the weekly payments had been and how reliant on them they had become. In general though, no-one experienced significant financial problems after the weekly payments finished. In general, whether or not people were reliant on the weekly payments and struggled when they stopped was not related in a straightforward way to household income, but was influenced by a range of circumstances (e.g. debts) and the ways in which people managed their money.¹³

A number of people said that it had made a difference to them when the weekly payments stopped and that they had needed to adjust their expenditure to take account of the reduced income:

‘You’ve got to cut back a bit on your spending, you just have to manage...you have to just tighten your reigns a bit, you just have to do it, otherwise you end up owing this and owing that don’t you?’

(LP07)

A few people referred to ‘panicking’ or ‘struggling’ at first but had become more adept at managing without the money over time. Some people felt that switching to the lump sum payments had forced them to budget their money differently and thus become used to managing without the weekly payments.

A few people said that they found it difficult to switch to the lump sums. This tended to be people who had specific ways of budgeting the weekly payments. For example, one respondent who was using the weekly payments to pay off debts on a monthly basis found the switch difficult to manage:

‘I’ve been going and paying a hundred and sixty pound a month off my bills, and then all of a sudden it’s like hang on a minute I’ve got to get used to like, right, well the £40 a week it’s gone now, it’s like a lump sum of £260,...it messes you up a little bit.’

(LP14)

¹² Due to the timing of the interviews, a number of respondents received their lump sum just prior to Christmas.

¹³ It should be noted, however, that there was little variation in incomes within our sample – most incomes were low and only two respondents were above the median. If there was more variation, a clearer relationship between income and views on the payments might be observed.

Another lone parent who had been reliant on the weekly payments to pay off small amounts on her energy bills, felt that the lump sums presented too much temptation to *'squander'* the money all at once and leave her short. She had spent her first lump sum on car repairs and now said that she was *'frightened to death'* to look at her bank account coming up to the end of the month. This situation was exacerbated in her case by the fact that her wages were unpredictable since the company she worked for was experiencing financial difficulties. Moreover, she had only recently received her first lump sum, and a number of respondents described how they had become better at managing over time.

Finally, there were a group of people who said that the transition to lump sums had little effect on their finances. They tended to be people who had put both the weekly payments and the lump sums towards savings, rather than spending them on day-to-day items. These people were not necessarily those with higher household incomes who had less need of the money but were generally *'good budgeters'*.

4.2.2 Staff views on the IWRP payment structure

Staff opinions on the effect the IWRP payment structure would have on lone parent finances were quite mixed, although most were positive about it.

One strongly held view, expressed by a number of advisers, was that the principal advantage of the IWRP payment structure over ordinary In Work Credit (IWC) was that it would change lone parents' budgeting habits and effectively *'wean them off'* the weekly payments. It was said that the switch to lump sums *'breaks the cycle more gently'* because lone parents have to learn to manage without weekly payments sooner and that it reminds them that the payments are going to end, so that they get used to it sooner. One adviser went as far as to say that it encouraged lone parents to think about budgeting differently and that it would start to instil the habit of saving among lone parents. Other advisers said that it was helpful for lone parents as it effectively saved the money for them, allowing them to purchase larger items that they would not otherwise be able to afford; weekly payments were felt to be more likely to get *'lost'* in day-to-day spending.

It was also acknowledged by advisers, however, that delivering a payment in a lump sum by itself would not necessarily change someone's money management or budgeting habits. Many advisers reported that there was a wide variety of abilities in budgetary management among lone parents and while some felt that adviser support played a role in reinforcing good money management, others expressed discomfort with this role and felt that they were not qualified to provide such advice. Some advisers also felt that it was patronising to tell lone parents what to spend their money on.

A smaller number of staff expressed the view that lone parents were better at budgeting with weekly amounts, as it was what they were used to (from being on IS), and felt that it was more beneficial for lone parents to have 52 weeks of continuous weekly payments rather than the switch to the lump sums. It was felt by these staff that the lump sums might impact negatively on some lone parents who are not good at budgeting because they might *'blow all the money at once'*. Another widely held view was that most financial difficulties for lone parents arise in the first weeks and months of work, and that by nine months most lone parents have become adept at budgeting on a wage, and so the transition from weekly payments to lump sums would have little effect at this stage.

4.2.3 Lone parent views on the IWRP payment structure

Lone parents in the sample expressed differing views on the kind of payment structure they would prefer for IWC payments. The majority view (around a third of participants) said that their preference was to keep the payment structure the way that it is in the IWRP pilot, with weekly payments for 39 weeks and then two lump sums. These people said that they liked the weekly payments at first because it was easier for budgeting their money when they first started work, for example, weekly payments had been particularly useful to top up day-to-day bills and shopping. However, they also liked the transition to lump sum payments at nine months. In some cases, this was because they felt it helped to ‘wean them off’ reliance on the weekly payments, echoing a common sentiment among advisers. For example, one lone parent commented:

‘Well the way I thought, well it’s going to come to an end anyway, whichever way you look at it, I’m going to have to get used to being without it. So you know, do it that way, that way it doesn’t sort of like actually cut off because I still went a few weeks without it, even though I had the lump sum...’

(LP16)

The other reason lone parents liked the switch to lump sums at 39 weeks was because after nine months in work, they felt that their finances were in better shape and appreciated the lump sums more to spend on a ‘treat’ or a ‘luxury’ that they wouldn’t otherwise have been able to afford. One lone parent, who spent the money treating her children to a trip to the seaside, explained this:

‘Like I got that money and I was able to lock the house up in the morning, jump on the train with the four kids and go and get a scruffy bed and breakfast for the night, and have a couple of rides on the fair, which they thought was fantastic. Now if it was the £40 a week, I am pretty reasonable about saving, but like I say, you need to buy things all the time don’t you, so I know I would have been dipping into it.’

(LP08)

A few people said that they would prefer to have weekly payments for the full 52 weeks, because they found weekly payments better to budget with. This tended to be people who were more reliant on the payments to make ends meet and/or those who were putting the weekly payments to a distinctive use (e.g. towards paying off debts). A similarly small number of people said that they would have preferred to get three-monthly lump sums all the way through – but gave contrasting reasons for this. One view was that weekly payments encourage reliance, which was considered to be potentially dangerous. Another view was that weekly payments get lost in day-to-day expenses whereas lump sums are more ‘noticeable’ and enable larger purchases.

In general though, a number of respondents expressed concern about the idea of having just lump sum payments (instead of weekly amounts) on lone parents’ budgeting ability (including those who thought that they would be able to manage well themselves). This was evident in a focus group discussion about different payment forms:

R1: Yeah, I think if you got lump sums, you'd just blow it wouldn't you?

R2: I agree...

R5: Because when you get that lump sum, it's, "I can get this and this, kids want that", it's something you're not used to and you think, "It's mine, I can spend it, I'll go and spend it, I'll think about it later", and when you think about it later you think, "Shouldn't have done it", but if you haven't got it, you can't do it can you?

R4: It's like she said, you'd blow it wouldn't you?

R3: Especially if it's Christmas.

R2: Doesn't matter...to me if I've got money, I can't save it, that's it, you enjoy it whilst you've got it, haven't you?

(Focus group 2)

Finally, a number of respondents said that they did not mind either way whether the payment structure consisted of weekly amounts or lump sums. These tended to be people who stressed that they were good budgeters and could manage their money satisfactorily whichever form it came in.

Suggestions for improvements to the payment structure

Lone parents were rarely aware that the IWRP was a pilot designed to test the potentially different affects of weekly payments versus lump sums on work retention. They either did not know why there was a switch to lump sums at week 39 or thought that it was to help parents with their budgeting (a view that was reinforced by advisers, see Chapter 3). Hence their suggestions for the payment structure reflected this. Many respondents remarked that the form of payment structure that is best depends upon the way people budget their money, which is different for different people. Some, therefore, felt that Jobcentre Plus should give lone parents a choice of how they would like the payments made, similarly to the position with tax credits where lone parents are given a choice of weekly or monthly payments.

While many people felt that the current structure was beneficial for *'weaning you off'* weekly payments, one respondent commented that if that was the intention it could be better designed to wean people off more gradually, for example, becoming fortnightly amounts and then monthly amounts.

Finally, while the vast majority of people were welcoming of the payments, one lone parent commented that she would have preferred to have continuous help towards additional expenditures in work that she found difficult to meet, such as school dinners and school uniform, transport costs and winter fuel payments.

4.3 The incentive effect of payments

4.3.1 IWRP payments as an incentive to enter work

Staff perspectives

Most of the Jobcentre Plus staff interviewed felt that the IWRP payments were a powerful work incentive for lone parents. They felt that this was the case regardless of whether they were paid as 52 weekly instalments of £40, or 39 weekly instalments plus the two lump sums of £260 each. By and large, they did not feel that the shift to lump sum payments at week 39 had any impact on IWC's role as a work entry incentive for lone parents. They reported that explaining the new payment structure to lone parents had not influenced their reactions to IWC to any great extent. This was primarily because they felt that most lone parents were not thinking that far ahead (i.e. to

a change in payments at nine months) prior to entering work. They also reported that, once in work, many lone parents had forgotten about the change in payment structure, prior to getting a letter at 39 weeks reminding them about this.

While staff generally felt that IWC payments were a powerful work incentive, it was also recognised that these payments were only one part of a wider package of financial support that together helped and incentivised lone parents to enter work (see also Chapter 3). It was also felt by staff that the advice and reassurance they gave lone parents about the financial benefits of work, through conducting and discussing Better Off Calculations (BOCs), was equally important as the financial support itself, in enabling and encouraging lone parents to enter work. However, it was felt by staff that in some cases IWC payments could be the factor which made the difference, or *'tipped the balance'*, in favour of lone parents making a decision to enter work.

Staff felt that the work entry incentive effect of the payments was strongest for those lone parents who were described as *'on the borderline'*, that is those people who were thinking about work but still needed reassuring about what their financial position would be when they started work. The IWC payments were said to be especially important for those people who were not otherwise going to be that much better off in work, e.g. as a wage supplement for people moving into minimum wage, part-time jobs. It was recognised by staff that the payments would have less incentive effect for people who did not want to or could not work for other, non-financial, reasons. Staff also stressed that issues unrelated to finances were also important in encouraging lone parents to enter work, and that the motivation to enter work had to be there already for the payments to act as an incentive. In addition, for some, who would have entered work anyway, the payments were simply a reward.

Lone parent perspectives

Depth interviews with lone parents also reinforced the idea of differential incentive effects according to circumstances. Respondents were equally split between those who felt the IWRP payments had some influence on their decisions about entering work and those who described it as *'just a bonus'* with no incentive effect.

Those who said that knowing about the IWRP payments influenced their movement into work were already either looking for work or thinking about work when they found out about IWRP. The motivation to work had to be there already for IWRP to act as an incentive, as staff suggested. A number of people said that they would have entered work anyway, but that knowing about the IWRP gave them a little extra encouragement to look for work; as one lone parent stated *'because it was like a little treat'*. Others said that it reassured them about their finances once they started work and made the prospect of entering work seem less daunting. One explained that she was waiting for the right job for her, to fit around her childcare responsibilities, but that knowing about IWRP eased her financial concerns about work:

'To be honest it's probably got me out there quicker to get a job because there's that extra help and that was always a worry, because obviously depending on how long you've been on Income Support or whatever you're on, it's a change isn't it and you've got a lot of things to sort out in between, so to know that you've got this extra £40 regardless of anything as long as you stay in the job, as long as you do your 16 hours, and to know you've got that extra £40 it is a big help.'

(LP09)

For these people, it is possible that they entered work sooner than they might have done without IWRP. For others, the IWRP was factored into calculations about whether it was worth their while taking a specific job. Two respondents, both of whom had debts to pay off which would affect their finances once in work, described taking IWRP into account in this way:

‘When I worked everything out I had quite a few debts and things, and I worked everything out and I thought, “Well, it’s going to take me a year, but I can get all paid off, I can buy this, I can do the other”.’

(LP18)

Also, those people moving into low paid jobs who felt that they would not otherwise be significantly better off, took the IWRP payments more directly into account when deciding on a job, as this focus group participant described:

‘R4: ...The in-work credit, the £40 a week, I found that were really good because it were like I’m only working for £4, but then I had that, so it made that bit more [of an] incentive’

(Focus group 2)

Other respondents said that the IWRP had no effect on their movement into work. Some said they did not know about the IWRP until they had already found a job; in these cases IWRP was just a ‘nice bonus’ or a ‘nice surprise’. Others said that they did know in advance but that it didn’t affect their decision because they wanted to work anyway and were already satisfied about their in-work finances.

None of the respondents felt that the distinctive payment structure of IWRP, i.e. the switch to lump sums at week 39, made any difference to whether or not it acted as an incentive for them to enter work.

4.3.2 Payments as an incentive to stay in work

Staff perspectives

While most staff felt that the IWRP payments were effective as a work entry incentive, their views were more mixed about whether the payments had any influence over work retention. The majority view among staff was that most financial difficulties are faced by lone parents in the early weeks and months of work. It was felt that both the weekly payments, and the availability of advisory support (through the In Work Advisory Support (IWAS) scheme) during this time, play an important role in work retention. Generally, though, it was felt that by nine months, most people had sorted out their finances, got on an ‘even keel’, and did not need ongoing financial help to remain in work. It was generally felt that if people had issues that threatened work retention at this stage they were unlikely to be financial and more likely to be a problem with the job itself or a problem with childcare. In these cases, it was felt that IWRP payments would have little effect on retention.

