Piloting change:

*Interim Qualitative Findings from the Earnings Top-up Evaluation*

Jill Vincent, David Abbott, Claire Heaver, Sue Maguire, Adrienne Miles, Bruce Stafford

A report of research carried out by the Social Security Unit Centre for Social Research in Social Policy, Loughborough University on behalf of the Department of Social Security
## CONTENTS

Acknowledgements vii  
The Authors viii  
List of Abbreviations ix  
Summary 1  

1 Introduction 9  
1.1 ETU pilot areas 9  
1.2 Research design 10  
1.3 The report 10  

2 The first and second rounds of meetings of the staff panels 13  
2.1 Introduction 13  
2.2 Staff perceptions of the objectives of ETU 13  
2.2.1 Policy contexts 14  
2.2.2 Staff views on the purposes of ETU 15  
2.3 Local planning and implementation 18  
2.3.1 Provision of ‘training’ and ‘awareness’ 18  
2.3.2 Views on information and training provided 19  
2.3.3 Effects of JSA and other initiatives on implementation 20  
2.3.4 Publicity 20  
2.3.5 Staff views on publicity 21  
2.4 Operation in the office 23  
2.4.1 Roles of the ES and BA in ETU 23  
2.4.2 ES targets 25  
2.4.3 Staff activities 26  
2.4.4 Monitoring 27  
2.5 Applicants 27  
2.5.1 Recipients helped by ETU 28  
2.5.2 Applicants unlikely to be helped by ETU 28  
2.6 Employers 29  
2.6.1 Effects of employers’ behaviour on ETU 29  
2.6.2 ETU effects on employers’ behaviour 30  
2.7 Take-up and targeting 31  
2.7.1 Take-up 31  
2.7.2 Targeting 31  
2.7.3 Pilot area performance and variability 32  
2.8 Views on ETU and piloting 33  
2.8.1 Views on ETU 33  
2.8.2 Views on piloting 37  
2.8.3 Fears for the future 41
4.3 In-work benefits 91
4.3.1 Knowledge of in-work benefits 92
4.3.2 Effect on recruitment 93
4.3.3 Effect on wage setting 94
4.3.4 The sixteen hour eligibility rule 95
4.3.5 Effect of the minimum wage 96
4.3.6 Summary of employers’ knowledge and views on in-work benefits 97

4.4 Employers’ behaviour and ETU 98
4.4.1 Knowledge of ETU 98
4.4.2 Encouragement to employees to claim ETU 99
4.4.3 Changes to wage rates, numbers employed and working patterns attributed to ETU 99
4.4.4 Policies to assist in the take-up of ETU 100
4.4.5 Summary of effects of ETU on employers’ behaviour 101

4.5 Conclusions 101

5 Conclusions 103
5.1 The purposes of ETU 103
5.2 The effectiveness of ETU 105
5.3 Tensions within ETU 107
5.4 Piloting 108

Appendix A Earnings Top-up 109
Appendix B CRSP’s process evaluation 111
Appendix C ETU recipients: Topic guide 113
Appendix D The respondents (recipients) 115
Appendix E Topic guide for telephone interviews with employers 117
Appendix F The firms 119

Other research reports available 121

LIST OF TABLES

Table F.1 Characteristics of employer sample 119
Table F.2 Employer sample by size of establishment 120
Qualitative research relies upon the generosity of respondents who must remain anonymous.

We are grateful to staff in BA and ES central administration and local offices who responded to our questions candidly and with good humour. We thank their managers for allowing staff to participate over time as panel members.

We are indebted to many ETU recipients and to Jean Rushton, Rosie Porter and Elaine Divers who recruited them.

We thank the employers who were generous in allowing us the time to discuss their experiences.

Our contact with the Department of Social Security was always pleasant and fruitful. We thank Rebecca Stanley, Juliet Whitworth and Nicola Croden for their help.

At CRSP we work as a team. The researchers provide support and guidance among themselves, and rely on the support staff for their high standard of work: on this occasion, Nigel Bilsbrough, Suella Harriman and Sharon Walker.

Simon Roberts joined the CRSP ETU team in October 1998, too late to contribute to the reports in this interim publication. The CRSP team wish to acknowledge his valuable work since his arrival.
THE AUTHORS

Jill Vincent is the Assistant Director of the Lifestyles and Living Standards Programme within CRSP. She is project leader for the evaluation of ETU and joint fund-holder for a project in the ESRC Programme, Youth, Citizenship and Social Change.

David Abbott joined CRSP as Research Associate for a year. He is currently studying at Bath University. David also worked on managing risk in a flexible labour market.

Claire Heaver, Research Associate, has also worked on the analysis of the Survey of Family and Working Lives using the Transition Data Analysis package, and has contributed to papers concerning pensions, work incentives and family issues.

Sue Maguire is a Research Fellow at CRSP. She has undertaken extensive research in labour market and training-related issues and is currently working on the Education Maintenance Awards project.

Adrienne Miles has completed her student placement from Bath University. Adrienne also worked on the Costs of Childhood Disabilities.

Bruce Stafford is the Assistant Director of the Social Security Unit. Bruce has undertaken various projects for the Department including a study of customer contacts with the Benefits Agency, qualitative work on the Contributory Principle and review of Housing Benefit and Council Tax Benefit Administration.
**LIST OF ABBREVIATIONS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPTC</td>
<td>Disabled Person’s Tax Credit</td>
</tr>
<tr>
<td>DWA</td>
<td>Disability Working Allowance</td>
</tr>
<tr>
<td>ETU</td>
<td>Earnings Top-up</td>
</tr>
<tr>
<td>FamC</td>
<td>Family Credit</td>
</tr>
<tr>
<td>WFTC</td>
<td>Working Families’ Tax Credit</td>
</tr>
</tbody>
</table>
The Department of Social Security introduced Earnings Top-up (ETU) on a pilot basis in October 1996. ETU was an income-related, in-work benefit. It aimed to encourage single people and couples without dependent children to take up work or stay in work of 16 hours a week or more.

The pilot ran for three years in eight areas: four received Scheme A ETU at a lower rate; and four matched areas received Scheme B ETU at a higher rate. Four additional matched control areas did not receive ETU. The areas covered four different types of labour market.

ETU was operated in the pilot areas through Benefits Agency (BA) and Employment Service (ES) offices, and was centrally processed and administered by the BA in liaison with the ES.

The design of the evaluation of the pilot integrates three complementary approaches: two quantitative impact studies conducted by the Institute for Employment Research (IER) and the Policy Studies Institute (PSI) and a process evaluation using qualitative methods carried out by the Centre for Research in Social Policy (CRSP).

This Interim Report is a compilation of three qualitative elements: the first and second meetings of the staff panels, and the interviews with recipients and their employers. Four more elements will be reported later. The findings from CRSP, IER and PSI will be drawn together in a final evaluation report.

Local panels of Benefits Agency (BA) and Employment Service (ES) staff in the pilot areas and one composed of central staff were constituted to investigate the influence of administrative arrangements and of local interpretation and performance. They met three times, in 1997, 1998 and 1999 (2.1). This section reports on the first two meetings.

Staff views about the objectives of ETU shifted in response to changes in the policy context. ETU was introduced as part of a package of work incentives and staff thought it still fulfilled those aims. In the second round, staff emphasised its role in preventing young people from slipping into the habit of benefit receipt and in helping people into work and independence, and discussed the effects of the minimum wage. BA staff saw the provision of an in-work benefit for all low paid people, rather than just for families with dependent children or for disabled people, as a matter of fairness and social justice.
Implementation and operation (2.3 and 2.4)  
Staff praised the implementation of ETU. However, training and awareness were more extensive and systematic in BA offices than in ES Jobcentres, even though ES staff were more likely to use ETU as part of their daily work. In the second round, ES reported the use of casual staff who received little training. Circulation of newsletters about ETU seemed unsystematic in both agencies.

The introduction of ETU coincided with the introduction of JSA. Initial publicity was widespread within the constraints of the pilot, but none had been undertaken subsequently. ‘Word of mouth’ was thought more effective in the former mining and heavy industry areas than rural or seaside areas. Staff thought people who were already in low-waged jobs were neglected.

In both rounds, staff reported that BA office staff rarely used ETU while ES staff used it as part of their daily practice; however, Benefits Investigation Officers promoted ETU. In the second round, they described how ETU and New Deal reinforced each other. ES individual and office targets (performance measures) were less evident by the second round.

Recipients (2.5)  
Staff in both rounds believed that young people living at home with their parents were most likely to be helped by ETU. Staff thought that the people less likely to be helped: had financial commitments, running their own home; were in a Scheme A (lower rate) area; were disadvantaged, for example by poor rural transport; or persisted in seeking ‘proper’ full-time jobs.

Employers (2.6)  
In both rounds, staff referred to employers’ practices that affected workers’ eligibility. They disagreed on whether employers were getting to know about ETU. Central staff thought small local employers were more likely to know about ETU than the big multiples because it was a pilot. Staff believed that some employers exploited FamC and thought that they would exploit ETU in the same way.

Take-up and targeting (2.7)  
The original targets were met early. Staff expected Scheme B to do better because it was more generous, but they found it difficult to judge take-up or targeting because they lacked information.

Variability on take-up among the pilot areas appeared to be associated with: Scheme A or Scheme B; local cost of living and proximity to London; the profile given to ETU; traditional and current patterns of employment and availability of jobs; and social and personal characteristics among local populations.
In both rounds, staff said the number of recipients and the speed with which the overall targets were met demonstrated the success of ETU. Moreover, ETU: met its aims and encouraged people into work they otherwise might not have considered; helped specific groups; had a preventive role for young people; offered something positive to clients; and completed the availability of in-work benefits for all except 16 and 17 year olds.

Staff saw the following as less successful: unreliable monitoring; ETU did not count as income towards qualification for National Insurance; operating the pilot eligibility conditions; poor publicity; Scheme A set too low; and groups such as mortgage holders who could not be helped. All staff agreed that all or some of ETU should be disregarded in the calculation of Housing and Council Tax Benefits.

The ETU pilot was welcomed by some as a ‘real pilot’ while others questioned the legitimacy and fairness of the approach.

Some believed the pilot was flawed because: political and policy changes had taken place during its life; the grounds for going national were not known; ES appeared not to have been involved in developing the measures for evaluation; and lack of publicity since ETU was initiated meant that the pilot would not show the potential take-up of the benefit.

ES staff feared the loss of ETU as a useful tool that had become part of their normal work. Most respondents believed that if ETU were withdrawn many people would have to give up their jobs. Central staff were concerned about the management of customer expectations. Forty people who were in employment and receiving ETU were interviewed, to explore their experiences and views on work and ETU. Five recipients were interviewed in each of the Scheme A and Scheme B pilot areas.

