

Pathways to Work from incapacity benefits: A study of experience and use of the Job Preparation Premium

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Introduction

The 'Pathways to Work' pilots, were introduced in 2003 to help new incapacity benefit recipients to move towards and into paid work. The Job Preparation Premium (JPP) was introduced for **existing** recipients in 2005. JPP is a weekly payment of £20 a week for a maximum of 26 weeks for people who do some form of activity towards paid employment.

This report is based on qualitative research conducted by the Social Policy Research Unit, the National Centre for Social Research and the Policy Studies Institute in 2007, and presents findings on JPP recipients' and Jobcentre Plus staff members' use and experiences of JPP.

Main findings

- Staff views about the role of JPP as an incentive, encouragement, reimbursement or reward affected their practices in introducing it to clients.
- Most people felt that JPP did not influence decisions to do a work-related activity. There is little evidence, therefore, that JPP acts as an incentive to unmotivated people. However, the money did sometimes act as further encouragement to people undecided about doing activities, or worried about the financial consequences.
- JPP had positive impacts on some people. It provided financial support, encouraged sustained participation in work-related activities, and boosted motivation and confidence.

- Most people in the study group felt they had made some progress towards employment by doing work-related activities. Although some felt a financial impact when JPP payments stopped, most found a way to continue funding their activities.
- Policy implications drawn from this research are that advisers would welcome clearer guidance on the use of JPP; some people need ongoing financial and advisory support after JPP stops; JPP provides valuable support, distinct from other help available through Pathways; and there are organisational changes which could potentially increase the number of JPP awards made.
- After the research report was submitted for publication, it was announced that JPP will be discontinued from April 2008. However, the findings from this study provide useful information for the development of any similar policy schemes in the future.

Summary of research

Staff perceptions and use of JPP

Incapacity Benefit Personal Advisers recognised four possible roles for JPP: an incentive; an encouragement; a reward; and a reimbursement. There were very few examples of advisers using JPP as an incentive, with the majority feeling that it neither should nor could be used to engage unmotivated clients. However, where clients showed that they were willing to consider doing something, some advisers thought JPP could encourage engagement in activities. The most frequently

cited role of JPP was as a **reimbursement** for the costs of activities.

Written online guidance was the main source of official information on JPP and was commonly seen as relatively 'open ended'. Some advisers viewed this positively, as it gave them room to exercise discretion, but others felt that it was too ambiguous.

In general, JPP was not advertised widely to incapacity benefits recipients. Advisers were able to exercise discretion in deciding whether to introduce JPP to clients at all, when to do so, and for which activities. Some advisers expressed concerns that this discretion could result in inequitable practices, and there were examples of varied use of JPP between advisers in the study group. Advisers were led by three main criteria in deciding to award JPP: client motivation and commitment; client proximity to work; and financial implications.

Learning about JPP and undertaking work-related activities

Most people had initially heard about JPP from their own adviser after they had agreed, or begun, work-related activities. Responses to learning about JPP were mostly positive.

Most people did not feel that JPP had had any influence on their decision to take up a work-related activity. In the small number of cases where JPP was felt to have been a key or contributory factor, it had been a further encouragement to take up a work-related activity at that time, or had provided assurance that the financial costs of doing activities would be met.

Activities undertaken by recipients in the study group can be grouped in four broad categories: health-related activities; training and qualifications; work preparation; and work experience. At the time of the research interviews, almost everybody felt that they had moved at least some way closer to work.

Experiences of payment and receipt: the administration of JPP

Many advisers who did not have a dedicated administrative team said that the processes involved in awarding JPP were burdensome, and this could deter them from making awards. In contrast, JPP recipients found the application process quick and easy, and most reported few problems in receiving payments. There was evidence, however, that long initial delays, missed payments or overpayments could be problematic for recipients.

There was much variation in the timing, frequency and method of advisers' checks on recipients' compliance with the rule to continue participating in activities whilst receiving JPP. The requirement to monitor recipients did not appear to have a negative impact on relationships between advisers and clients.