A few staff felt that ongoing financial support after nine months continued to be important for lone parents’ financial wellbeing, and thus indirectly for work retention, by providing lone parents with a ‘*financial cushion*’ to fall back on. It was also said that lump sums are particularly valued by lone parents as they enable larger purchases to be made or to build up savings. Some (although this was a minority view) also felt that the structure of the lump sums might be likely to have some retention effect as people may stay in work until they reach the payment date. It was felt that this retention effect was mostly likely to happen in cases where people wished to leave work for some other reason but stayed a few weeks longer in order to receive the payment.

One or two staff thought that there was a danger of lone parents leaving work after 52 weeks and staying out of work for a further twelve months in order to re-qualify, however, the majority thought that once in work for 12 months lone parents were likely to ‘stay the course’ unless an emergency occurred (e.g. childcare breaking down). None of the advisers who were interviewed were aware of any instances of people leaving work after the IWRP payments finished.

Lone parent perspectives

Lone parent views broadly reflected the views expressed by staff. In depth interviews, views were split between people who said that the payments had no effect on their propensity to stay in work and those who said that payments were an encouragement to keep going in work.

Those who said the payments had no effect on work retention tended to say that they were enjoying their jobs anyway and had experienced no crises that threatened work retention. Some conceded that the payments might be an incentive for others who were not enjoying their job. However, generally, lone parents felt that IWRP payments would not have an effect if something they felt to be more important threatened their work retention, such as dissatisfaction with their care arrangements:

‘Somebody’s not going to stay in work just for a bit of a bonus, to get that £200, if someone’s going to leave and not want to work, or they tried working and they can’t cope with it, then they’d leave anyway.’

(LP02)

A number of people felt that the IWRP payments had eased their transition into work and influenced their financial wellbeing during their first year in work and thus, to this extent, had influenced their work retention. For example, one lone parent, who used the payments to pay off debts, stated:

‘It’s took a lot of pressure off me ... it’s eased a lot of the stress, I think, I know that a couple of years down the line that you know there’s going to be no debts there and I’m looking forward to enjoying better things.’

(LP14)

Others said that the payments were an encouragement to keep going during the first year in work. When probed further, none of these people said that they would have left work if it wasn’t for the payments, although one lone parent, who had recently increased her hours to 30, said that if her hours had stayed on 16, and the IWRP payments had finished, she might have reappraised her situation to see if she was better off in work. Similarly, another lone parent who had used the IWRP payments to clear debts also felt that if she had not been able to clear her debts she might have reconsidered being in work.

Reflecting the view of advisers, most people who felt that the payments had increased their financial wellbeing in work felt that it had been the weekly payments for 39 weeks that had been the most beneficial to them, as they were most in need of financial help when they first entered work. Just one person in the sample felt that the lump sums at weeks 39 and 52 were a motivating factor to stay in work:

‘Because if you have a bad day at work or something, or something gets on top of you personally and you’re at work, you think, “Oh, I just want to go home and go to bed” and you think, “Oh no I’ve got to be in work”, and that money encourages you to snap out of it really. Yeah, it’s an encouragement to be at work.’

(LP06)

This respondent conceded that it didn’t make the difference between staying in work and leaving the job though.

Two people in the sample had returned to benefits after receiving the first lump sum payment, although both remained in part-time jobs of less than 16 hours a week. In one case, the lone parent was working in a bar and her hours had been cut by her employer, although she was hoping to

increase them again in the future. The other respondent was initially working in two jobs as a dinner lady and a cleaner, however, she found the cleaning job, which was in the evenings, too much to cope with while also caring for her four children and so gave the job up. The experiences of these two respondents reinforce the views of both staff and lone parents that the IWRP payments alone are unlikely to incentivise people to stay in work if other factors threaten work retention.

4.3.3 Payments as an incentive to work progression

Generally, staff felt that the IWRP payments had little effect on lone parents' motivation or ability to progress in work, although a few advisers mentioned that the additional money stopping after 12 months could motivate lone parents to try and progress in work to make up the money (e.g. by increasing their hours). Some staff said that they would encourage this, e.g. some advisers said they spoke about this with lone parents when they do BOCs prior to entering work, showing how much more they could earn by working full-time. This is sometimes reinforced by advisers in 39 and 52 week meetings. It was recognised, however, that other things needed to be in place in order for progression to occur, notably lone parents' motivation and the right conditions in the workplace.

The lump sums, vis-à-vis the weekly payments, were not felt to have any effect on progression. Just one adviser stated that the lump sums could be used by lone parents to access training, which could aid work progression. However, no other advisers mentioned this, and it did not appear to be generally sold to lone parents in this way.

Lone parent views broadly reflected these staff views. Many people in the sample – nearly all of whom were working part-time when interviewed – said that they would like to increase their hours of work in the future in order to improve their income, but in most cases this wasn't related to IWRP payments ending. A few people did say that the payments finishing had spurred them into doing more hours at work or thinking about this, but in these cases it was the weekly £40 stopping that made the difference. The switch to lump sums had no effect on this. More commonly, people said that they would be prompted to think about increasing their hours if there was a more significant reduction in their income, e.g. from tax credits finishing.

4.4 Summary

Most lone parents in the sample were working part-time in minimum wage jobs. Many felt they were 'just managing' on their income due to careful budgeting; although some were struggling and a few felt more comfortable. This related to household incomes, circumstances such as debt, fluctuations in wages or additional expenditures, and to people's ability to budget. The initial transition into work was often seen as the most difficult period financially, because of adjusting to a range of new payments.

The vast majority of lone parents used the weekly payments to supplement their income for day-to-day expenditures, although a small number saved them up. Almost everyone thought the payments had been helpful in meeting day-to-day expenses, and several felt that they had made a big difference to their financial wellbeing, particularly those who had used the payments for servicing debt. Lump sums were spent differently; either saved up for holidays/Christmas or spent on larger items (furniture, clothes, car repairs, 'treats'). How people coped with the transition period varied according to how important the weekly payments had been, but no-one experienced significant financial problems.

The majority of staff and lone parents liked the payment structure the way it was in the pilot because it was felt that weekly payments were better for budgeting when lone parents first started work, while lump sums were helpful either to 'wean them off' IWC or to enable larger purchases

to be made. A few (staff and lone parents) thought that weekly payments for the full 52 weeks were preferable for ease of budgeting. A few lone parents preferred just lump sums, either because they felt weekly payments encouraged reliance, or because they felt that weekly payments 'get lost' amidst other income. However, a number of respondents thought that just lump sums were 'dangerous' where lone parents were less adept at budgeting. One suggestion was for lone parents to be given a choice as to how they would like payments made to suit their individual budgeting styles.

Most Jobcentre Plus staff felt that the IWRP payments were a good work entry incentive regardless of how the payments were structured. However, it was acknowledged that it would only have an incentive effect for those lone parents who were thinking about work but needed an extra 'push' or who were unsure about their finances. Lone parents were equally split between those who felt the payments had some influence on their decisions about work and those who said it had no effect. Those who said it had an incentive effect were already receptive to work but IWC gave them a bit of extra encouragement or reassured them about their finances. A few people felt that it had a more direct influence as they took it into account when calculating whether they would be better off in work; these people had debts to pay off or very low incomes. Nobody thought the payment structure had any influence on the incentive effect of the payments.

Staff and lone parents were less inclined to view the payments as a work retention incentive. Staff generally felt that the initial weekly payments were important for work retention but that by nine months most lone parents had sorted out their finances and problems that threatened work retention at that stage were unlikely to be financial. Around half of lone parents said that payments had made a difference to work retention, but all referred to the weekly payments rather than the lump sums. The payments had enhanced financial wellbeing and taken away stress, thus making respondents feel better about being at work. None said they would have left work without the payments, although a few might have reconsidered their position. None said that the lump sums made a difference to work retention, although one described them as an encouragement to 'keep going', albeit she would have stayed in work anyway.

Few staff or lone parents felt payments had any effect on work progression. Staff thought that the loss of the payments might lead lone parents to consider increasing their hours, and some discussed this with lone parents in 39 and 52 week meetings. Lone parents often wanted to increase their hours in the future, normally when children were older and/or when tax credits stopped, but no-one was planning to do this as a direct result of IWC payments finishing. None had directed the money towards advancement purposes (e.g. training).

5 Lone parent experiences of retention in the first year of work

This chapter examines how lone parents fare in the workplace and some of the difficulties they face balancing family life with employment. Respondents' views are reported about what helps lone parents to stay in work and the types of support which may improve retention.

5.1 Lone parents' experiences of work

5.1.1 The benefits of paid work

As already described, the majority of parents interviewed were employed on a part-time basis in low-skilled jobs, primarily in the caring and service industries. Many were also re-entering the labour market after being unemployed for considerable periods of time (half the sample were on benefits for over five years prior to receiving the In Work Retention Pilot (IWRP) payments). Despite low pay and sometimes struggling to make income last from one pay day to the next, as described in Chapter 4, their experiences of being in work were overwhelmingly positive. Lone parents reported increasing levels of self-confidence and self-esteem as a result of getting out of the house, meeting new people and interacting with work colleagues and the wider community:

'You just feel much better for working. It's just getting out there, meeting new people and stuff.'

(LP09)

'R5: I couldn't not work now. I've got too used to doing it, if I have a week off, I'm sat there twiddling my thumbs thinking, "Shall I ring in or go in?", I do!

R2: Plus when you're sat at home, it's like you've got no reality, have you? Going to work and everything, it's different every day.

R3: You get that adult conversation as well!

R2: Yeah, you get a bit more company.'

(Focus group 2)

Respondents also described having a goal or something to strive for and the chance to be a role model for their children. They also enjoyed being free from what they perceived as the 'stigma' of being a lone parent on benefits.

5.1.2 Challenges in work and threats to retention

While respondents were very clear about the advantages of returning to work, they also encountered a number of difficulties. As discussed in Chapter 4, the transition from living on benefits to budgeting on a wage presented a challenge for many. A few interviewees were also struggling with debts, often accrued during transitions into and out of work. Other challenges were also faced in work and at times they could threaten work retention.¹⁴

One of the key challenges faced by parents was around work-life balance. Finding suitable childcare presented a challenge for many of the lone parents returning to work, as they attempted to juggle their time away from home with ensuring their children were settled and happy. However, irregular hours imposed by shift work posed additional difficulties in a number of cases. A number of respondents working in health, social care or in shops were required to work shifts and often anti-social hours. For some, their shifts also changed week to week.

Such circumstances led a number of interviewees to rely on family and friends to look after their children. Although this can be convenient, some respondents expressed their unease at being so dependent on other people. In a focus group discussion, respondents expressed particular unease and guilt about having to rely on older siblings for childcare:

'R3: ...That's what I did, in six week holidays, my daughter looked after my youngest all the way through and she hated it, "I want to go out with my mates", "want to see me mates but I've got to drag him", ...because he has got disabilities...she shouldn't need to have the stamina for him and the patience, she should be able to just go and enjoy herself, so then you're sat and feeling guilty.'

(Focus group 2)

Moreover, if these informal care arrangements broke down for any reason, it could also threaten work retention. For example, one interviewee described leaving a previous job in part because her mother's health was deteriorating and she had been relying on her for childcare.

Shift work could also result in respondents' (usually low) incomes fluctuating from week to week, making it even more challenging to budget. One respondent recalled how she had handed in her resignation after becoming increasingly unhappy with her erratic hours and unpleasant managers, but in the end she changed her mind and asked if she could have her old job back (*'it's better the devil you know, do you know what I mean?'*). Her reluctance to move on despite the problems in her job suggests a lack of confidence, an issue addressed in the next chapter where barriers to work progression are discussed.

A considerable number of respondents were employed in two jobs, meaning that juggling work and childcare was even more complicated. For one person this commitment proved to be too great. This was a lone parent initially working as a dinner lady and a cleaner, totalling 20 hours. However, she found the cleaning job in the evenings too much to cope with while also caring for her four children. Her stress was exacerbated by the fact that she was in debt due to Working Tax Credit (WTC) over payments. She left her night time job (and stopped receiving IWRP because her hours dropped below 16) as she felt unable to cope:

¹⁴ As described in Appendix A, respondents were sampled on the basis of having spent at least nine months in work (for depth interviews) or six months in work (for focus groups), hence their accounts reflect the fact that they had managed to sustain employment despite any difficulties faced. However, a small number had either left work or reduced their hours to below 16, and all respondents were able to talk about the challenges they were facing in their jobs and about why they had either left jobs in the past or why they might leave their current job.

'I just decided with the four young ones, me lad was starting high school and I was very stressed. The older one was already in high school, so I just had too much on me plate at that moment in time,...so I give up the night job.'