Most respondents had been in work more than they had been unemployed, mostly in service occupations that required little training. Many held a variety of jobs, often short-term, though some had worked in similar occupations and stayed in their jobs for relatively long periods. Almost all the men had worked full-time; many of the women had part-time jobs which they related to their domestic responsibilities. No area or Scheme differences were discerned; rather, differences related to the personal characteristics of respondents.

Nearly all of the respondents said that work was important to them: work brought financial and social benefits, while unemployment was stigmatised. However, they would not wish to take work that they saw as less than ideal because of the hours, pay or conditions, and could not take work that made them financially worse off.
A North-South divide was evident between respondents' views about their local labour markets: those from areas in the north thought that it was hard to get decent work, with acceptable pay, hours and security, while those in the south felt that there were jobs in their area if people wanted them.

Respondents' current jobs were semi- and unskilled; the majority earned between £3 and £3.50 per hour.

Applying for ETU (3.3) Respondents applied for ETU because: they were unemployed and needed to supplement their potential wages so as to make them better off in work; they were advised to do so by ES or BA staff; or they sought to increase their existing earnings. As may be expected few of those who were already in low paid work when they applied heard about ETU from BA or ES staff, which suggests that staff panel perceptions that they did not reach people in employment may be appropriate.

The process differed for men and women: women tended to find out about ETU through social networks while men were more likely to have heard through the publicity.

The process of claiming and of renewal was usually straightforward and respondents were satisfied with their experiences. A few found it difficult to complete the form or collect evidence from their employer.

Effects of ETU (3.4) ETU helped some respondents who otherwise would have needed more hours or higher pay. Some wanted part-time work and were able to afford it with ETU; others wanted full-time work.

For some unemployed respondents, ETU made work affordable, giving an option and an escape. A few said they had not responded to ETU but to a perceived threat that their JSA would be sanctioned. Some said they would consider jobs in the future they would not normally have looked at.

Respondents were low paid, and few thought their incomes were adequate even with ETU. Most of the younger ones who lived with their parents, thought they did not earn enough to move into their own place.

The average ETU award for this sample, in 1998, was £28 per week. Most spent it on necessities, though a few could afford modest ‘extras’; some who applied when in work saw it as a bonus.

Not all felt better off as they moved from unemployment to a job with ETU, in particular when the loss of Housing and Council Tax Benefits cancelled out the gain from ETU. Difficulties during the transition to ETU were associated with changes to these benefits.
When respondents’ employers knew about ETU they seemed to be neutral about it or happy to co-operate. Occasionally, ETU had been actively promoted but only one respondent saw their employer as exploiting government subsidy.

Most respondents were positive about ETU because: the six-month award gave stability; it was an incentive to take work and widened choice; it was a legitimate reward for working; and it gave parity with FamC.

Respondents criticised ETU: as a government subsidy to low pay and open to abuse by employers; because the loss of Housing and Council Tax Benefits could cancel out ETU; when the earnings used to calculate the award did not represent an average; and because the awards were too low.

Most knew that ETU was a pilot. They were concerned about: their eventual loss of income; the availability of adequately paid work; and the loss of a good scheme that helped people to help themselves. A few thought the pilot was unfair in practice because people were denied it on the grounds of where they lived.

The 40 recipients were asked for details of their employers (Section 4); they were assured that neither their name nor the fact that they had initiated the firm’s inclusion would be divulged. Under these circumstances, 36 respondents provided information. Twenty-three employers (two-thirds) agreed to be interviewed.

The interviews aimed to explore the possible effects of ETU on employers’ behaviour through discussion of their experience and views on in-work benefits, setting wages and staff recruitment and retention.

Certain sub-sectors of service industries had high representation and only one manufacturing employer was included. Half the employers described themselves as local; the rest said they were part of a national or international business.

Most of the firms were small or medium sized. The majority employed mostly semi- or unskilled labour, and had predominantly female workforces.

Employers stressed their need for a flexible workforce, working hours to meet business needs. Most of their employees worked 16 hours or more. In all firms, part-time work was dominated by female labour.

Employers in companies that were part of a national or international business did not determine wage rates or the total number of hours worked by their employees. Both were decided at head office within
an overall strategy. Local employers used a ‘rule of thumb’ that took
account of: the rates offered by other local employers, out of date
professional or trade scales, and levels of unemployment.

Recruitment in areas with high levels of unemployment presented no
problems, except for unpopular shifts and when jobs were poorly
perceived and could not attract people of the required standard; new
companies moved into the area and increased demand; starting salaries
were very low; and the job entailed the cost and inconvenience of
travelling.

Half the employers had no problem with staff turnover. Where it did
occur, it was linked to particular occupations rather than labour markets.
Low pay, unsocial hours, temporary contracts and part-time hours were
cited as contributory factors.

Nearly all of the employers were aware of the existence of in-work
benefits, but few knew about them in detail. Typically, they thought
only one or two of their employees were receiving an in-work benefit.
Only one respondent (from a recruitment agency) said she had several
temporary staff who had applied for in-work benefits.

The majority felt that in-work benefits aided recruitment, particularly
to part-time jobs, but a few said it was too soon to tell. One firm had
grouped together cleaning contracts so that employees could be
guaranteed a minimum of 16 hours a week; this had been successful in
some locations, but not where transport was a problem.

Many said that in-work benefits had not affected wage setting because
they did not control wages locally; also, some believed that many
employers were still unaware that such benefits existed. However,
there was evidence to suggest exploitation of ETU, and one employer
acknowledged that, in the absence of in-work benefits, his hotel would
have to review its wage rates.

Some employers appeared confused about the 16 hour rule. They
said it introduced rigidity and reluctance to work more hours, while
they prized flexibility. However, they seem to have been describing
the hours of employment allowed when claiming out-of-work benefit.
Some employers recognised – rightly – that workers limited their hours
only when in-work benefits were about to be reassessed.

In general, employers had not considered how a minimum wage might
interact with in-work benefits. A few already paid above the proposed
level.
Although most of the employers claimed to have heard of ETU, few showed much understanding, though one firm had to adjust their wage rates because some workers lived in a pilot area and some did not.

Employers said they heard about ETU from their employees, who they believed found out about it from other workers. One employer had actively encouraged employees to claim.

There was evidence that employers adjusted the number of hours they offered so that employees could be eligible for in-work benefits, and one employer acknowledged a direct effect on wage rates.

Staff views were influenced by the policy climate and changed between the first and second meetings. They agreed it was a work incentive: in the first round they focused on its role in getting people into work; by the second round they saw it as reducing the barriers to working by helping people to overcome their fears of leaving the security of benefit receipt, and by encouraging them to take part-time and low paid jobs they would not have considered otherwise.

Staff thought that measures of success should include how far ETU reached those who were eligible, prevented young people from slipping into a habit of benefit receipt, and provided a stepping stone into better employment. BA staff raised the issue of social justice and the extension of ETU nationally in the context of other in-work benefits.

The studies of ETU recipients and their employers showed direct and more diffuse effects. For example, the availability of ETU widened job choices for unemployed people, encouraged them to take it into account for the future, and helped them to stay in less than ideal jobs. It should be noted however, that complementary quantitative surveys did not find any discernable effect on job retention. ETU combined with other measures to produce effects, for example as a ‘sweetener’ to the introduction of JSA, and as a complement to New Deal.

Employers were not concerned about the government’s intentions for ETU, but whether it met the needs of their firms for a flexible labour force and to recruit and retain quality employees. The employers welcomed ETU (and other in-work benefits) when they thought they helped towards their needs.

Few of the employers appeared to exercise enough control over wage rates and hours or to be well enough versed in the rules of ETU or other in-work benefits for this directly to affect wage setting. However, it is possible that the availability of in-work benefits indirectly affected local wage levels.
Respondents differed on whether ETU rules encouraged employers to offer work of 16 hours or more a week so that employees could meet eligibility criteria. Staff panels thought employers were reluctant to offer jobs at pay levels at which they incurred obligations, but a few employer respondents had actively created jobs at 16 hours to aid recruitment. That said, employers showed some confusion about the rules governing in- and out-of-work benefits.

From the perspective of employers, ETU met their needs by helping them to recruit and retain staff in part-time and low paid employment and unpopular shifts. From the perspective of staff and recipients, ETU encouraged people to take and stay in jobs they otherwise would have rejected.

Staff thought ETU was effective because of its design and administration and the pattern of available jobs and growth in part-time and low paid work, mostly in the service sector. ETU could encourage people to take these jobs because they would be better off in employment, and they might hope that the job would be a stepping stone to something better.

Staff said that, because of the jobs available, ETU was more effective for women; also, different types of people found ETU useful – a point supported by the evidence from the study of recipients.

The effectiveness of ETU was inhibited by: employers' poor practices; lack of publicity and information; and because it counted as income in the calculation of Housing and Council Tax Benefits. Recipients supported the latter point.

There was no evidence of systematic differences between Scheme A and Scheme B, but a North-South divide was apparent among recipients' views of their local labour markets. The characteristics of labour markets may support or inhibit the effectiveness of ETU.

The staff panels raised these issues: ETU 'belonged' to the BA because it was a benefit, but it was mostly used by the ES; low paid workers might not hear about ETU; the complexity and inter-relatedness of the benefits system; the importance of ETU in conjunction with New Deal for young people; and the exclusion of 16 and 17 year olds from ETU measures. Staff differed on the enthusiasm with which they promoted ETU.

Staff thought some aspects of the pilot raised doubts about its adequacy; were uneasy about piloting and how the end of the three years would be managed; and some condemned it as unjust.

Some recipients worried how they would cope with the loss of income and thought that unemployment would rise; others regretted the loss of such a good idea in principle; some thought they would manage.

This is an interim report, accordingly these conclusions are provisional.
1 INTRODUCTION

The Department of Social Security (DSS) introduced Earnings Top-up (ETU), an income-related, in-work benefit, on a pilot basis for three years from October 1996. Coincidentally, this was at the same time as the introduction of Jobseeker’s Allowance (JSA).

ETU aimed to encourage single people and couples without dependent children to take up work or remain in work of 16 hours a week or more. It was broadly equivalent to Family Credit (FamC) and to Disability Working Allowance (DWA).

Eligibility depended on full-time employment (16 hours a week or more), non-dependent children, low income and postcode address in a pilot area.

1.1 ETU pilot areas

ETU was introduced in eight areas, for three years, as follows:
- four areas receive ETU at a lower rate (Scheme A);
- four matched areas receive ETU at a higher rate (Scheme B); and
- four matched areas do not receive ETU (controls).

The pilot was based on travel-to-work areas, covering four different types of labour market:
- major urban areas/conurbations;
- large towns;
- seaside areas; and
- rural areas.

ETU was administered in the pilot areas through local Benefits Agency (BA) offices and Employment Service Jobcentres (ESJ). Relevant staff in the BA offices and Jobcentres were aware of ETU and the eligibility rules; they could respond to enquiries, draw it to the attention of potential applicants and give out information and application packs. Fast-track applications were available.