Experiences of payment and receipt: the difference made by JPP

The experiences of JPP recipients in the study group showed that the £20 a week payments could make a substantive financial impact in four different ways:

- JPP had provided essential financial support for work-related activities (for example, course fees, travel expenses), where people felt they could not otherwise have afforded to sustain their participation.
- Amongst people who said they would have been able to fund activities from other resources, JPP had eased the personal financial impact and provided peace of mind at a time when finances were tight.
- JPP payments enabled some people to take up work-related activities over and above what had been initially agreed with their adviser, for example participating in activities more frequently, or taking up additional activities.
- JPP helped to improve general financial security and standard of living.

Beyond substantive financial impacts, some recipients and staff highlighted the positive psychological impact that JPP could have. Some people felt their morale had been lifted by receiving the money, as it was perceived as a demonstration of support and recognition of efforts made. The money could also provide motivation or a feeling of obligation to sustain engagement in activities over time.

Although there were no reports of negative impacts, a small number of recipients said that they had not experienced any particular impact from receiving JPP.

Reflections on the end of payments

For most people in the study group, JPP had expired after 26 weeks' receipt. Although most of these people had not anticipated difficulties in readjusting to a lower income, there was evidence of impacts on finances when payments expired. A small number of people had stopped participating in work-related activities because they could no longer afford to do so. Others continued to fund activities using other resources, or limited the number, intensity or frequency of activities undertaken. In contrast, people who were less reliant on the JPP money to fund activities did not report a financial impact and had continued or even increased their participation in activities.

For a number of people in the study group, JPP awards had ended **before** 26 weeks because they had stopped doing their work-related activities. This happened where people moved into work; where the activity was of a fixed duration and had come to an end; or because health problems prevented continued participation. There were few feelings of loss when the money stopped, either because people had stopped doing activities or were now receiving earnings.

People who were still in receipt of JPP at the time of the research interviews knew that their payments would expire soon and were considering ways they could adjust their household budgeting, in order to sustain work-related activities.

Overall impressions and suggestions for change

PAs in the study were asked whether they thought that JPP was **necessary**. Views were mixed. Some PAs argued that receiving the payments had positive impacts on people and movements towards work; and that there are no alternative kinds of support for people wanting to make progress towards work but not yet ready to move into a job. In contrast, other PAs felt that people should and would participate in work-related activities without the offer of money; and that other financial support (such as the Adviser Discretionary Fund and the Return to Work Credit) was more effective in encouraging and supporting steps towards, and movements into, paid work.

Recipients were generally happy with the way they had been supported by JPP and could not think of ways in which this money could be put to better use. By contrast, staff in the study group had a number of suggestions for change relating to, for example, increasing the number of JPP awards, improving the way JPP is monitored, and making access to the money more equitable.

Discussion and conclusions

There is evidence from this research that receiving JPP payments can have positive impacts on incapacity benefits claimants. It can provide financial support, encourage sustained participation in work-related activities, and boost motivation and confidence. On the other hand, there is also evidence that people will take up opportunities to do work-related activities without the offer of extra money.

Implications for policy drawn from the study findings are:

- clearer guidance about the intended aim(s) for JPP, and what is meant by 'work-related activities' could help advisers become more certain about when and how to use JPP;
- some people need ongoing financial and advisory support after JPP stops in order to continue making progress towards work;

- JPP provides distinct and valuable support in the way it provides regular income to support the activities of people who are not yet ready to enter employment;
- numbers of JPP awards could potentially be increased by reducing the administrative burden on advisers, raising the profile of JPP amongst advisers, advertising JPP more widely and introducing performance indicators for JPP.

The full report of these research findings is published for the Department for Work and Pensions by Corporate Document Services (ISBN 978 1 84712 324 4. Research Report 474. January 2008). It is available from Paul Noakes at the address below.

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