(LP08)

Further challenges arose for respondents who had children with disabilities or health problems which had to be considered when returning to work and/or arranging care. This affected a number of respondents, who mentioned conditions such as cerebral palsy, spina bifida, dyslexia, dyspraxia, Asperger's Syndrome and other behavioural problems. Sometimes the available childcare was not appropriate for their children. Lone parents' own health could also threaten work retention, for example, a back injury forced one respondent to leave a previous job.

Given these factors, it is perhaps unsurprising that Jobcentre Plus advisers working with lone parents often viewed them as less flexible when compared with other claimant groups, but requiring more flexibility in their jobs. Respondents reported that this flexibility from employers was often not available though. One lone parent, working in a shop, described the response of her manager when she asked for a shift that allowed her to leave at 6pm (instead of 6.30pm) in the evenings:

'R1: ...one stage I rang my area manager and he said to me, "You should have thought of that before you got your job because it's not exactly a couple of weeks, it's a long-term thing, so you either want the job or you don't", and you're stuck there in that situation.'

(Focus group 1)

As well as shift work and erratic hours, many jobs were unstable, subject to the changing needs of the business. One respondent working in a bar had had her hours cut by her employer by the time of the interview (to less than 16), although she was hoping to increase them again in the future. Others described being made redundant as businesses folded and one respondent had previously tried self-employment which didn't work out.

As parents juggle their children's needs, irregular working hours, financial problems and the overall transition into employment after often considerable periods of time at home, the other challenge faced by many is learning to cope with time constraints and tiredness.

5.2 Facilitators of work retention

The majority of staff interviewed suggested that work retention depends greatly on lone parents' attitudes towards work and level of commitment. This was also reflected in lone parent interviews where, despite the challenges discussed above and described in the last chapter, the overwhelming majority of lone parents were strongly committed to staying in work. Interviewees were motivated by a strong drive to work coupled with a desire not to return to a life on benefits:

'I'll never go back on Income Support, ever in my life, I'll always work now, I've done it now and I've got to that point where I know I need to work, I've always said I didn't want to live off benefits...I didn't want my children thinking, "Mum don't do anything, sits on her bum all day", you know?'

(LP02)

Respondents talked about having a commitment to work, sometimes despite not feeling better off financially. In some cases, the job was seen as a longer-term investment and therefore, worthwhile, even if the lone parent was not immediately much better off.

Other facilitators of work retention discussed by respondents included having a supportive local network of family and friends who can help with childcare. As discussed above, this is particularly important when parents are working variable shifts or unsocial hours and having to cover times when their children are on school holidays, or are ill or injured and need to be picked up from school at short notice.

Age of children at the time of going back to work was also important to retention. For those with older children, the thought of returning to work when they were younger could seem inconceivable. For parents who wait for their children to be more independent, the prospect of leaving them is often less traumatic, particularly for those with children with learning difficulties or disabilities. Older children are seen as more able to understand and adjust to the anticipated changes and the need for childcare is less acute.

Staff and lone parents also perceive the support offered by Jobcentre Plus as important to work retention. This is discussed further below.

5.3 The type of support that helps retention

5.3.1 In Work Advisory Support

Accounts from both Jobcentre Plus advisers and lone parents interviewed suggest that the first few weeks and months after starting work are crucial. It was felt that if any difficulties arise during this time, it is more likely that lone parents will leave their jobs. Advisers perceived the In Work Advisory Support they give in the early stages of employment as instrumental in keeping many lone parents working. This includes help with administrative-related problems and questions, such as delays or non-receipt of in-work benefits, but also valued emotional support:

'It's knowing that...there's somebody there in the background backing you up, no matter what.'

(LP18)

Accounts from lone parents, however, suggested considerable variation and inconsistency in the amount and quality of the support that they received from Jobcentre Plus advisers once in work. One focus group participant stated:

'R3: Once you get that job, the lone parent [adviser], you don't see them do you? It's like you're on your own, well that's what mine felt like. I haven't seen my lone parent adviser for two years now.'

(Focus group 2)

Other respondents were more positive about the advice and support they received. These variations in experience were reflected in descriptions of support received ranging from *'brilliant'* to *'hopeless'*.

A key factor in building positive relationships between lone parents and advisers was maintaining adviser continuity. When lone parents meet with different advisers, it appears to reduce the extent and depth to which they communicate any issues or problems and the opportunities for advisers to follow-up anything previously discussed. Respondents recounted how they ended up repeating the same information and having to *'start from the beginning'* when there is a lack of continuity. One lone parent, when asked whether her experiences at work were discussed in the 39 and 52 week meetings, stated:

'Well, I haven't seen my lone parent adviser for probably eight months or so. I've seen different people and they don't know your case history so I never really got into discussions with them.'

(LP11)

5.3.2 Types of help sought

The main type of help lone parents said that they would welcome was in-depth, reliable financial advice on issues such as paying rent and council tax. Parents want to know what help and support they are entitled to and what they must pay for once they start work:

'Just knowing what you're entitled to and stuff, because once you start work there's lots of things you're not entitled to and...everything just stops. I think it's just...being advised properly, because sometimes you're finding out little bits here and there from friends and stuff...'

(LP14)

While staff and lone parents generally concurred that the early weeks and months of work were when they were in most need of advisory support, some also pointed to a need for ongoing support beyond 52 weeks, in order to allay fears of managing without IWRP payments and support for this financial transition.

Discussions in the focus groups also revealed confusion among participants about interactions between wage changes and working tax credit, for example, how often changes in hours/wages should be reported to HM Revenue & Customs (HMRC) and how increases in hours would affect tax credit amounts. More accessible, reliable information on these issues was desired, since participants reported sometimes finding out about these issues anecdotally.

Another issue that lone parents wanted advice on was their rights and entitlements at work and how to claim or negotiate these in the workplace, as is evident in these comments from a focus group participant:

'R1: ...a lot of lone parents don't know their rights and what we can do, if we had an issue at work,...like...if the child is ill and there's nobody to look after them, the childminder won't have them when they're sick, so if your child's been sick at school, you get called up from work, your employer will be all right the first time, maybe the second time, but third time they think..."Why don't you pay your childminder, why don't they pick them up from school when they're sick?" So we don't know whether we can take our stand and say "Look, we have the right to leave work or you have to give us that time off", because we've got children or because there's nobody else to care for them. So in that sense, you don't have that much support.'

(Focus group 1)

Other suggestions for support to stay in work included financial help for training, confidence building support, more advice on childcare, as well as clothing grants and vouchers for lone parents.

5.3.3 Delivering in work support

Lone parent preferences for how in work support should be delivered included:

- Having one key person or a 'one stop shop' for different issues, instead of being given different numbers to ring for different problems.
- Having a specialist service for parents, providing reliable accurate information on the issues faced by lone parents in work.
- Having a drop-in centre where appointments were unnecessary, allowing people to proactively seek help rather than the onus being on advisers to make contact.
- Having the availability of more in-depth emotional support when this was needed.

5.4 Summary

This chapter has provided an overview of the factors helping and hindering retention as lone parents return to work. Despite the difficulties respondents faced as they moved from benefits to wages: paying new bills, finding suitable childcare and adjusting to shift work or unsocial hours, most have experienced an increase in self-esteem, confidence and a new-found sense of independence engendered by employment. Having a supportive network of family and friends and/or having children old enough to be independent appeared to be key factors in facilitating work retention. The role of the employer in facilitating a measure of flexibility to accommodate caring responsibilities was also crucial.

The early weeks and months of work were said to be critical in determining whether lone parents would remain in a job, and when they were in most need of advisory support. However, some parents also called for the availability of ongoing support, particularly for managing the transition off IWRP and for advice on the interactions between wage/hours increases and tax credits. The receipt of advisory support from Jobcentre Plus among the parents interviewed was inconsistent and of variable quality. Having ongoing contact with a single adviser appeared to be key in facilitating communication and support. The types of advice sought by lone parents included clear information about what they were entitled to financially and what benefits would stop when they started work. They also wanted advice on their rights at work and negotiating with employers around flexibility for childcare responsibilities. Having specialist in-work advice for parents, on an accessible, drop-in basis, and sited in one location, was most welcomed by lone parents.

6 Work progression

This chapter explores views and experiences of work progression from both Jobcentre Plus staff and lone parents. The chapter covers lone parents' attitudes and aspirations towards work progression. It then describes the main barriers and what can help work progression. Finally, it explores the role of advisers in supporting work progression and discusses the types of support lone parents prefer.

6.1 Lone parents' aspirations for work progression

Lone parents' attitudes to advancing or progressing at work were mixed, but the majority of the sample had aspirations to advance in some way in the future. Only a small minority said that they had no wish for further advancement and wished to stay where they were currently, although a larger number were either ambivalent about advancing or had vague aspirations to do something different but were unsure how to go about it.

There were a small group of people in the sample who had very clear plans to advance in the future outside of their current field of work, but were at different stages towards reaching this goal. Most were deferring progression into their chosen field until their children were older but were currently pursuing training towards their goal. For example, one lone parent who was currently working part-time in a laundry wanted to become a science teacher in the future and was currently studying for a sciences degree; another lone parent who currently worked as a cleaner had done extensive training to become a youth worker and hoped to move to that area of work in the future when her youngest child finished school. These respondents tended to see their current jobs as interim until children were older. One person in the sample was further along this journey, having established herself as a self-employed life coach. She had kept her business afloat for a year and was looking to expand it in the future. She had a 'head start' on many others in the sample as she was previously qualified as a social worker, and had managerial experience prior to being made redundant and claiming benefits.

Another group of lone parents had aspirations to advance in their current field of work. These were mostly people working in the care field. They did not necessarily have concrete plans for where they would like to be in the future but were enthusiastic and were taking advantage of National Vocational Qualification (NVQ) (and other) training opportunities provided in the workplace. Their accounts suggest that their views of advancement were influenced by their jobs. Because they were doing jobs that they enjoyed, they were more likely to have advancement aspirations in their current field, but at the same time, they also had the opportunities to pursue these aspirations through work-provided training. Some of these lone parents (working mainly in residential care homes) had aspirations to eventually move to the public sector (National Health Service (NHS)). This was partly because of money but also for career development purposes. These respondents were aware that they had to complete certain NVQ training to achieve this.

A number of people were motivated to advance in the future but had less well-formulated plans and were unsure of the next steps that they might take. They seemed to be stalled in their paths towards advancement. These were, generally, people who did not have opportunities to advance in their current workplace and either were unsure of how to move into something different or were experiencing barriers. For example, one lone parent working seven hours as a dinner lady had aspirations to eventually run her own kitchen, yet she was prevented from undertaking workplace training because her job was casual and she needed to be on the permanent staff. Another lone parent working in two part-time jobs, as a nursery assistant and a cleaner, was hesitant about future advancement. She would like to increase her hours in her nursery job but is currently unable

to. When probed about the future, she revealed that she would ideally like to work with animals but realises this would require re-training. As there is no local work with animals and she doesn't drive, this is a clear obstacle. It seemed likely that the people in this group would benefit from talking to a career adviser about which steps they should take to make their advancement aspirations a real possibility in the future.

Finally, there were a group of people who were either ambivalent towards advancement, had no clear plans or were adamant that they were happy where they were. Some of these people wished to increase their hours in the future, as children got older, especially when their eligibility for tax credits ran out, but they were often resistant to taking on more responsibilities at work. Sometimes this lack of interest in advancement was justified with reference to their age (they felt 'too old' to advance). Others felt that they had the right balance between their home and work responsibilities and were managing financially, so improvement of income was not a priority for them.

6.2 Barriers and facilitators of work progression

6.2.1 Current employment and access to training

Lone parent accounts suggest that their perceptions of advancement were influenced by the opportunities available to them in their current jobs. This was also reinforced by Jobcentre Plus staff who said that employers can play a key role in facilitating work progression.

Respondents who enjoyed their jobs and had training opportunities available in the workplace were more likely to want to advance in their current job, as with the considerable number of lone parents working in social care who were doing part-time NVQ training. These lone parents were supported by their employers who gave them access and time to do part-time training. One lone parent who worked as a care assistant in a residential care home stated:

'Like I said I've been there I think it's nine months now and like I'm three-quarters through my NVQ2, they already said like the minute you finish that you can go onto your 3 straightaway, and in between that you're encouraged to go on courses in between that, which I think is really good.'

(LP14)

However, some lone parents found that they were unable to fit in training courses while juggling part-time work with caring for children. For example, a teaching assistant, who had an older child and a new baby, felt that she might have to give up the higher level teaching assistant course she had started due to time constraints with her new caring responsibilities.

Another barrier noted was being able to apply new qualifications to more senior positions in the workplace; whereas some workplaces offered career progression routes others did not and it was necessary to move jobs in order to utilise qualifications. This could be difficult for people to contemplate if they had organised their care responsibilities around their current job and had achieved a satisfactory work-life balance, as the teaching assistant cited above, explained:

'R3: ...even though I'm qualified to Level 3, I'm only paid at Level 2 because that's what I was employed at, there's no prospect in the school, so it's either looking elsewhere which then entails everything – my older son goes to the school I work at and there's a private nursery attached... so he's [the new baby] going to go there, but if I go to a different school, that means dropping him off at nursery there, dropping my son off at school and getting to work, because I don't drive, so that brings it all...it's just I've got to get up at 6.00 to do all that, it's just ridiculous.'