Planning for the implementation of ETU was undertaken at Fylde/Norcross by the BA in association with the Information Technology Services Agency (ITSA). The Employment Service (ES) was involved in policy discussions and also seconded staff to the team implementing ETU.

ETU was processed and centrally administered by BA staff at Fylde/Norcross. The ETU unit comprised teams working on Operations and Processing, Customer Services, Policy and Procedures and the
Helpline. Liaison was maintained with the ES. Because it was introduced on a pilot basis, the status of ETU was different from a ‘proper’, statutory benefit: for example, recipients were not ‘claimants’ but ‘applicants’ or ‘recipients’; it had rules rather than regulations; and it was not known if it would last longer than the three years of the pilot.

The rationale for ETU, its aims when it was introduced, the design of the pilot and choice of pilot areas, are outlined in Appendix A.

1.2 Research design

The evaluation as a whole integrates the findings from three complementary approaches, undertaken by three independent research institutes. Two are quantitative impact studies. The third is a process evaluation using qualitative methods. Whilst the quantitative analyses focus on whether the policy met its stated goals, the process evaluation aims to explain why this was so and to offer insights into ways that policy might have been adjusted or fine-tuned in order to meet the policy objectives better.

The three strands of the research are as follows:

- Institute for Employment Research (IER) local labour market studies based on secondary analysis of a range of sources. The elements of the studies are: socio-demographic structure; economic activity; employment; vacancies; earnings; and area classifications;
- Policy Studies Institute (PSI) surveys. The surveys are of low-paid workers and unemployed people (potential and actual ETU recipients), and of employers, in waves, before and after the introduction of ETU; and
- Centre for Research in Social Policy (CRSP) process evaluation. The elements are: panels of BA and ES staff; and interviews with employers, self-employed people, successful and unsuccessful applicants and people who have come to the end of their period of receipt of ETU.

Details of CRSP’s process evaluation are in Appendix B.

1.3 The report

This interim report is a compilation of three of the qualitative elements of the evaluation undertaken by CRSP and completed by 1998. It is being published at the same time as PSI’s quantitative evaluation of the early effects of ETU.

The qualitative elements have been brought together as follows: the findings from the first two rounds of meetings of the staff panels have been amalgamated and are presented first, as Chapter 2, followed by Chapter 3 on people who were in receipt of ETU when they were interviewed and Chapter 4 on their employers. A summary and provisional conclusions are presented in Chapter 5.
Four more qualitative elements will be reported: the third round of meetings of the staff panels, and reports on unsuccessful applicants, people no longer in receipt of ETU, and self-employed recipients. The results of all the aspects of the evaluation, from CRSP, IER and PSI, will be pulled together in a final evaluation report.
2 THE FIRST AND SECOND ROUNDS OF MEETINGS OF THE STAFF PANELS

2.1 Introduction

The staff panels were constituted to investigate the influence of local interpretation and performance on process and outcomes, as measured by the impact studies. The panels met three times. The first and second rounds of meetings of the staff panels took place during the summer of 1997 and early in 1998; they are reported here. The third round was held during January and February 1999.

‘Agency panels’ of seven or eight managers and front line staff, carrying out different tasks in a range of BA offices and ESJs, were convened in each Scheme A and Scheme B pilot area. A separate panel was established with staff involved in the central administration and processing of the scheme.

The panel format has particular advantages. It enables BA and ESJ local staff to explore the similarities and differences among the offices in their respective areas, and between the organisations. Likewise, central staff can discuss their different responsibilities and agendas. In both cases, a panel ensures continuity to the evaluation over time as staff compare their earlier and later views and experiences, and discuss changes.

The intention that the same people would meet each time was achieved in large part in the second round. Some of the groups were slightly smaller, but the groups enjoyed meeting again. The two largest groups had nine participants while the three smallest had five members.

The findings from the first and second rounds of panels are brought together and compared in this part of the report. Firstly, in Section 2.2, panel members’ views are outlined on the objectives of ETU in the changing policy context. This is followed by sections on local planning and implementation (2.3), on aspects of the way ETU operated in local offices (2.4), applicants who can and cannot be helped by ETU (2.5), and the possible effects of ETU on employers’ behaviour (2.6). In subsequent sections, respondents’ views are set out on take-up and targeting (2.7), on ETU, and on piloting in principle and in practice (2.8). The final section 2.9 focuses on the developing policy context within which ETU is set, the legacy of the original purposes and aspects of the benefit itself.

2.2 Staff perceptions of the objectives of ETU

ETU was introduced in October 1996 as a pilot to run over three years by the previous Conservative administration. In the event, the pilot straddled the Conservative and New Labour governments, and its meaning to panel members altered in response to changes in the policy context. These policy contexts are briefly outlined in Section 2.2.1; staff’s views are discussed next (Section 2.2.2).
From the beginning, ETU took its place as part of a package of work incentives aimed at low-paid and long-term unemployed people. Together, the measures were ‘to help unemployed people back to work and reduce the cost to employers of taking on the unemployed’ (HM Treasury Web Page, 1997). In the Green Paper on ETU (DSS, 1995) the objectives specified for the benefit were:

- To improve the incentive for unemployed singles and couples without dependent children to take work for 16 hours or more a week, without worsening incentives for others.
- To improve the incentives for those on low incomes to stay in work by raising their incomes relative to out-of-work support, without reducing their hours of work.

In brief, ETU was designed to help people into low-paid work and to help them to remain there. It was based on the existing in-work benefits, FamC and DWA, and aimed to meet the needs of people excluded from them: people without disabilities or dependent children.

The incoming Labour government of May 1997 saw getting people off benefit and into work as a high priority. One of its main election pledges was to ‘get 250,000 under-25 year olds off benefit and into work by using money from a windfall levy on the private utilities’. The New Deal programme was initiated for young people, but soon extended to lone parents, disabled people and older age groups. It was part of a broader Welfare to Work strategy to promote social justice through increasing the economic independence of individuals and families.

By the time of their second meeting in February 1998, the panel of central staff was reluctantly coming to the view that ETU would not ‘go national’ or outlive its allotted three years. Public debate on policy initiatives that bear directly on ETU took place after the second round panel discussions were finished. For example, the introduction of a minimum wage was anticipated and discussed by the panels, but media debate about the timing and level started in earnest later. The Green Paper ‘New ambitions for our country: A New Contract for Welfare’ (Cm 3805, 1998), was also published a few months later.

The broad policy context within which ETU sits changed considerably during the late 1990s. Work was central to the Green Paper proposals and, indeed, to the Labour government’s strategy: ‘Work is at the heart of our reform programme … (as) … the surest route out of poverty.’ One of the concerns discussed was ensuring that work paid. To this end, it was proposed that two of the current in-work benefits should be replaced by tax credits in October 1999. The Working Families’ Tax Credit (WFTC) was to replace FamC; the linking of support with the pay packet was intended to demonstrate the rewards of work and remove the stigma of claiming benefit. In parallel, a Disabled Person’s Tax Credit (DPTC) was proposed to replace DWA.
All in all, the WFTC will be more generous than FamC. Other reforms were proposed as part of the programme to ‘make work pay’: a Childcare Tax Credit as part of WFTC; a ten pence tax rate for the lowest paid; ‘modernisation’ of National Insurance contributions; and the introduction of a national minimum wage. All were concerned to remove any appearance of state support, as evidenced by benefits cashed at the post office.

The debate moved further by the 1999 budget speech: tax credits and targeted tax cuts were trailed in the budget, while the New Deal for over 50s introduced an employment credit and mention was made of introducing a guaranteed minimum income for all people in work, not just families with dependent children.

2.2.2 Staff views on the purposes of ETU

At the beginning, staff thought that ETU had been introduced to help to bring down the unemployment figures or ‘get people off the register’, and to encourage people to consider the low-paid work and part-time jobs which were on offer in their local economies. In the second round, they thought it still fulfilled these aims.

However, by the second round, ESJ and BA staff had considerable experience of the new government’s policies. All of the Jobcentres had been affected by the introduction of the New Deal, and some of the panel staff were directly involved in it. Their interpretation of ETU and the language in which they expressed it changed.

Some of the panels discussed the need to help people to overcome their fear of leaving the security of claiming benefit and make the break from it. The purpose was to help them to venture into at least partial self-sufficiency, and to develop pride in their ability to work and keep themselves. Respondents thought that ETU and the New Deal shared this aim and were both pushing in the same direction:

‘it’s to try and make people partially dependent on themselves, to sort of break the mould of having total dependency on the system, and New Deal and ETU is a similar thing, it’s all to make people aware that they can provide for themselves …’

(BA receptionist)

The aim of partial independence, with a continuing role for state support was not endorsed uncritically. It was accepted that getting people off the register, into lower paid and part-time jobs, with less benefit than they otherwise would have claimed, could be seen as a step forward. But a respondent argued it could hardly represent a good longer-term aim, even if part-time work, job shares and casual work were ‘not something that’s going to go away’. The aim should be

---

1 Announced in the March 1999 budget and introduced the following month.
for people to become independent, so it would be better to use the new tax credits system which had been proposed to replace FamC/DWA and enable people to be free of claiming benefits:

‘I don’t know if that’s a good aim to have, to sort of promote a culture of people relying on part-time work and some sort of supplement ... why not just say what you’re looking for is two part-time jobs ... or you make sure everybody has a minimum amount through the tax system.’

(ES business manager)

In the first round, staff generally thought that ETU had been targeted on young people because their relative rate of unemployment was so high. By the second round, the emphasis had shifted to the preventive role of ETU, which could encourage young people to take work, make them interested in getting a wage and stop them slipping into a habit of benefit receipt. For example, in one panel, respondents discussed the need to catch young people and avoid them becoming used to the security and lack of worry associated with benefit receipt, albeit on a low income. They said that people who work have to be responsible for themselves, their wages, their mortgage, bills and debts, but people who do not work escape some of these:

‘They’ve got no responsibility. If you work, you see, it’s the work ethic, you constantly want to work, and if you don’t work then you panic about what you’re going to do to pay your bills. If you’ve never worked the DSS panic on your behalf, you don’t panic, you just go in to the counter and say, ‘I want you to sort this’. And we do.’

(ES: fresh claims, restart and jobfinder)

Panel members believed that it was easier to get a job from a job, so encouraging someone into employment, supported by ETU, was worthwhile because it was likely to lead to better things. In this interpretation, ETU was a stepping stone to better employment. In fact, Jobcentre staff said that they used this argument when ‘selling’ ETU to jobseekers:

‘You have to say, like, well you’re not going to be much better off financially, but you will have an up to date reference, and you’re in work, everybody knows it’s easier to find work when you’re in work.’

(ES, training for New Deal personal adviser)

The respondents believed this because of their experience of employers, who did not want to take on someone who had been unemployed for six months or more. They discussed employers’ negative stereotypes of longer-term unemployed people as ‘happy just to sit at home and collect his cheque’, not keen to work, and not ‘into the work ethic’ or a good time-keeper. By contrast, they believed that employers judged a person in a job to have discipline, be able to get up in the morning, and be reasonably reliable.
Panel members in both rounds said that ETU gave support to employers who paid poor wages and some thought that was intended when it was introduced. They contrasted the policies of the previous and current governments on the minimum wage; panel members speculated about the level at which it would be set and the effect it would have on ETU:

'I think the last government introduced it to save employers having to pay a minimum wage. I’d like to see how ETU is going to be affected if the [new] government introduces a minimum wage and set a certain level on it.'

(BA reception supervisor)

Some respondents in one panel thought that a minimum wage would mean that every job would have to be paid at a decent rate, so ETU would not be needed, at least in theory. They differentiated between the employer and the state paying for someone to be in work. However, after discussion, the panel concluded that income might, with justification, be comprised of money earned at work, with help from the state to pay their rent and council tax. They thought that assistance with the latter could be the key factor that determined whether a person would be better off in a job.

Central staff thought that a minimum wage would have to be pitched quite high before it would affect eligibility for ETU. They considered that it was more likely that ETU applications would increase because of the combined outcomes of the new initiatives:

'Because, if you look at all these new initiatives like Welfare to Work and New Deal ... the jobs out there are part-time jobs, so that would increase the claim load rather than take the claim load down.'

(Norcross, manager)

Finally, respondents in both rounds thought that ETU was a matter of fairness and social justice. It was to help people without children to bridge the gap and get into employment, in the same way that FamC, as an in-work benefit, helped people with children:

'I think if it’s trying to be fair to people who are single so that they could look at lower paid jobs and try and get back into the employment field. You know FamC has been generally quite successful, so I think it’s trying to be fair to single people as well.'

(ESJ manager)

In summary, the panels generated lively discussion of the place of ETU in the developing policy context. They believed that ETU and the New Deal complemented each other and shared the aim of helping people to achieve economic independence. However, they thought that it could still be appropriate for state support to be combined with earned income.
The BA staff charged with implementing ETU differentiated between 'training' local staff, in which they imparted the detail of ETU, and 'awareness', in which staff were given a broad understanding of its purpose and availability. The field implementation team felt that, unusually, they had 'the luxury of time' in creating and delivering materials on ETU. They developed desk aids in the form of laminated sheets on which were set out the conditions of entitlement, eligible local post codes, and a ready reckoner giving a broad indication of the amount an applicant might receive.

The field implementation team anticipated that local managers would require all BA staff who met clients and/or answered enquiries would need to be made aware of ETU, while training would be appropriate for those directly involved with potential applicants. Information would then be ‘cascaded’ to other staff. In the event, this happened in local BA offices: typically, everyone in the office gained awareness and a chosen few were given in-depth training, though the number given training varied according to local decisions.

ES colleagues were seconded to deliver training for ES staff. ES policy was that local familiarity with FamC meant that staff had less need for training: 'awareness', along with the desk aids, would be adequate. ESJs typically had ‘whole office’ awareness sessions and no ‘specialist training’, though, in some offices, some staff heard about ETU only informally. Staff were expected to use the desk aids and the information in the application pack to discover the details and said that they were used to teaching themselves in this way.

The research suggests that there were no differences in the provision of training and awareness between Scheme A and Scheme B pilot areas, or among the types of pilot areas. There were broad differences between the BA and ES, as planned, but also less systematically among the offices in each Agency.

Delivery of subsequent ‘training’ and ‘awareness’ was less systematic. Managers appeared to believe that front line staff could easily pick up and learn about ETU, but this was undermined by staff turnover and the use of staff on fixed-term contracts who received only narrow training. By the second round, BA respondents said the Agency did not use ‘casuals’ and there was little or no staff turnover. In contrast, ES respondents reported the widespread use of casual staff and temporary contracts.

The local nature of ETU, and the fact that for some offices only some of their clients were eligible (because eligibility was based on postcodes), meant that ETU could present difficulties for new staff in post. Remembering about the benefit and handling the eligibility problems were the main concerns, though ETU was included in the
better-off calculations on the computerised Labour Market System (LMS). Staff in offices whose catchment area was only partly in the pilot area found this most trying:

‘The postcodes don’t coincide with the BA and ESJ areas... people who were living very close to those (who) were eligible... and we’ve had some letters of complaint about it and one or two occasions where errors have been made, where they’ve been issued with a pack because we thought they were within the area and they weren’t...’

(ES adviser)

Some training courses were available for new staff, but panel members said that most ES training was by computer-based training packages. Given that ETU is a pilot, they thought it unlikely that it would be available in this form. (They were correct: the computer-based training package for in-work benefits does not include training on ETU.)

Central staff monitored trends and identified patterns in the completion of application forms. After a year of operation, some training and awareness needs had been discerned and ETU newsletters were introduced by the BA and ES for staff in the relevant pilot areas. Staff expressed a wish for feedback and that may also have had an effect. Some, but not all, of the panel members had seen their Agency’s newsletter. In addition, an article about ETU had been included in the BA in-house magazine.

The newsletter for staff at participating Jobcentres included information about central processing, and feedback on problems, the progress of the pilot and number of awards by Scheme A and Scheme B areas. It also referred to the need for training because of staff turnover in Jobcentres; a ‘training pack’ had been developed; also, staff were asked if they would welcome awareness sessions given by the BA.

The newsletter for BA offices gave the cumulative totals of their monthly returns and other information. It emphasised that the statistics were for internal BA use only. Jobcentre staff thought that the statistics would be useful for them too, and could see no reason why they should not receive copies.

Staff who received awareness and training thought they were well done, being unusually thorough and well prepared. They praised the materials, particularly the desk aids, that had been prepared by the project team. Many staff used the materials and the application packs to teach themselves about ETU. The concept was not difficult to grasp because it was widely seen as ‘FamC without the kids’ and that was often how they presented it to clients.

2.3.2 Views on information and training provided

The LMS system presents the interviewer with a structured programme of questions to ask the client. Better-off calculations are undertaken to show the circumstances (hours, hourly rate etc) in which a person will be better off in paid employment than in receipt of benefit.
ES staff said they were used to being ‘pitched in at the deep end’ and having to ‘fend for ourselves’:

‘It is a very, very easy benefit to decide whether we give the packs or not and we have the aide memoire and the ready reckoner and it was so easy...’

(ES Adviser)

In addition, staff could ring the project Helpline. Those who had were delighted with the response: they said that, in contrast with other helplines, the telephone was answered quickly and their questions were answered immediately and with confidence.

2.3.3 Effects of JSA and other initiatives on implementation

Panel members thought that the timing of the introduction of ETU was unfortunate. The lead in and the early stages of implementation were affected by the introduction of JSA. At the least, staff’s attention was diverted; Jobcentre staff in one area recalled being without ETU materials for the first few weeks, but said it was not important because JSA was uppermost. BA staff also thought that, in the event, ETU was delayed for a few weeks.

2.3.4 Publicity

Initial publicity for ETU was undertaken by the Information Division of the DSS. A publicity campaign was launched to ensure that enough people would apply; the target was 20,000 applications by the end of the pilot in September 1999. However, the campaign had to be suspended because of the 1997 General Election. By the time the election was over it was clear that the take-up was higher than expected and that the required caseload could be achieved without the need for further publicity. A total caseload of 20,000 was reached after only 18 months of the pilot; ETU was being paid to over 23,000 people at the end of 1998.

Devising the publicity campaign presented some challenges because the benefit is a pilot with eligibility based on postcodes within travel-to-work areas. Customary approaches such as TV or national newspaper advertisements were ruled out because they could not be sufficiently targeted on the eligible population. An audit was carried out to determine social characteristics, perceptions of job availability, concentrations of the ‘ETU target audience’ and possible media choices. Posters, leaflets and mailshot materials were designed; local approaches varied according to characteristics and requirements.

The main outlets used were: the local press; posters (on hoardings, in particular supermarkets, bus shelters and the Metro in Newcastle, and in Jobcentres and BA offices); local radio (only in North Wales); direct mail to unemployed and low paid employed people; targeted door drops; mailing to local organisations such as Citizens Advice Bureaux (CAB); cards in retail shops; and information sent to Chambers of Commerce.
The advertising invited people to ring a freephone number or use freepost. Telephone calls and postal enquiries were handled by a private sector company, Response House. Their task was to filter on qualifying criteria, record all details of the respondent, and send the relevant leaflet, letter or application pack. All enquiries and responses were monitored. Analysis showed good penetration of the target audience, confusion about the 16 hours a week rule, and that two-thirds of the early respondents were already in work, against one-third unemployed (though with differences among the pilot areas).

2.3.5 Staff views on publicity

Most of the panel members were happy about the initial advertising, though some had misgivings about its success in generating local knowledge and staff in one pilot area were critical of the quality and range. Staff generally said that subsequently there had been no concerted, centrally provided publicity. They were not informed about the policy and some interpreted the absence of on-going publicity as indicating a lack of seriousness of purpose about reaching the claimed target populations.

By the time of the second round of panels, offices apparently differed in the amount of effort they put into publicising the benefit. Jobcentre staff thought that there might be a poster about in-work benefits, if not about ETU itself, in their office; ETU leaflets were available in some offices. Respondents from the few BA offices with an Information Officer said that they largely concentrated on ‘in-work stuff’, which would include ETU, speaking to the CAB, Welfare Rights, social workers, community psychiatric nurses and other social support services. ESJs sometimes held ‘theme weeks’ on in-work benefits and other topics:

‘Local offices have theme weeks on certain things because we’ve got targets all over, and if you’re doing particularly well or badly on something, then you think we’ll stick a poster up on it and do a theme week, and it’s the thing that’s mentioned to everyone during that fortnight.’

(ES interventionist)

ES respondents were confident that unemployed people would hear about ETU: even if it was missed at any one, particular interview, jobseekers were seen so often it was bound to be mentioned. Respondents were less sure how people who were already in work heard about ETU; in the absence of any publicity, they thought it must be through ‘word of mouth’.

The areas differed on the issue of relying on word of mouth transmission of information. The rural areas expressed the need for publicity most urgently, in particular to reach people in low wage sectors such as hotels and catering. Respondents in the former mining and heavy industry areas were more confident that strong community bonds resulted in information being passed among local people. For example:
The local employer has just laid off so many employees and the remainder of the employees have been reduced to twenty hours a week, so we've been getting them all coming in, one started the ball rolling... and its word of mouth, so the rest of them have all come now, and we've been giving them out left, right and centre.'