(Focus group 2)

Other barriers to progression in the workplace included a lack of flexible working opportunities at more senior levels. Whereas some respondents felt that they did not want to take on additional responsibilities at work until their children were older, for others it was the additional responsibilities combined with working longer hours that prohibited progression:

'R1: ...they want me to be the assistant manager, so I have to open the shop and that would be at 8.30 in the morning, ...now to become the assistant manager, I'd get 30p extra an hour to what I do now, but because I have to come in early, I don't know what to do with my children, so I just stay where I am because I think I come in at 11, I go at 6, I've got no responsibility, ... you just sit there and stay on that level, ...you do want to, but then you think "can I take the stress?"

(Focus group 1)

If lone parents did not like their jobs, they did not want to advance there because they did not want to stay in the long-term. For these lone parents, work progression would firstly involve a career change which in turn may require doing training. Some, as noted above, were pursuing this proactively outside of work, but others lacked information or motivation and were finding it difficult to take the next step. It was more difficult for people to take that step if they had to do so on their own steam outside of the workplace. Advisers noted that access to training can enhance the chances for lone parents to progress in work, while lone parents also expressed a desire to have more training available outside of work. It is important that such training is accessible in terms of cost due to the financial constraints lone parents face. One lone parent, who was unable to pursue training at work as she wasn't permanent, described how she had to put her training plans to one side because she couldn't finance them herself.

6.2.2 Life stage and caring responsibilities

Childcare responsibility stood out as a significant obstacle to advancement for many in the sample. In most cases, childcare means that lone parents have a lot less flexibility in terms of when they can work. This lack of flexibility in terms of hours limits their choice of employment and possibilities to progress. For example, one lone parent had to do night shifts in a care home because she could not fit day time hours with her children's school hours; this meant she could not increase the number of shifts she was doing.

Many lone parents were reluctant to prioritise work advancement due to their home pressures. Parents may feel that they are already struggling to cope with their current level of responsibility so having any more responsibility at work is off-putting. However, many of the lone parents in the sample wanted to advance later on in life when their children were older:

'...then maybe in the future, apply at a hospital or something, like I say when the kids are older. Because when you work shift work it's difficult getting somebody to look after your kids. They are too young to be left on their own; he is only 11; it's very, very difficult.'

(LP18)

Childcare responsibilities as a barrier was particularly relevant when parents were considering a career change that would involve taking up study outside of work.

While childcare was a significant obstacle to advancement, having children could also be a facilitator of advancement aspirations. For example, aspirations were often influenced by lone parents' desire to be a good role model for their children. While for some lone parents this meant that they simply wanted to work, for others it meant that they wanted to advance in their jobs:

'I think it's when you have children of your own you start having more of an ambition ...'

(LP01)

One lone parent who worked as a dinner lady was hoping to take on more responsibility and eventually run her own kitchen. She had four children and was very driven to make something of herself in order to be a good example to her children. Lone parents also aspired to improve their working situation in order to give their children a better quality of life, as discussed in Section 6.2.3.

While many lone parents were deferring advancement until children were older, those in the sample who were more negative towards the idea of advancing at work tended to be older lone parents, who sometimes cited their age as a barrier to advancement. They felt that it was too late to change their work situation. One lone parent, aged 55, stated:

'...he is actually looking for another supervisor but I don't want that responsibility...at my age now I just want to be able to go to work and do what I'm doing and come home you know...'

(LP16)

6.2.3 Income improvement

A desire to earn more money was a key driver of advancement for lone parents. This was often expressed in terms of improving their working situation in order to give their children a better quality of life:

'It's quite important because obviously the more I can earn then the better life I can give my son basically.'

(LP09)

However, in-work benefits could act as a barrier to income improvement. Some respondents were hesitant to take steps to earn more or improve their work situation because they felt it could pose a threat to their benefits. When a lone parent was asked if she would want to make up the £40 difference once the In Work Retention Pilot (IWRP) payments stopped she said 'no' because she would not want to lose money from her tax credit as a result of increasing her income:

'No because it won't work...If I earn £40 more at work I will get £40 less tax credits...In one way really, you could say the tax credits are keeping people down at that level all the time...If there is no point in you going for a job that pays more, then you can't ever expect to have a better paid job.'

(LP18)

Another lone parent commented how she would not want to improve her earnings because she may lose housing benefit.

Several respondents expressed a desire to advance at work once tax credits stopped because children finished full-time education, in order to make up the money that they would lose:

'...when my kids leave school and there is no tax credits for me, I'll want to increase my hours.'

(LP18)

'Well, I feel satisfied doing this at the moment because my daughter's in college. If she decides that she's only going to do this one year, obviously I want to work 30 hours or more so that I can still get my tax credits so that is something that I'll be looking at this year.'

(LP05)

6.2.4 Motivation and confidence

Staff noted that lone parent attitudes towards advancement was a very important factor. Lone parent interviews also reinforce this. Those respondents, described earlier, with clear advancement plans involving a career change were pursuing these plans on their own initiative, and demonstrated considerable self-confidence to make it happen. These parents were self-motivated and pushed themselves towards their goals.

Conversely, advisers also identified lack of confidence as a key barrier to work progression. They explained how lacking confidence could stop many from taking steps towards work progression. As a reflection of this, Jobcentre Plus staff also reported that lone parents generally did not approach them to ask about any advancement issues (see Section 6.3).

There were also cases in lone parent interviews where lack of confidence was a key factor militating against advancement. One lone parent who was currently a cleaner said that she ideally preferred to work in an administrative job, however, she did not think that she could do it. She seemed to need support from an adviser to build up her confidence and eventually take steps towards advancement.

Some advisers acknowledged that building up lone parents' confidence can facilitate positive steps towards advancement. They also provided examples of success stories that demonstrate how motivation and confidence building helped lone parents advance.

6.3 Jobcentre Plus adviser support

6.3.1 Lone parent experience of adviser support towards work progression

The research showed that advancement support was not properly implemented as part of the IWRP. There was little evidence of advancement advice taking place in 39 and 52 week meetings based on observations and interviews with staff and lone parents. Only a minority of respondents spoke about accessing information on training or receiving advice to increase their hours in order to progress. As discussed in Chapter 3, advisers were unprepared and were largely unaware that providing advancement support was part of their role on IWRP. Lone parents also seemed to have a lack of information about what to expect from IWRP meetings and perceived advisers to be more equipped to deal with retention issues rather than advancement. When discussions did take place, advisers mostly asked generic questions about how the job was going but did not enquire in much detail, neither did they asked about future aspirations.

The lack of focus on advancement was justified in a number of ways. Staff did not generally perceive lone parents to have much desire to progress in work:

'I've not come across it...It's always been concerns about childcare, keeping their job, bus timetables, what they owe and managing. It's not been, "Oh I'd really like to go further up the line here"...I just personally have not come across that.'

(Personal Adviser (PA))

Staff also felt that most lone parents are not ready to discuss advancement at 39/52 week meetings, due to the struggles they face when returning to work, outlined in Chapter 4. Mainly, lack of readiness was explained in terms of lack of time and mental space due to home pressures (childcare responsibilities), as well as lack of flexibility and confidence issues. Advisers, therefore, felt that their priority was to help lone parents to sustain their employment rather than to advance.

Many staff also felt that advancement was the responsibility of lone parents themselves and/or employers, rather than a part of their job:

'It all depends on the customer...because the onus is on the actual customer if they want to progress.'

(Advisory Service Manager (ASM))

Despite this, there was some acknowledgment from Jobcentre Plus staff of the potential influence of adviser support on advancement. For example, it was felt that advisers could have a positive effect on confidence building which in turn could lead to advancement. Some advisers provided examples of success stories that demonstrated this, for example, one adviser described how a lone parent who had previously worked as a dinner lady, decided to go for a teaching assistant position instead after the adviser built up her confidence. Part of this process involves having continuity, so that the adviser knows the lone parent's circumstances and helps gradually build up their confidence:

'One lady in particular I've been working with for two and a half years, from practically a babbling wreck with no confidence, sweating, crying...sat across from me like a rabbit in the headlights, to she is at college now studying and she thinks it's wonderful, and that's taken us two years to get to that point.'

(PA)

6.3.2 What lone parents want

This research shows mixed views on the type of support lone parents would like towards advancement.

Some parents were not interested in changing anything about their jobs and had no expectations of advancement support from Jobcentre Plus advisers. Other lone parents wanted to improve their work situation and were disappointed by the lack of support during the 39/52 week meetings. Some lone parents voiced a desire for more support in the future (when their children are older). This suggests that it would be good to have longer-term support after 52 weeks. One suggestion was that advisers could see lone parents a year after the pilot and then every six months to discuss work progression.

The type of support parents wanted was of a variety of forms. Delivery methods suggested included face to face, telephone support and access to a drop in service at the job centre. The range of support desired included access to careers advisory services, advice on self-employment, and advice on changing jobs. Lone parents spoke about wanting both concrete information to help them advance as well as general support and encouragement:

'R1: ...Would be nice to talk to somebody about it (advancement) but somebody who had the concrete information, that could push you a bit further...somebody who'd say "Look, this is what you need to do to get here, we can help you, and then come back to us if you have any problems".'

(Focus group 1)

'I think just continually maybe asking people how the job is going and are they happy in that job and do they want advice in maybe changing a job, you know?'

(LP16)

Some people also wanted more access to training, especially if that was not provided through work.

6.4 Summary

Lone parents' attitudes and aspirations to advancement were mixed. Some had clear plans in place, even if these were deferred for the future when children were older, and were proactively taking steps to achieve these plans. These lone parents seemed to be relying on their own initiative and motivation. Another group were keen to progress in their current workplace or field of work and were gradually progressing by doing part-time NVQ training. Some had more vaguely formulated aspirations to advance in the future but seemed to have stalled, being unclear about how to take the next step.

Finally, some were ambivalent or negative towards the idea of advancing further. Some of these people wanted to increase their hours but not to change jobs or get a promotion. Age was sometimes cited as a barrier by these people. On the whole, younger people had stronger aspirations to advance.

A number of key barriers to work progression were identified including:

- childcare needs;
- poor skills and confidence;
- lack of opportunities in the current workplace;
- access to training;
- interactions between earnings increases and in-work benefits.

Advancement support was not adequately implemented as part of the IWRP and the majority of the lone parent respondents did not receive advancement support from Jobcentre Plus advisers. Advisers did not have adequate training to address advancement, felt that lone parents were reluctant to advance and saw their own role as minor compared to that of lone parents themselves and employers.

This was contradicted by the experiences of lone parents, however. Some reported that they would have liked help to advance, while others who lacked confidence and seemed to have stalled in their advancement efforts might have been enabled to progress with further advice and encouragement. Lone parents called for both concrete information and access to training as well as general support and encouragement. Lone parents also emphasised the importance of longer-term support, beyond the confines of the pilot timescale.

7 Conclusions

In this final chapter the key findings from the evaluation relating to each of the evaluation objectives are summarised, followed by a discussion of the policy implications.

7.1 Key findings

7.1.1 Participation and take up

Take up rates for the In Work Retention Pilot (IWRP) were ten per cent, measured as a percentage of all those eligible in the pilot districts, and 28 per cent, measured as a percentage of eligible benefit off-flows. These figures are very similar to those recorded for the take up of the In Work Credit (IWC) pilot. Although the comparison is only approximate, the similar findings suggest that the distinctive payment structure of the IWRP does not have a substantial effect on take up.

Lone parents that start on the IWRP have several key characteristics, independent of which measure is applied, including that IWRP starters tend to:

- be non-disabled;
- have shorter durations on benefits prior to the pilot;
- be seeking jobs in higher occupational categories (which may suggest they are better qualified/experienced).

In addition, starters, compared to all those eligible, have fewer children; whilst starters compared to all off flows are more likely to be female and to have younger children (age 5-11 rather than 12-16).

This suggests that starters compared to benefit stayers have more of the characteristics associated with entry to work. This largely holds for those who take up the pilot compared to off-flows too, except the latter are more likely to be female and to have younger (albeit not very young) children. It is possible that the latter groups are more likely to be in touch with lone parent advisers and thus have greater knowledge of the pilot.

7.1.2 Delivery of the pilot

Research on the implementation and the delivery of the pilot showed that there were some initial teething problems with the administration of payments and delays in local office staff receiving the pilot guidance. This led to some delays and errors in payments to lone parents and required the development of local procedures and systems at the office level. These problems were largely short-lived, and pilot processes had bedded in by the time of the fieldwork (some 14 months later). However, some advisers felt that the paperwork for the pilot was onerous and would have preferred to have the In Work Credit Officer (IWCO) role taken on by administrative staff. These issues suggest that a longer timeframe to implement programmes and initiatives would be beneficial, to avoid implementation errors and inconsistencies. It would give delivery staff a chance to absorb the relevant information without frequent follow-up changes and provide more uniform implementation across offices.