(BA reception)

In contrast, staff respondents in one of the seaside areas described a structure of employment, with mostly small employers but also large, retail outlets employing a predominantly part-time and female labour force. The panel thought that, for women in that area, variable patterns of shift working and the pressure of combining employment with running a home and family created a fragmented labour force and militated against the development of bonds at work or in the community. Few channels were available for word of mouth exchange of information. (In fact, none of the sample of women recipients from this area found out through word of mouth, 3.3.2.)

Some panel members pointed out that publicising a benefit aimed at very low-paid workers presented a problem for ESJs because it meant admitting that a particular job was low paid. They said that Jobcentres were trying to build a new, corporate image in line with New Deal and did not want to revert back to the traditional view that Jobcentres have only very low-paid jobs. In addition, it was unlikely that employers would welcome an indication that an advertised job was so low paid that a person taking it might qualify for ETU:

'What employer is going to say, 'look, I'm paying really [low] wages, so you've got to get this benefit', you know, they're not going to say it, are they?'

(ES interventionist)

The panels thought that more emphasis was given to unemployed applicants than to those who were already employed. In both rounds, ES staff pointed out that employed people were not their clients, and that they might not be able to cope if all the eligible people applied. However, respondents thought that efforts should be made to reach people in low-waged jobs, such as security work, bar work, and care assistant in residential and nursing homes. For example, one said:

'You see, I don't think they're serious about it at all, because why are they only targeting the unemployed, why don't they get the people that just manage. There are lots of jobs in hotels and nursing homes and restaurants... what is there to alert them to the fact that there might even be something?... I just think it's a totally neglected area.'

(BA customer service manager)
Central staff’s views echoed those in the local offices to an extent. They pointed out that the applications generated by the pilot had reached the target for the pilot overall more quickly than expected, and that they were receiving quite enough applications to process without further publicity. They observed that new applications had ‘tailed off’, which supported local staff’s views. They also said that the rate of renewals was higher than anticipated. They thought, however, that the difference between the considerable effort put into the initial publicity and the subsequent absence of advertising, called the results of the pilot into question.

In some respects, there was no change in the roles of the ES and BA between the first and second rounds. While ETU was seen as belonging to the BA, staff in the ESJs made far more use of it in daily practice. The exception was BA Visiting Officers and the Benefit Investigation Service (usually referred to as Fraud Officers) who promoted ETU in the course of their jobs.

However, by the second round, the introduction of the New Deal was beginning to have an impact on the delivery of ETU. The introduction of New Deal was further advanced in some Jobcentres than in others; the New Deal for 18-24 year olds had been running as a trial for some months in two of the pilot areas, and all the offices had selected staff for specialist training.

A number of New Deal effects were reported, some of which bear directly on ETU in the short and the long term. It was noted in the first round that BA staff had the time to promote ETU, but not the demand from potential applicants to do so, while ES staff had the clients but not the time. In the second round, staff believed that this unequal distribution of resources might be redressed as ES staff gained more time with clients under the new regime. However, it could be more demanding of staff time while it was being developed. Staff reported that New Deal advisers had been pulled out for training and ring-fenced so staff in other parts of the office had been lost and tasks cut to the bone for a period:

‘You’ve just got enough staff to keep up with the fresh claims and that’s it.’

(ES reception)

ES staff referred to the following New Deal changes that were being put in place. When they were established, they were expected, inter alia, to give staff more time with clients:

- Jobcentres were focusing on New Deal and portraying a new, corporate image;
New Deal represented a culture change, from 'policing a service' to 'responding to the customer', which was widely welcomed: ‘the pressure is off, there's a much more enjoyable atmosphere working with clients. You've got a lot more to offer the clients.’

(ES New Deal adviser);

in particular, New Deal would give the time and consistency of contact with clients in which to build an intimate picture; and it would catch them young enough 'to break this benefit for life'. Advisers needed a good knowledge of the local labour market so they could see if clients had unrealistic expectations about their prospects for getting a job; and

New Deal for 18-24 year olds had the advantage of simplicity: ‘That's why I like New Deal. I like this idea of subsidising employment for an amount of time as being one of the options ... and then you've got six months in which you hope that they're earning a wage where they don't need any top-ups and this and that ... in a permanent job and they've got responsibility for their own life again ... there must be a system that gives people a feeling of being in control.’

(ES business manager).

Respondents believed that ETU could be promoted within the New Deal for 18-24 year olds - in fact they worked well together and shared similar aims:

New Deal might generate a surge of applications for ETU because it was most able to help young people living at home and many New Deal clients fell into this category: ‘I think it will sit very nicely with your New Deal organisation.’

(ES adviser team leader);

The two areas trialing the New Deal were pleased with developments: ‘We're getting quite a few really decent New Deal vacancies coming through with good training ... But ETU is still available to them. A lot of the vacancies are quite well paid as well, they are offering quite decent wages.’

(ES adviser); and

ES staff were aware of local employers who had gained a bad reputation from their behaviour with earlier schemes for example, unscrupulous use of YTS. New Deal had rules to control them, and they were being avoided:

'Initially they can (offer very low wages), the ETU is there for them, but if they continually do that and after the six months ... pay them off and then take somebody else under New Deal, well then they could be struck off ... we're monitoring them very carefully ... we've got the notorious employers ... they'll just pay them buttons and finish them every couple of months ... so the marketers know who the companies are ... there's a few in our area we
haven’t actually sold it to, they’ve made enquiries to us but we haven’t sold it them.’

(ES adviser).

2.4.2 ES targets

In the first round, the individual and office targets for ES staff appeared to set overriding goals for panel members. A client adviser said that statistics and monitoring associated with targets were an overriding concern: ‘I know I’m banging on about stating results, but I live and die by these things’. In consequence, Jobcentre staff welcomed ETU particularly because it made a positive contribution to achieving their tasks. They contrasted it with the predominantly negative force and threats they felt they had to otherwise use.

In the context of the moves towards New Deal, some ES staff in the second round reported changes in respect of office targets, but some were not convinced that the changes would be as promised. For example, one district had moved from office targets to district ones: the intention was that offices would support rather than compete with each other, but they had been given ‘shadow profiles’ which worked in much the same way as office targets. Other respondents also said that despite the changes that were under way, and the move towards quality rather than quantity associated with New Deal, targets were still pressing:

‘The ES is obsessed with having targets that we can meet, and getting people into jobs, and getting credit for (it) ... although we are moving away from ... just the quantity into the quality, and New Deal ... we’re obsessed with targets.’

(ES business manager)

In both rounds, ES staff agreed on the usefulness of ETU in specific instances, such as achieving recruitment for a particular scheme, and in general. It was described as ‘a good tool’, and ‘something positive, sweets rather than a stick’.

However, the staff panel in a Scheme A area suggested that the fact that the ES had no credit or target for ETU as such, and that awards were set very low, together had a real effect in that area. From the outset, as reported in round one, ETU was not seen as a priority, but was low profile. Such was the lack of awareness in some offices, that a member of the panel had been sent to the first meeting on the understanding that it was to inform participants about ETU. Respondents at the second meeting said that there still wasn’t much awareness among staff, and nor would they have easy access to information about it.

By way of explanation, the panel members said that many things were going on in the area when the pilot was introduced. One of the ES co-ordinators said that she was told that there was no need to push it, because it carried no target and there was so much else to do. An adviser said that he had come to the first panel meeting with little
knowledge and quite a poor opinion of ETU, which he felt was set too low to be of any use. When he went back to his office, he found that others shared his view, though one person used it to help self-employed people. Interest had improved over the months:

‘When I went back ... I said I’ve been to this meeting and the general opinion in the office was that ETU wasn’t really worth that much. Then one of the general advisers piped up and said well he uses it quite often, and he was telling me that every week he gets people who want to do self-employed work ... So there are some positives to it, I must admit, and since I attended the last group I’ve found more people asking me about it as well.’

(ES adviser)

2.4.3 Staff activities

The pattern of staff activities was similar in both rounds. BA receptionists were the main actors in their offices. Usually, the enquiries were general and required them only to hand out the application packs.

Most ES staff were involved in ETU applications in some way: clients were likely to be informed about the benefit at all stages from new claims to leaving benefit. There were differences among the local ES offices in their approach to handing out application packs, with some limiting their distribution because they suspected many were thrown away and wasted. Also, ES staff were keen to be involved in the application because it would contribute to their performance.

Another difference among ESJs appeared to be linked to the size of the office. Staff in the smaller Jobcentres were more likely to fulfil a number of roles. For example, a respondent in one panel described how, in her Jobcentre, fresh claims takers were expected ‘to get somebody back into work in a month ... that’s part of their job’; she also referred to the changing and expanding role of the interventionists. Another respondent said that this system would work in a smaller office, but not in a large, busy one under pressure from clients and ‘where you’ve got queues out the door’.

The bigger Jobcentres had a more formal division of labour, with more specialised groups of staff who were often on two separate floors; awareness of ETU was not spread informally under these circumstances. Such offices sometimes had a ‘floating adviser’ who was not tied down to appointments, but could respond as needed and deal with ETU applications. Maintaining communication across staff divisions could be a problem and some offices were under pressure from the numbers applying to them:

‘We’ve got such a volume of people coming in through the doors ... there isn’t time to communicate with the person next to you ... actually, downstairs, and I haven’t got time to go downstairs and look to see are there any special jobs coming in ... we’ve got such a large amount of people making fresh claims at the moment that the fresh claim takers don’t have
time to do an intensive job-search or refer them to benefits.'

(ES New Deal adviser)

Local staff said that clients who had literacy problems needed help to complete the forms. Central staff thought that, in any event, it was important that local staff helped applicants with their forms because it helped to ensure that the information sent was both correct and complete. Otherwise, when they received information that did not match what was held on the Departmental Central Index, they had to telephone or write to seek verification. However, they were not confident that that necessarily cut out all false identities because it was open to abuse: they felt that face-to-face contact and evidence were the only satisfactory means.

2.4.4 Monitoring

Staff in both rounds raised doubts about the quality of the information gathered through the monitoring system. Staff in BA and ES who dealt with the public maintained five-bar-gate counts, which they said were notoriously unreliable, not least because there were so many other things to do. Accuracy depended on how busy staff were. Panel members in one area described the pressure on them:

ES adviser and team leader: ‘We’re in the middle of a two week run of a request from BA, Living Within Our Means, stats which we tick boxes all over the place, as well as New Deal, Open Access, JSA.

BA receptionist: ‘We’ve got seven stats sheets to keep for different things, every day.’

ES staff were keen to record the use of ETU as part of their efforts to reach their targets. They reported a variety of recording practices, including entry into LMS ‘conversations’ or ‘special local initiatives’ or recording it as FamC.

A few ES respondents in some panels had read in the newsletter that ETU would not count towards performance measures nationally, but it could be used by local managers to monitor local performance. The discussion in one panel concluded that ETU should be treated as contributing to performance in the same way as FamC. They also emphasised the importance of the link between ETU and other initiatives to help people back into work, such as extended Housing Benefit, and the consequent need to ensure that an adviser dealt with it.

2.5 Applicants

Panel members in both the first and second rounds agreed that the Agencies performed different roles in informing potential applicants about ETU. ES staff were proactive and informed clients about the benefit at numerous interviews, while BA staff responded to requests for information. Only the Visiting Officers and Benefit Investigation Service officers could be said to initiate contact and action from the BA.
2.5.1 Recipients helped by ETU

There was universal agreement among panel members in both rounds that the main group helped by ETU were young people living at home with their parents. The advantage to this group was so marked that some respondents thought that the benefit had been developed with them in mind. Respondents in all the areas said that, typically, the employment on offer was part-time, with low wages. Young people had limited labour market experience and it was easier to persuade them to take these jobs.

Panel members in the second round added a few other groups who also might be helped: single people of any age, as long as they remained eligible for Housing Benefit; ex-miners with a small pension from their former employment, though they were usually excluded by means-testing; single parents when their child reached 16 years; older workers who were looking for ‘a little part-time job that pays them enough to pay their stamp’; part-time students, but only under particular circumstances; older women in their 50s, for example looking after a neighbour’s children; and some older men, in part-time or self-employed work, and particularly if they had paid off their mortgage.

2.5.2 Applicants unlikely to be helped by ETU

Panel members in the first round agreed that people who had financial commitments, running their own home, and particularly those with a mortgage, could rarely be helped by ETU. Because ETU was counted as income for the calculation of Housing Benefit and Council Tax Benefit, and also because recipients lost all passported benefits such as free prescriptions, people could find themselves no better off. Benefit was described as being given with one hand and taken back with the other.

Similar views were expressed in the second round, though the emphasis varied by area. Respondents from the Scheme A areas said that ETU was set too low. They said there were times, for example with married couples, when it was embarrassing to tell people what they might receive because the amount was derisory. One panel debated the difference between what the government would call a ‘reasonable’ level of income and what they, themselves, would think was reasonable. They said that they took the ‘official line’, ‘You’re supporting yourself, you’re taking responsibility for yourself’, but often had to acknowledge that the person would scarcely be better off.

There were additional, particular circumstances in which groups were disadvantaged by the type of area: for example, people in outlying villages in rural areas faced the cost and unreliability of public transport; while in the old industrial areas, people who were old enough to remember ‘proper jobs’ still sought after them.

Respondents said that a problem was posed by single young people who were responsible for running their own home, but were aged under 25 and received ETU at the lower rate. They had become used
to renting a decent home, but could afford to rent it only as long as they received Housing Benefit. In one panel, respondents could not see how young people were going to be able to earn enough to cover their full rent. To do this they needed, and sometimes expected, to get a job with good pay, even though they had little or no skills or experience. Panel members thought that these young people were caught in a bind created by the wages, benefit and tax systems.

2.6 Employers

The evaluation includes consideration of whether the actions of employers inhibit the working of ETU, and whether the availability of the benefit has affected employers’ wage setting and recruitment activities.

2.6.1 Effects of employers’ behaviour on ETU

In the first round, panel members indicated a number of employers’ practices that affected workers’ eligibility. They alleged, for example, that some employers kept working hours below 16 a week because that was the point at which they incurred a range of responsibilities; employers held employees to standby and zero hours contracts with the consequence that they could not make up their 16 hours from other employment; some employers encouraged their employees to work and also sign on for benefits; and private employment agencies paid very low wages and gave no security of employment.

Central staff often contacted employers about applicants’ incomes, and they thought that would prove to be a channel for the dissemination of information and awareness about ETU. They suspected that already there were some examples of poor employment practices, and that as knowledge of the benefit spread, employers might set wage levels accordingly. They noted that employers, as well as applicants and local staff, could use the Helpline to get information.

In the second round, panel members referred to the same practices as they had earlier. Local ES staff disagreed on whether employers were getting to know about ETU. Most gave examples that showed that some local employers did know about it, but a few thought they did not.

Staff from both Agencies at the Scheme A seaside pilot area were very concerned about the level of illiteracy among the eligible population and how to inform people already in a job. The BA customer service tried to work through the local Personnel Management network to gain entry to firms; she contacted companies direct, but was refused access. Panel members thought this was because the employers did not want to admit they paid low wages and said that the same process was seen in respect of FamC. Employers who were approached would, as a result, have found out about ETU.
‘We contacted companies that we knew took people on, and we tried to play it ... ‘You must have people that are working part-time, but still work enough hours to qualify for this, and they’re going to be low paid, but that doesn’t necessarily mean that you’re paying them low wages.’ But they still don’t want to know.’

(BA customer service)

2.6.2 ETU effects on employers’ behaviour

In both rounds, staff respondents in the pilot areas could offer little evidence that employers’ behaviour had been affected. However, respondents in one panel referred to a number of employers who knew about ETU, and who gave the necessary extra hours to make employees eligible, at 16 hours a week, but for no extra pay. Staff likened this to the various ‘scams’ they believed that employers worked on FamC.

Staff thought that some effects were likely, as follows:

- the availability of ETU would not dampen wages because it was a low-wage area anyway (this was a common theme across the areas);
- employers paid the lowest wages they could get away with;
- the level of unemployment was a powerful influence on wages;
- small, fragmented employers had less control over local wage rates than large employers, so it was likely that local labour markets would differ according to the proportion of small employers;³
- at the moment, employers cannot know who is eligible for ETU; and
- landlords had taken advantage of Housing Benefit and driven up rents, so it was likely that employers would take advantage of ETU to drive down wages.

Some central processing staff received requests for information from employers. In consequence, staff found out when employers knew about ETU and said that some were exploiting ETU in the same way that they were believed to take advantage of FamC. They did not know which employers telephoned for information, but thought that it was likely to be small, local ones because they would know about the circumstances of individual employees. The big multiples they believed were less likely to be aware because ETU was a pilot and available only in some parts of the country:

³ Though larger employers say that they are constrained by national pay agreements and are less able to vary wages locally: see Section 4.2.4.
‘Quite often, we’ll have employers ringing up that know they’re on this scheme and you know I had one last week where he said, ‘Well, she is due for a pay rise, but if we give her this pay rise her ETU will stop.’ So they know ... I mean, we do get employers ringing us up that will blatantly say, ‘How much are they going to get for this top-up, because it means we won’t have to pay them as much’ so it’s very difficult.’

(Central processing staff)

2.7 Take-up and targeting

2.7.1 Take-up

Official statistics reveal that take-up was less than anticipated at the outset, which panellists in the first round put down to the concurrent introduction of JSA. Interest and take-up had improved markedly by the time of the first round of panel discussions. Later, it was clear that the expected caseload of 20,000 recipients by the end of the three-year pilot had been reached far earlier than anticipated.

In the second round, differences between the responses of panellists from Scheme A and Scheme B areas were apparent. Scheme B respondents, but only some from Scheme A areas, said that they had been enthusiastic from the start, and that the benefit was useful. These respondents believed that ETU had taken off well, especially for young people under 25.

Scheme A panel members said that their lower numbers were at least partly explained by the level at which Scheme A awards were set. When awards were calculated for people they simply were not as attractive as staff had been led to expect: this gave ETU a poor reputation in the office. Overall, they expected Scheme A take-up to be lower than in the more generous Scheme B areas:

‘The amounts were so laughable that people saw it as a rubbish scheme ... that was the initial response in our office. it’s not really worth selling to anyone ... and it’s only as people have had success stories and have talked about it amongst the other advisers in the office that the word is getting out that it is OK for some people.’

(ES adviser)

2.7.2 Targeting

In the first round of panel discussions staff agreed that they needed feedback so they could judge their success in terms of the number of applicants in their area. In fact, they wanted to know how many had been recruited through each office. However, little information was disseminated, and that was limited to global figures. Moreover, it did not always reach all staff with an interest. BA staff were surprised by the level of take-up because they were less involved with applicants than ES staff were.

Newsletters were published around the time of the second round of meetings (see also Section 3.1). Staff welcomed them, though again it seemed that distribution might be a problem: some, but not all, panel members had copies. Managers appeared to be more likely to receive copies than front line staff; it is possible that relevant staff may not be able to rely on receiving them.
In both rounds, ES staff said that ETU was useful if it was carefully targeted on groups they knew it could help. The pattern of contact meant that unemployed people were interviewed regularly: each office would have worked through its whole register during the year and a half since the benefit had been introduced, and people who remained on the register would have been interviewed at least three times. A few ES respondents thought that they received more enquiries about ETU than FamC because of the composition of the register.

Central staff said that the number of new applications was ‘tailing off’, but there were many renewals. The panels of local staff appeared not to be aware of this pattern and found it difficult to make judgements about take-up and targeting. It will be recalled that their understanding was based on their own, inevitably partial, experience. They wished for more information.

The recent BA newsletter included an inquiry from central Field Liaison staff to BA ETU managers if they wanted a second ETU User Group meeting (their response was not yet known). The newsletter included cumulative totals for applications and renewals at mid 1997, showing the numbers received, and those awarded and disallowed. The data were disaggregated by Scheme and pilot area. However, as mentioned above, not all the BA panel members were aware of this information, which appeared to be disseminated unsystematically at the local level.

The ES newsletter gave data showing the total awards for the second half of 1997 and from where the applications had originated. The data were disaggregated by Scheme. Neither of the newsletters showed renewal rates or trends over time.

The numbers of successful applicants in the pilot areas may be accepted as a measure of performance. They also alert us to the possibility of unsuccessful applications, whether they were common, and how their existence should be interpreted. In this section, the panel discussions are drawn on to explore differences among the pilot areas on the measure of successful applicants.

Respondents in the area with the lowest number of awards (the seaside area in Scheme A) were struck by their position and discussed it in depth. They put forward a number of reasons for the take-up in their area. The dimensions the panel thought were relevant were as follows:

- Scheme A awards were too low to be attractive;
- the local cost of living was very high because of the pilot area’s proximity to London. Combined with the low awards available from Scheme A, this meant that it was particularly difficult for applicants to be better off;
- a high proportion of people had mortgages, and many had substantial mortgage borrowing. Also, it was alleged that landlords had taken advantage of Housing Benefit and driven up rents in private

2.7.3 Pilot area performance and variability
properties. People on low wages could not earn enough to cover their mortgages or rent, even with ETU;

• it was not appropriate or fair to compare them with their ‘matched’ seaside area because their only shared characteristic was the fact they had a coastline. Indeed, even that was dubious, because their’s was a riverside;
• ETU was not given a high profile at the outset, with the result that staff often had little awareness of it; and
• local bed and breakfast provision attracted a larger than average transitory population with particular social and personal problems.