Lone parents were told about the pilot in the context of Work Focused Interviews (WFIs), Options and Choices events and in outreach settings. Some found out about the pilot by word of mouth, others found out only once they had found a job and went to see an adviser to move off Income Support (IS). The payments were 'sold' to lone parents as part of a wider package of in-work

financial support, and were often presented as part of a Better Off Calculation (BOC), reassuring parents about their finances once in work. Advisers tended not to tell lone parents that this was a pilot or to mention the term 'In Work Retention Pilot', but simply referred to IWC, and explained to lone parents that the structure of payments changed at week 39. Advisers cautioned lone parents not to become reliant on the weekly payments because they were time limited, and in some cases informed them that the switch to lump sums was a way of easing the transition off the weekly payments.

The principle problem with implementation and delivery of the pilot was that staff had received very little training on the delivery of retention and advancement support, which was intended to be a feature of the 39 and 52 week meetings with lone parents. Some advisory staff expressed unease and were unsure about how to deliver advancement support, others seemed unaware that this was part of the pilot. Interviews with staff and observations of meetings showed that 39/52 meetings were short and largely administrative, dealing primarily with paperwork related to the payments. Retention issues were addressed cursorily, through staff asking lone parents if they were experiencing any problems in work, while advancement was not addressed at all, unless specifically raised by a lone parent. This was the case in all four offices visited, and interviews with lone parents – which were spread evenly across the two districts – confirmed this.

7.1.3 Did IWRP make a difference to work behaviour and decisions?

In general, staff and lone parent views on the incentive effect of IWRP converged. The payments were felt to make a difference to work entry, particularly for some groups of lone parents, but were felt to have less impact on retention. In both cases, it was the weekly payments that were thought to be the most effective, and the distinctive payment structure of this pilot was felt to have little effect on its incentive value.

It should be noted, however, that the design of the pilot does not allow a straightforward comparison to be made between the effects of lump sums and weekly payments, but only between weekly payments and a mixture of the two. Moreover, many staff felt that it was the first few months in work when financially-based retention crises are the most likely for lone parents. This suggests that replacing the last three months of weekly payments with lump sums does not provide a 'fair test' of the influence on work retention of weekly payments versus lump sums.

Work entry incentive

Most staff felt that IWRP was a powerful work entry incentive for lone parents, albeit alongside a range of other in-work financial support and only for those lone parents 'on the borderline' who were considering work but needed extra encouragement or reassurance about their finances. Around half the lone parents interviewed felt that the payments had made a difference to their work decisions. This was generally by providing extra encouragement or reassurance about entering work to people who were already receptive to doing so. A very small number said it had a direct influence on their decision to take a particular job, as they had taken it into account when deciding whether they would be better off in work. These people had additional expenditures to cover, such as debts to pay off, and therefore, needed greater reassurance. Neither staff nor lone parents thought that the distinctive payment structure of IWRP, in itself, affected work entry decisions.

These findings largely mirror the results from other evaluations. For example, the impact assessment of the IWC pilot showed a small positive impact on lone parents' work entry, of one percentage point (ppt) after 12 month's exposure to the pilot (Brewer *et al.*, 2009). Qualitative evaluations of the IWC pilot and the national rollout also concurred that IWC had a work entry incentive effect for some specific groups of lone parents. For example, the qualitative evaluation of the pilot phase

(Ray *et al.*, 2007) suggested that IWC had been the factor that ‘tipped the balance’ in favour of work in only a small number of cases where work income was very low or unreliable (e.g., those entering self-employment). The qualitative evaluation of the national rollout of IWC (Sims *et al.*, 2010) suggested that while for most parents, IWC had little incentive effect on work entry, it was more likely to have an effect among those who had less recent work experience and were less decided about work. In these cases, it either reassured them about their finances thus giving them more confidence to enter work, or more directly made work financially worthwhile for them.

It should be noted that all the lone parents in this study were claiming IS prior to entering work and taking up IWRP and none had been subject to lone parent obligations. The work incentive effect of the IWRP on lone parents in receipt of Jobseeker’s Allowance (JSA) – of whom there will be a greater number in future due to the rollout of Lone Parent Obligations (LPO) – may differ to that for lone parents on IS, since the former are required to look for work as a condition of receiving benefit rather than having chosen to do so voluntarily. The Sims *et al.* (2010) study of the IWC national rollout included some lone parents who had already been moved onto JSA as a result of LPO, but no difference was discerned in the incentive effect of IWC for this group of parents.

Given that the Sims *et al.* study suggested that IWC had relatively more incentive effect for lone parents who were less decided about work, it might be the case that it would have a greater effect for those lone parents on JSA. On the other hand, other reasons exist for such lone parents to enter work (i.e., it is a requirement of their benefit to do so) hence financial incentives may play a lesser role in their decision-making. At present, figures show that the take up of IWC among lone parents leaving JSA is very low, which may be due to a lack of awareness of the credit.

Work retention incentive

Staff and lone parents were less inclined to view IWRP as an incentive to retain work. Staff felt that while the initial weekly payments were helpful for work retention, the lump sums were less so because they thought that most lone parents had got to grips with their finances after nine months in work and that financial crises threatening work retention were unlikely at this stage.

Around half of the lone parents said that the payments had made a difference to their work retention, but in all cases this was the weekly payments rather than the lump sums, and in the vast majority of cases it was an indirect influence on work retention that was described. That is, respondents reported that the payments had made them feel better off in work, had decreased stress and made work seem more worthwhile to them. None said that they would have left work without the payments, although a few said that they might have reconsidered their options if they felt that work wasn’t worthwhile for them financially. This latter view was found among those who were more reliant on the payments e.g. if they had debts to pay off. It was rare for lone parents to see the lump sums as having any effect on their propensity to stay in work. Just one or two respondents saw them as an ‘encouragement’ to stay in work, although they would not have left work without them.

Again, this reflects the findings of previous evaluations. For example, the impact assessment of the IWC pilot (Brewer *et al.*, 2009) showed that IWC had a negligible retention effect (just nine per cent of the overall impact of IWC was attributable to retention rather than a work entry effect); and the qualitative evaluation of the pilot (Ray *et al.*, 2007) reported that no lone parents felt that IWC alone kept them in work, although many felt that it had made a difference to their financial wellbeing.

It should be noted that it was not possible in this evaluation to gauge participants’ perceptions of the longer term influence of the earnings subsidy on their work retention behaviour. However, the qualitative evaluation of the IWC national rollout (Sims *et al.*, 2010) collected data from lone parents

at a later time point (three to seven months after finishing IWC). This study concluded, similarly, that IWC alone had little effect on retention. Those lone parents who remained in work for 52 weeks tended to still be in work at the later interviews, while those who left work generally did so for non-financial reasons (related to the job itself or to childcare or other personal problems) and most were keen to return to work as soon as possible. Some did leave work because it was no longer financially worthwhile for them, but this was due to changes other than IWC finishing (e.g. having their work hours cut or changes in expenditure such as rent payments).

7.1.4 The IWRP payment structure and lone parent finances

While this pilot was designed primarily to test the incentive effect of lump sums versus weekly payments, the distinctive payment structure also allows an examination of the transition from weekly payments to lump sums on lone parent finances. Indeed, many of the staff and lone parents interviewed thought that the intention of the payment structure was to assist with lone parent budgeting by ‘tapering off’ the weekly payments more gradually. They often felt that this was the greatest strength of the pilot.

In general, most lone parents liked the distinctive IWRP payment structure. Some said that the switch to lump sums helped to ‘wean them off’ the weekly payments, by reminding them that they were coming to an end and encouraging them to change their budgeting practices. Many also said that the weekly payments were better for budgeting when they first returned to work during the difficult transition phase, but felt that by nine months they no longer had the need for the weekly payments and liked the larger amounts to purchase something more substantial.¹⁵

This was reflected in the fact that most lone parents tended to use the two payment forms differently. Weekly payments were generally used for day-to-day essential expenditures, in some cases for servicing debts, while lump sums tended to be either saved for holidays/treats or used for larger items of expenditure that could not otherwise be afforded (furniture, clothes, outings). How lone parents coped with the transition from weekly to lump sum payments differed according to how reliant they had been on the money. Many spoke of having to make adjustments – ‘tightening the reins’ or budgeting differently – but nobody experienced significant financial difficulties.

There were a few exceptions to the general positive view about the payment structure. Some lone parents found the transition to lump sums more difficult and said that they would have preferred weekly payments throughout. These tended to be people who were setting the money aside for a specific purpose (e.g. debt repayments) or were struggling with their finances due to other reasons, e.g. insecure and fluctuating work income. Another small group of lone parents said that they would have preferred lump sums all the way through, either because they were scared of becoming reliant on weekly payments or because they liked the larger amounts to make bigger purchases. These tended to be lone parents who had saved up the weekly payments and had not relied on them for day-to-day expenses.

This mix of views was reflected among staff too. Like lone parents, most staff felt that the switch to lump sums at week 39 was useful for weaning lone parents off weekly payments, changing their budgeting habits and enabling them to make more substantial purchases. A few felt that weekly payments throughout were better because of lone parents’ budgeting habits, and a few felt it would make little difference because most lone parents would have their finances sorted by the time they had been in work for nine months.

¹⁵ The IWC qualitative evaluation (Sims *et al.*, forthcoming 2010) also found that while many lone parents thought 52 weeks was the right length of time for the weekly payments, some felt that this length of time did encourage reliance and that a shorter payment period might help with this.

7.1.5 Retention and advancement experiences and support needs

The challenges faced by lone parents staying in work were of three types (albeit interrelated). Firstly, there were financial problems. This was most acute during the early period of transition into work when new expenses had to be met for the first time such as childcare, housing and council tax. It often took a lengthy period for lone parents to 'find their feet' financially. Some lone parents experienced ongoing problems surviving on low incomes, exacerbated in some cases by fluctuating wages and in others by having to repay substantial amounts of debt.

Secondly, coping with poor conditions of employment such as working irregular or anti-social shifts posed challenges both financially and in terms of childcare arrangements. Finally, childcare was an issue; many reported relying on family and friends for childcare, particularly where they were working anti-social hours. Childcare problems were exacerbated in a number of cases where children had disabilities or health problems. All of these challenges could, at certain junctures, pose barriers to work retention and cause parents to leave work.

Despite the roll out of In Work Advisory Support (IWAS), which is available to all lone parents during their first six months in work, the support received from Jobcentre Plus by lone parent respondents was varied and inconsistent. Some reported close contact with and support from an adviser, while others felt that they had been left to struggle alone. This seemed to be partly dependent upon the relationship that lone parents had built up with advisers prior to entering work; where good relationships had developed lone parents were more likely to return to receive in work support. Both staff and lone parents felt that retention support was most crucial in the early months of work during the difficult transition phase, although some lone parents would have welcomed longer-term support for discussing financial transitions (finishing IWC, finishing tax credits and interactions between tax credits and wage increases). Clear information on in-work benefit entitlements as well as advice on exercising rights and entitlements at work was called for by lone parents.

Lone parents had a range of attitudes towards work advancement. Some were highly motivated and had clear plans for progression in place. They were proactively taking steps to achieve these plans through taking up training outside of work. Others wanted to progress in their current field of work and were taking up training supported by their employers. Other parents had more vaguely formulated aspirations to advance in the future but were unclear about how to take the next step. Finally, some lone parents were ambivalent or negative towards the idea of advancing further. Some of these people wanted to increase their hours in the future but not to change jobs or get a promotion. Barriers and facilitators of work progression included childcare responsibilities; the current workplace context; access to training; and confidence.

Few lone parents were receiving any advice or support directed towards advancement, aside from through the workplace which, in some cases, offered training opportunities for lone parents. Some advisers spoke of working with lone parents to build up their confidence to either increase their hours, take up training or move into better jobs, but this was, generally, in the context of pre-work New Deal for Lone Parents (NDLP) support. As previously discussed, the 39 and 52 week meetings as part of IWRP did not provide a space for offering advancement support.

In general, neither lone parents nor staff expected this and seemed unaware that it should be offered. Staff also reported that they felt unable to assist with advancement, seeing this as primarily the role of employers and also expressed the view that most lone parents were not seeking advancement. This accords with early findings from the Employment Retention and Advancement (ERA) Demonstration (Hall *et al.*, 2005; Dorsett *et al.*, 2007) on the challenges involved in delivering advancement support through Jobcentre Plus. Without appropriate training, management support and performance feedback, such support would be unlikely to be successfully delivered.

Nonetheless, a number of lone parents did express a desire for advancement support, including guidance on accessing training, on changing jobs/occupations, on self-employment, as well as more general encouragement and a ‘push’ to move on to something different. Moreover, a larger number of respondents might have benefited from such support since they had vaguely formulated advancement aspirations but seemed unsure of how to put them into practice.

7.2 Policy implications

In this section we outline some suggestions for future policy directions, rather than concrete recommendations, focusing firstly on the payment structure and secondly on advisory support. Policy implications are derived from the findings of this evaluation, informed by other similar evaluations where appropriate.

7.2.1 Payment structure

Further testing of lump sums versus weekly payments

Findings from this evaluation suggest that the distinctive payment structure of the IWRP has no effect on its role as an incentive to work entry or retention. However, as discussed, the design of the IWRP did not allow a direct comparison of lump sums versus weekly payments as an influence on work decisions. In addition, it was not possible in this evaluation to gauge the longer-term influence of the earnings subsidy on their work behaviour. Any such effects would need to be tracked using management information data, which was unreliable at the time of writing and could not be included in the report. Another limitation was that all participants were previously claiming IS before entering work and none had been subject to the lone parent obligations. The incentive effect of weekly payments and/or lump sums may differ for this latter group of parents who have been obligated to seek work.

This suggests that there may be a case for further testing of lump sums versus weekly payments as an incentive to work retention. This decision can also be informed by the findings of other evaluations. For example, the forthcoming five-year impact assessment of ERA will provide insight into the effects of lump sums on work retention, although this does not provide a direct comparison with weekly IWC payments, since payments in ERA were dependent upon participants working full-time.

Phased withdrawal of IWC

The results presented here broadly support the introduction of a more phased withdrawal of IWC support. However, given that this pilot was not designed specifically with phased withdrawal in mind, it is arguably not the best design to support this. Other forms of phased withdrawal could be considered, such as a switch to fortnightly and then monthly payments. Given different budgeting strategies and styles among lone parents, a different option would be to give lone parents the choice as to how payments are made, similarly to the situation with tax credits.

Tying payments to advancement efforts

Given that the intended aim of the policy is to promote retention and advancement, one future option could be to tie any larger lump sum payments to an advancement purpose, e.g. investing it in training. Results from this evaluation support this option, to the extent that the lone parents were generally not reliant on (although appreciative of) the lump sum payments, and that funds for accessing training (where this was not offered through the workplace) were said to be one of the barriers to advancement. This would need to be combined, though, with a more effective delivery of advancement support, if it was to pay dividends.

Temporary credits or means-tested in-work benefits?

An alternative to temporary in-work credits would be to provide better financial assistance towards lone parent expenditures such as school uniform and dinners, work travel, fuel payments and housing costs. Such costs continue after the first year in work when IWC payments finish, and evidence from this and other studies on advancement suggest that incomes may not have risen substantially by this point. The downside would be greater administration costs and more complexity in the in-work benefits system.

7.2.2 Advisory support

Staff training and support needs

Neither retention nor advancement support were being delivered as intended as part of this pilot. If the pilot were to deliver retention and advancement support in the future, longer meeting times would be beneficial as well as substantial investment in staff training and management support.

Improving IWAS

Advisers deliver retention support to lone parents through the IWAS scheme, available to lone parents for six months upon entering work. However, the experiences of lone parents showed that the support they currently received was highly variable and inconsistent and that there was limited awareness of the IWAS scheme. IWAS was not the focus of this evaluation and so it was not possible to explore reasons for this in detail. However, the findings suggest that:

- More might be done in terms of increasing uptake of IWAS or changing the way that it is delivered. For example, some lone parents favoured a drop-in service which could be taken up as and when needed, without prior need for appointments.
- Given that where lone parents had developed strong positive relationships with their adviser they were more likely to contact Jobcentre Plus for help with in-work support, regular reviews of the relationships between lone parents and advisers could be beneficial to ensure that any problems are quickly resolved.
- More attention needs to be paid to staff training needs, for example, ensuring that lone parent advisers are sufficiently briefed on in-work benefits, and are able to explain to lone parents their entitlements and what to expect regarding the transition into work.
- There is a need further for advice and support on budgeting among lone parents. This could be delivered as part of IWAS with signposting to other specialist agencies where appropriate. Such advice should be offered in meetings where payment forms change (e.g. a switch from weekly to lump sums) and when payments finish, in order to provide guidance on how to apply the extra money and plan for when it stops.

Future delivery models for in-work retention support should also be informed by the findings of other evaluations. For example, in work support as part of the Pathways to Work programme (for people with a health condition) showed that support was welcomed where it was responsive to the nature and level of participant needs, wide-ranging in terms of the type of support offered, and empowered participants in their interactions with employers (Dixon and Warrener, 2008).

Two roles for advancement support: coaching plus specialist careers advice

Most respondents supported the idea of an adult careers and advancement service, as currently being developed by the government, providing high quality specialist support on career progression, linked in to knowledge of local labour market opportunities. At the same time, many in the sample seemed unlikely to access such a service proactively, without additional support and coaching to build up confidence.

Such 'coaching' support to encourage advancement aspirations would need to be delivered as part of the advancement service or by Jobcentre Plus advisers as part of the IWAS service (although it is likely that this would need to be extended for longer than the current six month period). Advancement support is also challenging for Jobcentre Plus to deliver due to the training and support needs of staff. Future delivery models for in-work advancement support should be informed by the findings of other evaluations, for example, from the ERA evaluation and in future, from evaluation of the Adult Advancement and Careers Service.

Appendix A

Sampling method and sample characteristics

For the depth interviews with lone parents, a purposive sample of lone parents was drawn from the Department for Work and Pensions (DWP) records of those participating in the pilot. The main sampling criterion was stage of participation. A varied sample of individuals at different stages of the pilot, between the 39 and 56 week points, was sought, to facilitate exploration of lone parents' recent experience of the 39 and 52 week interventions (where they receive a lump sum payment and in work support). In addition to this criterion, respondents were also purposively selected to provide variety according to demographic characteristics, such as gender, age and number and age of children.

Ideally, the evaluation would have also sampled lone parents on type of occupation and number of hours, since previous research (Ray *et al.*, 2007) suggests that in-work financial supplements are relatively more important to people on low incomes. Since data on occupation or hours of work was not available, data on 'sought occupation' recorded by Jobcentre Plus before lone parents entered work was used to limit the sample to lone parents likely to be working in lower paid occupations.¹⁶ Together, these criteria generated a sample capturing relevant diversity within the participating population, in order to explore a range of possible experiences of and outcomes from the pilot.¹⁷

A description of the characteristics of the depth sample is given below. The sample characteristics are derived from administrative data provided by the DWP, supplemented by information gained during the interviews. Table A.1 provides a summary of the sample characteristics.

Demographic characteristics

All interview participants were female and predominantly of white British ethnicity. The majority were between 31 and 50 years of age. Family size varied, but a substantial number of participants (a third of the sample) had more than two children. Most respondents had school-age children; seven had a youngest child aged 6-11 and eight a youngest age 12-16. Three of the 18 respondents were recorded as having a disability (either claiming a disability premium on their benefits or self-

¹⁶ Individuals seeking work in the top 3 Standard Occupational Classification (SOC) categories were excluded. These comprised managers and senior officials, professional occupations, associate professional and technical occupations. They constituted just ten people in a sample frame of approximately 200.

¹⁷ It was not possible to include lone parents who had been moved to Jobseeker's Allowance (JSA) (due to the roll-out of Lone Parent Obligation (LPO)) in the sample, and to compare their In Work Retention Pilot (IWRP) experiences with those of lone parents moving on to IWRP from Income Support (IS). This was due to our sampling criteria, which sought people starting work in early 2009 in order that they had just reached 9-12 months (and received one or two lump sums) at the time of the fieldwork in January 2010. In early 2009, only new and repeat IS customers were subject to LPO, the roll-out for stock customers did not begin until later in 2009. Thus, while there are respondents in the sample with older children they were not yet subject to LPO prior to entering work.

reporting as disabled), while a number of other respondents (around a third) reported in interviews that they were caring for children or relatives that had disabilities or severe illnesses.

Employment

As previously described, the main selection criteria for the interview sample was the duration of time on the IWRP. The aim was to interview respondents with a range of durations between 39 and 56 weeks post IWRP start date, in order to obtain experiences of people at different stages in the 'lump sum' part of the pilot. Table A.1 shows the duration on IWRP at the time of fieldwork (according to administrative data recording benefit end date) as well as the number of lump sums received (based on data from respondents). As can be seen, just over half had received one lump sum, some very recently and some longer ago, while a third had received both lump sums. Two respondents had not yet received a lump sum; in one case this was due to a delay in payment after a respondent had attended her 39 week review meeting, while in another case it appeared that the administrative data on benefit end date was wrong and the respondent had not been in work long enough to qualify for a lump sum payment.

It was assumed that the pilot would be most beneficial to lower income groups. Therefore, an initial decision was taken to exclude managerial and professional sought occupations from the sample selection process. However, lone parents were included if the 'sought occupation' information was missing from the sample data, as this comprised a large proportion of the sample. The 18 participants were divided between four (SOC) categories in their sought occupation: administration and secretarial, personal services, sales and customer services and elementary occupations.

Participants' actual employment was similar to this, although no-one had entered administrative or secretarial work. Lone parents interviewed worked predominantly in care related settings (care homes, personal carers, care assistants), followed by sales and customer service occupations (bar work, shop assistant, drivers, cafes) and in elementary occupations (e.g. cleaning). One respondent (who had not indicated a sought occupation) worked in a higher occupational category (as a self-employed life coach).

Most respondents worked part-time hours. Half (nine) worked 16 hours per week – with five of these having two jobs to make up the 16 hours. A further third were working between 20 and 25 hours and just one was working full-time (30 hours). Two respondents had finished on IWRP by the time of the interview because their hours had reduced to below 16. They remained in work of fewer than 16 hours (working for six and seven hours respectively) and also claimed IS.

Work and benefits history

Most respondents had previous work experience, some as long as 20 years in similar fields to their current jobs. Only three of the interview participants reported no prior work experience, although two of them had attended or started to attend college courses before having children and taking time out.

All interview participants had previously received IS prior to starting on the pilot, with a range of benefit durations. While five had been on benefit for less than one year, ten had claimed for over five years and four for over ten years.

Table A.1 Characteristics of the achieved lone parent sample

Characteristics	Number in sample
Weeks on IWRP	
39-43	4
43-46	2
46-49	3
49-52	4
52-56	5
Number of lump sums received	
0	2
1	10
2	6
Sought occupation	
SOC 4 (administration and secretarial)	3
SOC 6 (personal service)	5
SOC 7 (sales and customer service)	3
SOC 9 (elementary occupations)	3
Missing information	4
Number of children	
1	8
2	4
3+	6
Age of youngest child	
0-4	3
5-11	7
12-16	8
Disability	
Claiming premium or self-reported	3
Non-disabled	16
Respondent age	
20-30	3
31-40	5
41-50	8
51+	2
Length of previous benefit claim	
1-2 years	5
2-5 years	3
6-10 years	6
11+ years	4
Total	18

Appendix B

Methods and topics for interviews and focus groups

Jobcentre Plus staff interviews

Interview topics for these interviews included:

- Staff roles in the In Work Retention Pilot (IWRP), their views on this and any implementation and delivery challenges.
- How IWRP is marketed to lone parents and their initial response.
- Delivery of retention and progression support, any challenges they face in this, the support they receive, and the support needs of lone parents.
- The support provided to advisers and how adviser work on the pilot is monitored and assessed.
- Their views about the likely impact on lone parent work outcomes of a variety of possible policy scenarios. The scenarios included the different elements of the IWRP (financial incentives and in-work support), and other existing interventions, e.g. In Work Emergency Discretion Fund (IWEDF), In Work Advisory Support (IWAS), In Work Credit (IWC), etc.

Depth interviews with lone parents

Eighteen depth interviews were achieved with lone parents participating in the pilot. They took place in respondents' homes, unless they requested to be interviewed in a public place, and lasted between 30 and 75 minutes depending on circumstances, but were mostly about one hour long. Interviews were recorded and transcribed verbatim.

The main focus of the interviews was the switch from weekly payments to lump sums and the effect of this on family finances and work decisions. Questions included:

- Which payment method do lone parents prefer? Why?
- How do they experience the transition from one payment form to the other?
- Is the spacing of the lump sum payments right?
- What difference do the lump sum payments make to budgeting?
- What are the IWRP payments (weekly and lump sum) spent on?
- What is the effect of the payments on family finances and feelings of financial wellbeing?
- What is the effect of the payments on decisions about work entry, staying in work and progressing in work?
- What improvements would lone parents make to the payments?

The interviews also explored experiences of retention and progression in work and support received on retention/progression from Jobcentre Plus, through questioning on:

- participants' household circumstances, work history and recent experiences of work;
- attitudes and orientations towards work and progressing at work;
- reasons for the work-related choices and decisions they have recently taken;
- any retention and progression challenges and opportunities they have recently faced;
- any support received from Jobcentre Plus on retention/progression, including at IWRP meetings;
- what else they feel would help with respect to work retention and progression.

The interviews sought to understand behaviour and to explore lone parent decision-making processes with regard to work. Respondents were asked to describe and explain their previous behaviour and to speculate on their likely behaviour in the face of different policy scenarios. The effects on different work-related behaviours were probed (as appropriate to each individual), including entering work, staying in work, moving jobs, increasing hours, taking up training. Open-ended questions were used to explore respondents' own assessment of the difference the pilot has made to them, probing on financial wellbeing and 'soft' outcomes such as confidence or engagement in career planning. The availability of and views about the use of possible alternatives to the pilot provision (such as financial support from family members or careers advice from other providers) was also probed.

Focus groups

Two focus groups took place with lone parents, one located in each of the pilot districts. Invitees were drawn from Department for Work and Pensions (DWP) records of lone parents participating in the pilot. The aim was to generate a group of lone parents who had experienced approximately 12 months in work, but the sampling criteria was relaxed to include anyone within six and 18 months of starting on the pilot to ensure that adequate numbers were recruited. Again, invitees were purposively selected according to demographic characteristics, such as gender, age, number and age of children and sought occupation.