According to the staff panel, work traditions were broadly divided between well-to-do people who travelled to the city for jobs and essentially locally oriented people, with low car ownership. The latter group had worked on the docks and the river, but much of this local employment had been lost. The labour market was then dominated by a huge, London oriented, retail park, and small employers, all of which offered part-time jobs.

Because of the loss of local jobs, and the proximity to London, staff believed that there were groups in their area who probably would not get a job, and that some offices had more than their fair share of them:

ES New Deal adviser: ‘We’re the dump area ... we’ve got people with mental problems, convicts, drug abusers, they’re all shovelled into [our Jobcentre] because there is bed and breakfast, and what can you do with those people ... really they’re just itinerants, going from place to place.’

ES business manager: ‘And you’ve got a very high Personal Issue level haven’t you ... And they’re very difficult.’

Panel members thought some aspects of ETU were a success and some were not. Respondents also offered opinions on piloting in principle and in practice, and possible futures for ETU, particularly in the light of their experience of New Deal policies.

The general view of ETU was that it was useful and valuable. Overall, respondents welcomed the benefit, but saw some problems too.

In praise of ETU

Staff said that the success of ETU was demonstrated in two ways: by the number of people who were claiming it; and the speed with which the overall target of applicants for the pilot was reached. It also worked well within the New Deal strategy, because both shared the same aims:

‘Advisers do view ETU in a very positive light, and it does get a lot of young unemployed people off the register. There is a lot of interest. They get more phone calls from employed and unemployed people about ETU than any other single topic, so it is a popular initiative.’

(ES adviser)
Staff views were similar in both rounds. They judged ETU as successful because:

- it met its aims: it helped staff to meet targets for getting people into work; and it could maintain people in part-time employment and keep them off the register;
- it reduced the number in receipt of benefit;
- it encouraged people to leave benefit for paid employment, particularly part-time jobs, for which it made the difference between applying and not applying:
  ‘If ETU wasn’t there they’d be much harder to fill.’
  (ES New Deal adviser);
- it encouraged and supported people in taking shorter-term contracts and jobs they otherwise would not have taken;
- while it was harder for clients to refuse a job under the JSA regime, Jobcentre staff needed a way of ‘selling’ jobs to them. ETU was a useful tool:
  ‘You’re painting this nice rosy picture, it’s a good thing.’
  (ES adviser team leader);
- it enabled Benefit Fraud Investigation staff to persuade people on the borders of legality, signing but also working, to ‘come clean’ about their status. This applied in particular to those with low-paid, insecure employment, perhaps paid cash in hand;
- it could help specific groups, such as: people establishing themselves in self-employment; people who had taken early retirement and who wanted a job which would keep their National Insurance contributions up to date; and the newly unemployed, catching them early while they were still motivated, had recent work experience and did not harbour unrealistic expectations; and
- it had an important preventive role, encouraging young people into employment and diverting them from becoming habituated to benefit receipt. In the second round, staff emphasised that ETU, in conjunction with the New Deal programme, played a particular role in motivating young people.

Staff repeated that ETU filled a gap in provision for low-paid people. With FamC and DWA, in-work benefits were available for nearly all groups. However, 16 and 17 year olds were not provided for.

**Problems with ETU**

Staff thought that ETU shortcomings were associated with the benefit itself, how it interacted with other benefits and Agencies, and how it was operated and processed. Respondents in both rounds feared that they were required to convey too much, and too complex, information to clients. Some other problems were raised only in the second round, as views and interpretations changed in the different policy context.
Difficulties which arose from ETU itself:

- Scheme A payments were too low;
- people could qualify for ETU because they were working 16 hours a week, but still be so low paid that they did not earn enough to be covered by National Insurance;
- ETU might deter people from making the move to full-time employment if they were too comfortable with part-time work and benefit;
- some groups could probably not be helped because they were unlikely to get a job, and some areas and offices had more than their fair share of them; and
- the status of ETU was unclear: on the one hand, it was a benefit, and for some people benefit receipt was stigmatised; on the other hand, it was a boost to wages.

‘It’s got to come somewhere in between this boost to your wages thing and the benefit bit, there must be something else you can call it to sell it, so people realise it’s helping them back into work.’
(BA Information Officer).

Difficulties which arose from the benefits system:

- clients’ fears about their rent were a barrier to their moving off benefit. The processing of Housing Benefit claims and, sometimes, the difficulty of meeting Extended Payments deadlines (Stafford et al, 1998) were described as
  ‘an absolute nightmare, and puts them off.’
(ES adviser);
- the giving of ETU with one hand, only to take away Housing and Council Tax Benefits with the other, was universally condemned. Staff in all the areas and in both Schemes, thought that it was a mistake to count ETU as income and suggested that all or some of it should be disregarded in the calculation:
  ‘The actual nitty gritty at the end of the day, is what they’re going to be left with after they’ve paid their rent out and their Council Tax.’
(ES Jobclub);
- ETU was part of a serious problem in which the client suffered from an overload of information. Respondents described the plethora of benefits they had to discuss, such as JSA, New Deal, National Insurance contributions, Jobfinder Grant, Incapacity, Housing and Council Tax Benefits. They thought that clients did not understand or take in all they were told; and
- in the context of the discussion about the weight of information that had to be given to clients, a respondent suggested that tinkering and adding to the system would not work. It was time to re-think
welfare-to-work policies:
‘I think we’ve got to saturation point with extra benefits and help ...
They need to scrap the lot and start off with one thing that helps unemployed people get back to work. There’s too many.’

(ES adviser).

The effects of the way ETU was operated and processed:

• after the initial advertising, the benefit was perceived as being poorly publicised. Some respondents thought this showed it was not taken seriously, and most felt that it meant that the pilot would be flawed;
• the system of recording used in ESJs made it difficult for staff to gain recognition when they had used ETU successfully:
‘That is the issue. We don’t get any stats or credit or targets for ETU at all, which is why it doesn’t matter whether we do or do not use it.’

(ES business manager);
• filtering out ineligible people on the grounds of postcode, age and hours of work could be inefficient; and
• the monitoring at local office level was unreliable.

Employers’ practices, such as keeping hours and pay low enough to avoid responsibility for sick pay and National Insurance, could make it difficult for clients to claim ETU.

Finally, some respondents raised the issue of 16 and 17 year old young people. They thought that at present, little was available for members of this age group who did not continue in education while living with their parents. Such work as they could find was extremely low paid, training schemes were allegedly of poor quality, and those who were not supported at home faced high living costs. The state rightly contributed to these costs, but young people could become trapped because they were unable to earn enough to keep themselves. Jobs which offered training, such as hairdressing, were usually also very low paid and brought the need for parental support.

Respondents suggested that ETU could play an important preventive role, encouraging 16 and 17 year olds into work and stopping them slipping into ‘a two year rut’ in which they were idle until they could sign on. The best solution would be ‘proper apprenticeships’, but any job would instil the appropriate ‘work ethic’ and habits.

‘If you’ve caught them coming out of school, and give them the incentive, you could say: ‘Right, what do you want to train for?’ like apprenticeships used to be. Not these bloody silly training for work ... a proper apprenticeship... and you’re getting them when they come out of school, before they get into this trap of two years ... hanging around with their mates who are in the same situation and they think, well, this is better than working.’

(BA receptionist)
Panel members discussed the ways piloting was and might be used and the strengths and weaknesses of this pilot. Central processing staff expressed particular concerns because piloting and the possibility that ETU might not continue beyond three years directly affected their jobs.

**Piloting as ‘ironing out problems’**

The idea of piloting as a way of trying out a new process or approach so that problems can be tackled and improvements made before it is ‘rolled out’ nationally, is familiar and well used in the BA and ES. Piloting in this sense might be better called ‘trialing’ and panel members approved of it. However, respondents recognised that it was not the approach taken with the ETU pilot.

Respondents noted that the Jobfinder’s Grant had been piloted (or ‘trialed’). They thought that there were strong parallels with ETU, not only because both addressed similar concerns, but also because the less generous version of Jobfinder’s Grant was chosen and staff suspected that would also happen with ETU.

‘I think you have to pilot things to get out and find out what the problems are before you actually roll it out nationally, and it applies to ETU just as much as anything else … once they have learned the lessons of the pilot, I’m sure there will be improvements … I mean they are piloting two different schemes, and we recognise that the scheme we’ve got is far more generous than the other one.’

(ES adviser)

Respondents thought that this approach to piloting could be seen currently at Jobcentres in which direct access computers had been set up to ‘iron out the problems’. Staff believed that such computerised systems would be sure to ‘go national’, not least because of the investment that had already been made in the design and installation of the machines and the software:

‘There’s huge investment in the design of these systems, so you tell me if they’re going to knock it on the head and say it was a load of rubbish.’

(ES adviser)

Respondents thought that piloting (as ‘trialing’) was sensible and useful because, ideally, it allowed changes to be made in response to the everyday realities of work at the front line of a BA office or Jobcentre. Central processing staff observed that piloting gave the opportunity to look for best working practices, and to decide where processing should be undertaken and put the systems in place:

‘You can measure how successful something has been and iron out any problems if you are going to go national with it. Take on board the practitioner’s point of view (and) actually act on them. Because we’re the people at the front that is actually dealing with the clients and it’s intended...’
Some respondents thought that a related approach should be taken with ETU, again on the model developed for the Jobfinder’s Grant. ETU should be introduced nationally, but reviewed every few years to ensure that it still met certain essential criteria:

‘Maybe not a pilot, maybe a sort of period of review … like your Jobfinder’s Grant, after three years we’re going to decide on a model and we’ll go for that and review after five years to make sure it’s still working. Why shouldn’t ETU be the same … review it every three years to make sure that it’s current because the job market changes and the client base changes and New Deal is all about evoking this social change.’

(ES New Deal adviser)

The ETU pilot in principle and in practice

Some respondents welcomed the ETU pilot, which they understood would evaluate performance and then come to a decision about implementation, as the ‘first real pilot’:

‘This is the first time we’ve ever had a genuine pilot, because all the other pilots we’ve had, we said it will go national, and lo and behold it’s gone national. We’ve not had genuine pilots before.’

(ES adviser)

A few respondents questioned the fairness and even the legality of this kind of pilot:

‘The unfairness of it really. I find it hard to believe that they’ve got away with it really, from a customer perspective. I mean, it’s three years money that certain people have had that others can’t. I find it very hard to deal with … you wonder whether it’s legal, really, but I suppose it must be because they’ve done it.’

(BA central staff)

Some respondents argued that the pilot would be flawed because of the political and policy changes that had taken place during it:

‘I would have thought that they could have looked at the take up over a shorter period of time than three years … had a general election and probably nobody thought that Labour would get in, or quite to the extent that they did get in, but three years when you’ve had a total change of government and a total change of views on how benefits should be taken forward, possibly wasn’t the best time to pilot it.’