The focus groups took place at local hotels and lasted approximately 75 minutes, with refreshments provided. Nine lone parents participated across the two groups.

The focus of discussion was lone parents' experiences of retention and progression during their first year in work. The sessions started with an interactive warm-up exercise, including visual materials, to 'break the ice' and encourage participants to interact. The discussion then turned to issues faced during the first year in work and what helps with retention and progression. In the final part of the session, participants were presented with various different policy scenarios to support retention and progression and asked about the pros and cons of each one. This enabled an examination of respondent views on how best to provide retention and advancement support, e.g. when is the right time to provide such support; who would they like to see offering such support; and what should the support consist of.

Topic guides for the interviews and focus groups are included at Appendix C.

Appendix C

Topic guides

Below are the topic guides used for lone parent depth interviews, lone parent focus groups and Jobcentre Plus lone parent adviser interviews. (Topic guides for other Jobcentre Plus staff, i.e. Advisory Services Managers (ASMs) and In Work Credit Team Leaders (IWCTL), are not shown since these were very similar to those used for lone parent advisers.)

Lone Parent Customers Topic Guide

Respondent details:

Label:

IWRP start date:

IWRP Stage (no of weeks on IWRP):

The purpose of the research

The objective of the evaluation is to examine the effectiveness of the In Work Retention Pilot in encouraging lone parent customers to stay in and advance in work.

The purpose of the interviews

Interviews will take place with 20 customers participating in the pilot. The purpose is to explore:

- participants' household circumstances, work history and experiences of work while on the pilot;
- their attitudes and orientations towards work and progressing at work;
- their reasons for the work-related choices and decisions they have taken;
- any retention and progression challenges and opportunities they have faced;
- their views of the IWRP pilot, including the financial help and adviser support; and how these have changed over time;
- their feelings about their current financial situation; how they use the weekly and lump sum payments; what effect they have had on their financial wellbeing;
- what else they feel would help with respect to work retention and progression.

Introduction

- Introduce self and organisation. Show interviewee identity card to inspect and ask if they have any questions about you or PSI.
- Give interviewee time to read information leaflet, then read through it with them asking if there are any questions.
- Explain/reiterate independence of research team from DWP and Jobcentre Plus.
- Explain/reiterate purpose of the research.
- State that there are no right or wrong answers, we are interested in the respondent's views.
- Confirm confidentiality/anonymity of respondent contribution.
- Explain that participation is voluntary; they can change their mind about participating at any point or choose not to answer particular questions.
- Indicate that (as mentioned in email/on the phone) interview will last approximately 90 minutes.
- Explain purpose of recording (ask permission), transcription, nature of reporting.
- Check whether respondent has any questions and is happy to proceed – ask for written agreement of consent.
- Check respondent happy to start the recording of the interview.
- Let customer know that at the end of the interview you will give them £20 as a gift for their time – this money will not affect their benefits.

If asked what we mean by 'complying with the Data Protection Act' explain that we will:

- o keep all data in a secure environment;*
- o allow only members of the research team (including administrators and transcribers) access to the data;*
- o keep the data only as long as is necessary for the purposes of the research and then destroy it.*

A: Background

1. Can you tell me a bit about yourself – what you are doing at the moment in terms of home life, family, work, etc.?
 - Who lives in the household?
 - Family – number and ages of children?
 - Current work – type of job, hours?
 - Any current education or training?
 - Other activities e.g. other caring responsibilities, voluntary work, anything else?
2. Can you tell me a bit about the things you've been doing in the past? *[We are interested in their account of WHY they did things, e.g. why they left a particular job].*
 - Establish a time line of the employment they have been in.

[Not too much detail, but establish periods in and out of the labour market, why they were out of work, type of jobs, full or part-time work. Establish more detail for recent period since IWC. Detail any movements in and out of work (and why) during IWC claim]

 - How long have they lived in the area/current accommodation, family near by?
 - Previous education and training.

B: Work

3. Tell me about your current job.
 - What is going well in your job?
 - What do you like/dislike about your job?
 - What hours do you work? Why? Would you like to work more? less?
 - How does it compare to other jobs you've had (if relevant)? Why?
4. Have you encountered any difficulties since you have been in the job?
 - How did you find it when you first entered this job?
 - o How were any problems overcome?

Prompt on: childcare, financial issues.
 - Have you encountered any further difficulties since then?
 - o How were any problems overcome?
 - How does this compare to entering work in the past (if relevant)?
 - Would anything make you think about quitting your job?
 - o Change of circumstances, i.e. childcare issues, sickness.
 - o What would help you stay in work in these circumstances?

5. What are your reasons for working?

- How does being in work compare to being out of work?

6. Do you need to use childcare provision? Which type?

[Make sure informal care covered]

- How do you feel about working when you have children? Have you always felt this way?

7. Would you say that you have a good job?

- Why? What does that mean?
- What would make it a better job?

8. Is it important is for you to improve your situation at work?

- In what ways? *[Prompt on:]*
- Promotion.
- Earning more money.
- Job satisfaction.
- Work life balance.
- Do you think this might change in the future? How? Why?

9. Has your role changed at all since working in this job?

- How? Why?

C: Finances

I now want to move on to ask you some questions about your household finances. If there's anything you don't want to answer, please just say so.

10. How do you feel about your financial situation at the moment?

- Are you managing?
- Do you ever have trouble paying for things? (ask for examples)
- Are there things that you'd like to afford but can't? (ask for examples)

11. About how much do you bring home a week at the moment? (doesn't need to be completely accurate)

12. Now, can you look at this card and tell me which of the letters represents the total income of your household from all sources before tax? (*make sure that they include all earners and wages, as well as tax credits, benefits, etc.*)

[Show card]

Please can you also tick the boxes to indicate which forms of income you receive.

13. Can you tell me a bit about the different things that you spend your income on?

Present respondent with pie chart to fill in approximate share of different outgoings. Include rent/mortgage, childcare, food, bills, travel, debts, savings.

14. Do you have any strategies for managing your money/budgeting?**15. Do you feel better off financially when you are in work?**

- How does your financial situation now compare to times in the past (include when out of work and in previous jobs, if relevant)?

16. How important is it to you to improve your income?

- Probe on how this is balanced against other things that are important, e.g. would they increase hours, seek a promotion, etc. to earn more. Why?
- Do they make trade offs between income and time with children, e.g. have they got a number of hours they wouldn't go above even if significant increase in pay?
- Why is improved income important? How would it change things?

D: 39/52 week lump sum payments

Start by establishing that customer started on IWC at [date given] and when received 1st [and 2nd] lump sums.

17. When did you first find out about the possibility of receiving In Work Credit?

- What did they say about what it was for?
- What did you think about that?
- Did knowing about this money influence your decision to work? Why?
- Were you told about the payment structure [i.e. the switch from weekly payments to lump sums at nine months]?
- What did you think about that?

18. What do you think about having the lump sums at 39 and 52 weeks?

- Which lump sum have you received? 39/52/both?
- How has it affected your finances? Why?
- Did it influence how you manage/budget your money?
- How have you used the lump sum payment(s)?
- What are the main differences in having lump sum payments – instead of weekly – in your finances/life style?

For customers who have only received first lump sum (39 weeks):

- What do you think about the gap in time before receiving your next lump sum (at 52 weeks)?
- Do you think you will manage? How?

For customers who have received both lump sums:

- How did you manage your finances in the gap between payments?
- What did you think of the spacing between payments?

All:

- Do you have any concerns about your future finances after this pilot?
- How did you feel after the money ended/How do you think you'll feel after the money ends?
- Did it/do you think it will make any difference to your work decisions?
- Did you/will you try to make up the difference in money? (increasing hours, another job, etc.)

19. Do you think these payment/s made a difference to any decisions you made in relation to work? Leave open-ended, then prompt:

- To how soon you started work?
- To the job taken? (Was it a factor in the decision to take a job?)
- To the hours worked?
- To staying in work? [*Prompt on effect of both weekly payments and lump sum(s)*]

20. Is there anything you think should be changed about the lump sums?

- e.g. frequency, amount, delivery?

E: Adviser support

21. Have you had any contact with the job centre since you started work?

- If yes: when was this?
- Who initiated the contact (customer or adviser)?
- What was the contact about?
- How helpful was it?
- If no: why not? (refer back to any problems in work mentioned previously if relevant)

22. Can you remember how you found out about your most recent 39/52 weeks meeting with a job centre adviser?

- Who established contact?
- Did you know whether the meeting was compulsory? How did you feel about this?
- Expectations of meeting (how useful did they think it was going to be?)
- *If customer has had both meetings:*
 - o Did you see the same advisor in both meetings? Was this important? Why?

23. What did you discuss?

- Establish detail on everything that is discussed. Prompt on the following issues. *Refer back to what said previously if relevant:*
- Retention issues (help with issues in the workplace, childcare, etc.)
- Advancement issues (training, help to get on better at work, get a better job) *Refer back to what said earlier.*
- Financial issues.
- Likes and dislikes about the meeting.
 - o Including what they think about the adviser.
- Usefulness of the meeting
 - o How did it compare to expectations?
 - o Anything more/different they would have liked.

24. Do you think attending the 39/52 week meetings has made a difference to your work situation?

- How? Why?
- Have you done anything as a result of the meeting(s)?
- Has it changed your views about your work situation?

F: Reflections on this type of support

In the last set of questions, I am going to ask you about other possible forms of support that are or could be offered by Jobcentre Plus to see if you think that any of these might help you.

25. What would you have thought if you had been offered only lump sum payments [i.e. once a quarter for the full 52 weeks] instead of weekly payments?

- Would you take it up? Why?
- Would it make a difference? Why?

26. What would you have thought if you had been offered only weekly payments instead of lump sum payments?

- Would you take it up? Why?
- Would it make a difference? Why?

27. What types of support would you find most helpful in order to:

- Stay in work?
- Solve any difficulties at work/combining home and work life?
- Move up at work (into a better job/role)?
- Earn more money?

[Refer back to what said earlier about advancement if necessary]

28. What is the right time to receive this support? (*probe separately on help staying in work and help progressing at work – refer back to any retention issues and/or progression plans mentioned earlier if relevant*)

- Prompt on whether 39/52 week meetings are the right time.
- Would earlier/later meetings be helpful?

29. Are there any obstacles to working that this initiative has not been able to help you with?

- to staying in work.
- to moving on at work?

G: Closing

30. Looking forward, what do you hope to be doing in the future?

Probe around work plans:

- Same or different job? Hours?
- Training/education?
- Is there anything that might make these plans difficult to achieve?
- What would help?
- Has the pilot made any difference to your plans?
- Is there more support/help you would like to achieve that?

31. Finally, do you have anything else to add?

Thank you very much for your time!

Ask customer, hypothetically, if they were going to participate in a focus group, when would be the best time for them and how would they like to be reimbursed for childcare.

IWRP evaluation: Focus group discussion guide

Key discussion topics:

- Lone parent experiences of the first year in work, including:
 - o Experiences and views on work retention: what helps and what hinders.
 - o Managing finances.
 - o How local factors may impact on working experiences.
 - o Experiences and views on advancing/progressing at work – what does it mean to people, what could support it, what are the barriers and challenges.
 - o What policy interventions can best support lone parents' retention and progression.

10.30 A: Welcome and introduction

- Ensure participants have a copy of the information sheet – hand out extra copies if necessary.
- Reiterate that we are from PSI, an independent research institute. We are not part of the government, but DWP have asked us to carry out the research, and we will be reporting back to them. This will be anonymous – no-one will be named.
- Explain that you would like to record the group discussion, but that information will remain confidential and participants will not be identifiable in anything we write about the research.
- Invite questions from participants and emphasise that you will be available at the end to answer any further questions/queries.
- Ask each participant to sign a consent form if they are still happy to participate.

Ground rules

- We want to hear about your experiences. You are the experts and our aim today is to learn from you about your experiences in work.
- There are no right or wrong answers, we just want to hear about your own experiences and views.
- It is important that everyone is given a chance to express their views, please give others a chance to speak.
- We would like to capture everyone's views on the recording so please try not to speak over each other.
- The agenda (refer to flip chart) provides a broad outline of what we would like to cover this morning.
- Please turn off your mobile phones if you haven't already.

10:35 B. Warm up, ice breakers and introductions

1. Ask everyone to introduce themselves:

Please say your name and a little bit about yourself, like:

- *how many children you have.*
- *if you're in work at the moment, and*
- *what job your is.*

Warm-up

[Exercise to help to get discussion going with respondents volunteering personal experiences without being singled out]

2. What images reflect working life for you?

[Spread images out on the table and ask participants to choose an image that reflects working life for them]

Pictures:

Workplaces – office/service sector/retail/caring

Children/teenagers/crèche/nursery

Bus/train/walking/car

Estate/housing (different types)

Ask participants to talk about the image they have chosen.

3. What sort of issues have you faced in your first year of work?

[Leave open to begin with, but introduce flash cards to encourage discussion if necessary]

Flashcards

Childcare; travel; colleagues; wages; benefits; tax credits; budgeting; time away from home; confidence; skills; stress

- *ask participants to expand where necessary;*
- *ask other participants what they think in light of others comments;*
- *encourage discussion between participants.*

[Leave images and flashcards out so that participants can refer to them for the rest of the discussion]

10.50 C: Retention: Staying in work, stopping work?

4. Are there things that can stop parents from staying in work?

[Leave open to begin with, but introduce flash cards to encourage discussion if necessary]

Flashcards

Family; childcare; work-life balance; studying/training; flexible hours; work responsibilities; colleagues/managers; wages; job satisfaction

5. Thinking about jobs you've had in the past, how did you decide which jobs to take... and which jobs to stay in?

Probes, use where necessary:

- How much choice have you had? Any job better than no job? Range of jobs to choose from?
- How easy/difficult is it to find a job that pays well, gives a reasonable standard of living?
- What is the best job you've had? What is the worst? Why?
- How did your perception of a 'good job' change over time?
- How has this influenced your decision to stay in work?
- Have you left jobs in the past? Why?
 - Encourage respondents to give examples from own experience;
 - Ask participants to expand where necessary;
 - Ask other participants what they think in light of others comments;
 - Encourage discussion between participants

[Leave images and flashcards out so that participants can refer to them for the rest of the discussion]

11.10 D: Progressing in work

6. How important is paid work to you in relation to all the other things in your life?

[e.g. family, children, work, voluntary activities, leisure, study]

7. How important is it for you to further yourself at work?

8. What does this mean? What would make you feel like you were progressing/ furthering yourself at work?

[Probe: pay; promotion; responsibilities; job satisfaction, work-life balance]

9. Looking back at the jobs you've had, are there times when you feel you've advanced/ progressed at work?

[Probe: when was this, what were your personal circumstances like at this point in time, was this linked to having a good job]

10. Is there anything that stops you from furthering yourself/advancing?

- Encourage respondents to give examples from own experience.

- Ask participants to expand where necessary.

- Ask other participants what they think in light of others comments.

- Encourage discussion between participants.

11.35 E: Policies to help retention and progression

We're interested in your views of how best to support lone parents in work - both to help them stay in work and to advance in their work

11. Have there been any services which have been helpful to you?

[Probe on employment, training, advice services, i.e. Jobcentre Plus, careers service, family services, charities, phone lines, Citizens Advice Bureau]

12. Is there any support you would like that you have not had?

[probe specifically on retention support and advancement support]

[probe on circumstances/events that may trigger need for extra support, i.e. childcare; particular problems at work; financial difficulties etc.]

We would like to hear your views on three policy options:

I. Financial support during the first year in work

- Paid either in four lump sums (£260) every three months.
- Or in weekly payments (£40) for 52 weeks.
- Or a combination of the two (weekly payments then lump sums).

13. How helpful is this financial support?

14. Do you prefer lump sums or weekly payments or a combination?

15. How long should payments be for? Why?

16. Did the IWC payments help/prevent you from considering advancement in your job?

II. In work advisory support

- Access to support from a personal adviser to help you stay in work.

16. How helpful is advisory support?

17. Who is best placed to provide this support?

(Employer, Jobcentre Plus, advisory service, colleagues (mentoring), family/friends)

18. What about the type of support – just providing information? Or more like counselling?

(Face-to-face meetings, phone conversations, group meetings, websites, leaflets/books)

19. And when is the best time and how long would you like support for?

- *(Early days of work, set points – 6 months, 12 months, etc., as and when needed)*

20. Which support do you find more helpful IWC payments or adviser support?

III. Careers service

- Access to support from an adviser to help you advance in your work

20. How helpful would this be?

21. Who is best placed to provide this support?

(Employer, Jobcentre Plus, advisory service, college/training providers, colleagues (mentoring), family/friends).

22. What about the type of support – providing information? About what? Or counselling/confidence building/encouragement?

(Face-to-face meetings, phone conversations, group meetings, websites, leaflets/books)

23. And when is the best time?

- *(early days of work, set points – 6 months, 12 months, etc., as and when needed)*

12.00 Close:

- Thank participants.
- Will get in touch with participants when report published (and send summary).
- Hand out shopping vouchers.
- Ask participants to sign voucher receipts.
- Sort out travel and childcare expenses.
- Be available to answer any further questions/queries.

Lone Parent Adviser Topic Guide

The purpose of the research

The principle objective of the evaluation is to examine the effectiveness of the In Work Retention Pilot in encouraging lone parent customers to stay in and advance in work.

The purpose of the interviews

Interviews will take place with a range of staff involved in the delivery of the IWRP, including IWC Officers and IWC Team Leaders, advisers and ASMs. The purpose of this phase of the research is to explore:

- How is implementation experienced on the ground? What are the delivery challenges?
- What are the roles of different staff in relation to IWRP and what are their views on this?
- How is IWRP marketed to customers and what is the initial customer response?
- What are staff views on the retention and progression challenges faced by lone parents and what support do they feel is needed?
- How is retention and progression support delivered to participating lone parents and how do they respond?
- Which aspects of the pilot do staff regard as being most useful and least useful? What improvements would they make?

Introduction

- Introduce self and organisation.
 - Explain/reiterate independence of research team from DWP and Jobcentre Plus.
 - Explain/reiterate purpose of the research.
 - State that there are no right or wrong answers, we are interested in the respondent's views.
 - Confirm confidentiality/anonymity of respondent contribution.
 - Explain that participation is voluntary; they can change their mind about participating at any point or choose not to answer particular questions.
 - Indicate that (as mentioned in email/on the phone) interview will last approximately 45 minutes.
 - Explain purpose of recording (ask permission), transcription, nature of reporting.
 - Check whether respondent has any questions and is happy to proceed – ask for written agreement of consent.
 - Check respondent happy to start the recording of the interview.
-

If asked what we mean by ‘complying with the Data Protection Act’ explain that we will:

- o keep all data in a secure environment;
- o allow only members of the research team (including administrators and transcribers) access to the data;
- o keep the data only as long as is necessary for the purposes of the research and then destroy it.

A Role and background

1. Can you tell me a bit about your role?
 - Job title.
 - Which customer groups work with.
 - Length of time in post.
 - Any previous experience on ERA.
2. What is your role in the IWR pilot?
 - Prompt:
 - o Marketing the pilot.
 - o Delivering the 39 and 52 week meetings.

De-prioritise this section if pushed for time

B Implementation

3. Which advisory staff are involved in delivering the pilot?
 - All lone parent advisers in the office? How many?
 - Do you form a separate team?
4. How is the delivery of the pilot working out so far for this office?
 - How does the pilot fit in with the other work of Jobcentre Plus?
 - Has the economic downturn impacted on the delivery of the pilot?

C Training and support

5. What training [on the pilot] have you received?
 - Prompt on:
 - o for delivering the 39 and 52 week meetings.
 - o for marketing the pilot.
 - How adequate was this?
 - Any need for further training?
 - Do you feel confident to:
 - o Market the pilot.
 - o Deliver the retention and advancement support?

6. Do you receive any ongoing support in delivering the pilot?
 - [prompts: staff meetings, one to one supervision, informal support from colleagues, guidance, other support from district/head office]
 - Is this sufficient?
7. How is your work on the pilot assessed and monitored?
 - How does this fit with other performance measures?
 - Are you subject to targets for this/other work?
 - What is good/bad about the assessment and monitoring system?
 - Could there be improvements?

D Pilot

9. How do customers find out about the pilot?
 - [Prompts: Jobcentre Plus meetings? Which ones? Contact centre? Outreach locations? Written information?]
 - Is there sufficient awareness of the pilot among relevant stakeholders (benefit centre and contact centre staff, other partner organisations)?
 - Is the pilot targeted at particular types of lone parents? Which ones?
 - At what point do lone parents find out about the pilot (e.g. only when ready for work/found a job or when job searching)?
10. How do you present the IWRP to lone parents?
 - [prompt: How are the distinctive features of this pilot explained to customers?]
 - How do you promote it? (emphasis on work entry and/or retention and advancement)
 - Do you feel that all staff marketing the pilot have sufficient understanding of it? Who does/ doesn't?
11. What reactions are you getting from customers?
 - Does this differ for different types of lone parents? How?
12. What is covered in the 39 and 52 week meetings with lone parents?
 - Probe on:
 - Retention support (specify)?
 - Progression/advancement support (specify)?
 - Financial/budgeting support (specify)?
 - How does this compare to the support offered to lone parents through In Work Support? (probe on reasons for any differences)
13. What challenges do your customers face staying in work?
 - When are these most likely to occur?
 - How do you promote retention with customers?

14. What challenges do your customers face progressing in work?
 - How do you promote advancement with customers?
15. What does advancing at work mean:
 - To them?
 - To you?
16. How are customers reacting to the meetings?
 - To the additional support.
 - To the lump sums rather than weekly amounts.
17. What happens if lone parents don't turn up for the meetings?
 - Do lone parents face any difficulties attending meetings?
18. What other support is available for lone parents when they are in work?
 - What type of support?
 - Provided by Jobcentre Plus, other organisations?
 - At what point after entering work? Anything available to IWR lone parents prior to 39 weeks?
 - Do any lone parent participants contact you for support prior to 39 weeks? What happens?

E Pilot impact and strengths and weaknesses

19. What types of support do you see as most effective in helping customers:
 - Remain in work?
 - Progress in work?

20. Rating scale questions

'I am going to read you a series of statements about the impact of IWRP on customers and I'd like you to say to what extent you agree or disagree on a scale of 1 to 100. In each case, I'd like you to compare IWRP to the usual In Work Credit (i.e. weekly payments of £40 with no adviser support (at 39 and 52 weeks) and no lump sum payments).

Show rating scale - '1 means you completely disagree and 100 means you completely agree'.

We have separated IWRP into two elements: the lump sum payments at weeks 39 and 52 and the advisory support delivered in meetings at these stages. The first set of questions relates to the impact of the **lump sum payments**.

So, comparing IWRP to the usual IWC (i.e. weekly amounts for 12 months with no lump sum payments)...

Receipt of a lump sum:

1. Receiving the two lump sum payments (or knowing that they will be received) improves customer's commitment to their job.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

2. Receiving the lump sum payments means that it is more likely a customer will stay in employment.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

3. Receiving the lump sum payments enables customers to manage their money better.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

4. Receiving the lump sum payments makes customers feel better about their financial situation.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

5. Receiving the lump sum payments motivates a customer to progress in work.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

6. Receiving the lump sum payments means a customer is more likely to progress in work.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

The second set of questions relates to the impact of the **advisory support at weeks 39 and 52**.

So, comparing IWRP to the usual IWC (i.e. no advisory support at these stages) ...

Influence of advisory support:

1. Getting support from an adviser improves customer's commitment to their job.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

2. Getting support from an adviser means it is more likely a customer stays in employment.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

3. Getting support from an adviser enables customers to manage their money better.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

4. Getting support from an adviser makes customers feel better about their financial situation.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

5. Getting advisory support increases a customer’s motivation to progress in their job.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

6. Getting advisory support means a customer is more likely to advance in their job.

Do you agree, disagree, how strongly? How would you rate this on the scale?

Why did you rate it there on the scale?

F Comparisons between policy interventions

In the final set of questions we want to compare the effects of the In Work Retention Pilot to other policy initiatives currently available for lone parents.

Firstly, comparing IWRP to In Work Credit ...

Ask these questions if not already covered in sufficient depth above. Refer back to ratings given where appropriate.

21. What difference do you think the lump sum payments in IWRP make as opposed to weekly payments?
22. What difference does the spacing of the final two payments make?
23. What difference does the amount of the lump sums make?

Secondly, comparing IWRP to the In Work Emergency Discretion Fund ...

24. How do you think weekly payments compare to an emergency fund in helping lone parents to remain in work?
 - Which is most effective and why?

Thirdly, comparing IWRP to In Work Support ...

25. What difference do you think the timing of the in work support makes?
 - Prompt: first six months of work as in IWS or later as in IWRP?

G Closing

26. What do you consider to be the main strengths of the IWR pilot?
27. What do you consider to be the main weaknesses of IWR pilot?
28. What improvements would you suggest to the IWR pilot?
29. Finally, do you have anything else to add?

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Wage supplementations in the form of temporary 'in-work credits' have been introduced in recent years for a number of claimant groups entering work, to encourage enhanced work entry and retention rates. For lone parents, the In Work Credit was piloted from April 2004 and then rolled out nationally in April 2008. It is a wage supplement paid at £40 a week (£60 in London) for 12 months to eligible lone parents moving in to work. From July 2008 to June 2010, a variant on this, the In Work Retention Pilot (IWRP), was trialled in two Jobcentre Plus districts. The IWRP was intended to test the effectiveness of using In Work Credit payments as an aid to job retention and progression, by changing the payment structure of the credits and offering additional advisory support on retention and advancement.

This report presents findings from a qualitative evaluation of the IWRP, examining the delivery of the pilot and the views of lone parents and Jobcentre Plus staff on: the distinctive IWRP payment structure; the retention and progression challenges facing lone parents and the support received; and whether and how the IWRP made a difference to work behaviour and decisions. The study is based on interviews, focus groups and observations with Jobcentre Plus delivery staff and participating lone parents.

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