(BA reception supervisor)

Many found the approach taken to piloting ETU unfamiliar. They recognised that its performance was being evaluated, and that a decision would be taken whether to ‘go national’. However, they had not been told the grounds on which such a decision would be based, what
would count as a good response rate in relation to application packs handed out, or how they were to know how much the pilot had achieved.

It is possible that the lack of explanation and of targets may have influenced staff views, and thus affected implementation. However, the evidence is equivocal: on the one hand, staff may have put less effort into ETU because it did not ‘count’ towards their targets, but on the other hand staff indicated their pleasure in tasks that included ETU and were not target-driven.

**Statistical information collected**

ES respondents were not confident that the ETU pilot would generate the information necessary for sound decision-making. They pointed out that the statistics that were kept were outcomes, while ES statistics were usually measures of activities. They thought this showed that the ES had not been involved from the beginning, and doubted if the data would measure anything useful. In addition, actions concerning ETU could not be entered on the LMS system; nor was it on the computer-based guides, but only on paper guides:

‘Being a pilot, like you say, it has added complication. I mean, our guides and things are all on ESCOM now, but ETU being a pilot isn’t in (it) ... we had all our guides away, not long since we threw them all in a skip and then somebody said where’s the ETU guide, so we had to go out and retrieve it ... dig it out, rinse it off a bit, and put it back.’

(ES New Deal adviser)

Some also feared that it might be withdrawn on inadequate grounds, for example, if it was successful only in a minority of the areas. Staff would then be faced with the loss of a successful benefit and a useful tool. In consequence, they thought that piloting ETU and deciding its fate at the end of three years was inappropriate. Serious consideration should have been given to it beforehand, and the decision taken then whether to go national:

‘How the hell can they give it on one hand and take it off on the other. It just seems barmy to me. You’ve flogged yourself for two years selling the damned thing to the public, and they know all about it, and everybody thinks it’s brilliant, and people that get it are actually benefiting from it and then you just go ‘That’s it’.’

(BA ETU co-ordinator)

**The limits on publicity**

Staff were concerned that there had been no publicity since the initial advertising, so the pilot would not show the potential take-up of the benefit (Section 2.3.5). They focused on a number of aspects. First, respondents from offices with only a few eligible postcodes said that
there was little publicity or chance for local knowledge to develop and be spread by word of mouth so the pilot would not show the potential take-up of ETU in their area. This was a particular problem in Newcastle and Sunderland where Scheme A and Scheme B pilot areas were side by side.

Second, staff contrasted ETU unfavourably with FamC because of the failure to publicise it to employed people. They thought this group was neglected and given no reason to think that they might ask for help. Some staff doubted if the pilot could be taken seriously because of this omission. The BA was cutting back on visiting, which again limited the spread of information. Respondents thought that they could not tell what the real uptake would be.

'I don’t think they’re giving it a fair trial at all. They’re just not publicising it enough, especially in areas like us ... we cover a wide geographical area, and if people can avoid travelling 20 miles they’re not going to drop in to us on the off chance that there might be something interesting.’

(BA customer services)

Some respondents acknowledged that the piloting and postcodes limited the scope for publicity. This simply made ETU difficult to operate at times as people who did not qualify asked for it, and it was difficult to tell them they could not apply:

‘It’s quite difficult to identify such cases when you’re doing so many interviews during the day ... I wish the thing was done nationally straight away so that we could all be involved in it because I think it will be a very popular thing, just like FamC.’

(ES adviser)

The need for feedback

Respondents urged the need for feedback so they could see how well ETU was performing across the pilot areas, and make judgements about the usefulness, or otherwise, of their own activities.

Panel discussions showed that staff recognised the drawbacks to feedback about ETU, but thought they were outweighed by the advantages. The purpose of a pilot was testing, and for local staff to be involved in that they needed feedback and clarity about measures of success:

‘That’s what trials are all about, aren’t they. Giving you information. I mean, if you’re piloting it, and they’re looking at it from the sense of what is take up, are people interested, can we go nationwide with it, then you need to know how it’s doing, don’t you? ... I would have thought that feeding this information back to the field was very, very important ... because we don’t know what the take up is.’

(BA ETU co-ordinator)
Nearly all staff feared the loss of ETU on their own account and for the recipients. They were concerned how ETU could be decently withdrawn. As discussed earlier, central staff also feared for their jobs.

**Withdrawal of ETU**

ES respondents were concerned that they might lose ETU, because they found it particularly useful in conjunction with New Deal:

‘And we’ve got this lovely tool that helps youngsters and if they take this away from us what else have we got now, there’s nothing else. New Deal will bring in all sorts of opportunities and the employer gets £60, but what is there, in the client’s pocket, if they take ETU away?’

(ES business manager)

Concern was expressed about the relationship between recent policy initiatives and ETU. The affinity between ETU and the New Deal was seen as two-sided. On the one hand, they shared a similar purpose and were largely targeting the same groups, placing ETU within the new approach and policy. On the other hand, ETU might be judged as competing with the New Deal, offering help to a group that was already getting a subsidy, which would make it vulnerable to being withdrawn:

‘And you see there will be some overlaps, and government could argue that because ETU is helping the group that is precisely the New Deal group … that are already getting some subsidy towards actually getting a job, and why should ETU be there as well.’

(ES adviser)

Respondents also debated the effects of the introduction of a minimum wage, which might lead to ETU being withdrawn. Central staff thought that the minimum wage would have to be pitched quite high before it would affect ETU recipients, who mostly worked part-time. They thought it might have to be set around £4 or £5 an hour to have an effect, and certainly well above the £2 or £2.50 an hour that most ETU recipients earned.

Staff had become used to ETU as an in-work benefit and part of their daily work:

‘You forget it is a pilot … it just sits along there next to FamC, and in the offices where everybody is involved it’s just automatic … I would never think to say to somebody … ‘This is only going to run for three years’. You don’t, because you imagine it’s going on forever.’

(ES adviser)

They thought that the (then) new Labour government would not take away FamC because it was well established, but ETU was vulnerable
because it was only a pilot:

‘My fear is that it might be a victim of its own success in the pilot areas, and they might evaluate it as too expensive to introduce on a national scale.’

(ES adviser)

Central processing staff valued ETU as a work initiative that fell within current welfare reforms. They hoped that if it did not go ahead itself, it would be replaced by something else in the same vein.

**Effects on recipients**

Most respondents believed that if ETU were withdrawn, many people would have to give up their jobs and sign on again. Recipients who had been able to take a job only on the strength of the extra payment would not be able to afford to live without it:

‘It will be one hell of a shock if it doesn’t become national straight away and they will have this gap in between … I think we’ll get a lot of people coming back into the jobcentres again, signing on … they’re not going to see it as ETU by that stage, they’re going to see it as part of their wage, and … if you take that crutch away from them.’

(ES adviser)

Central staff also expressed their concerns about the management of customer expectations if/when ETU was withdrawn. They questioned how its finish could be managed. This gains force from the fact that local respondents said that they did not raise or discuss with clients that ETU was a pilot and time limited and that the time might come when it would be withdrawn. They feared it would be difficult to break the news that recipients would be losing part of their income:

‘I think there could be a problem. People have had it for two or three years, and applied two or three times, and they’re getting paid £23 or £28 whatever it happens to be, and then at the end of it, all of a sudden, it stops … They’ll say, ‘I’ve had this for the last three years, I’ve been applying for it every six months faithfully, you told me it was great, and now its like zero’.’

(ES adviser team leader)

**Effects on Central processing staff**

Central staff said that the general belief was that ETU would not ‘go national’. Apart from their views about the benefit and its effects, they had particular fears because the finish of ETU would mean the processing unit would be disbanded. This would potentially bring their jobs to an end unless they were redeployed. This was already unsettling for staff and they expected that it would get worse as the project reached its last six months. It would present a management problem if people wanted to leave for other jobs before the task was
completed. Even so, three years was seen by some respondents as a relatively secure period of employment under the current circumstances.

Staff debated the management of the end of ETU. They said that if, as they expected, ETU was not introduced nationally then, at some point, the decision would be taken that there would be no new applications. Subsequently, it would be allowed to dwindle away and they would move into maintenance mode. They hoped for a decision sooner rather than later.

Central processing staff believed that they had created a good unit, which worked well. They listed their attributes and reasons to stay together: they were good staff; they thought that they had the ‘highest accuracy rate of any benefit that’s been’; they received good training; they were a small unit, within one command, so they could solve things in-house; and they were not under such pressure for speed and numbers processed that their accuracy was undermined.

2.9 Conclusions

The conclusions derived from the meetings of the staff panels focus on three areas. The first concerns the developing policy context within which ETU is set; the second is the legacy of the benefit’s original purposes and the way it was established; and the third relates to some aspects of ETU itself and of piloting in principle and in practice.

2.9.1 Policy context

The political and policy changes that were taking place under the new Labour government formed the context for the second round of meetings of the staff panels. The New Deal for young people was already under way. The Green Paper ‘New ambitions for our country: A New Contract for Welfare’ (1998) was not published until shortly after the meetings, while this report was being written. However, some of its main policy directions had been forecast and staff brought these into the discussions.

Staff acknowledged the far-reaching implications of these changes, implicitly and explicitly. At the earlier meeting they emphasised the purpose of ETU as getting people into work and the advantages it offered to young people. They also deplored the low wages and employment practices that made ETU necessary. At the second meeting, they set ETU in the context of the New Deal and saw them as complementary. They also pointed out ETU’s preventive role, to stop young people slipping into the habit of benefit receipt, and saw it as a stepping stone into better employment. Indeed, to the extent that ETU helped staff to achieve their work goals and was in accord with their values and beliefs, it is likely that implementation was affected: that is, staff could present a package to clients, with enthusiasm, in the belief that it would offer them real assistance.
Some staff thought that partial independence, with a continuing role for state support, should not be adopted as a long-term aim. The panels anticipated debates about Tax Credits and a minimum wage to argue that employers should pay a fair wage and people should be encouraged to work and take responsibility for their own affairs. However, they agreed that part-time and insecure employment was likely to persist and did not expect that a minimum wage would be set at a level that would remove the need for ETU.

**2.9.2 The Legacy**

ETU was established as part of a package of work incentives. The changed policy context brought changes to the panels' interpretation of its purposes. Staff in the first round tended to interpret its intentions narrowly, focusing on helping people into work; measures of performance would then be limited to additionality, substitution and deadweight. A few questioned whether people already in low-paid work should be seen as a target group because they had demonstrated that they did not need the incentive of ETU to persuade them into work. Paying ETU to them was even seen as a negative outcome.

A broader interpretation could be taken in which ETU was to help to reduce the barriers to working. Its effects could be partial, indirect and seen mainly in combination with other factors. Few respondents in the first round took this view, but respondents in the second round were more inclined to adopt it: they saw ETU as in accord with the New Deal, helping people to overcome their fears of leaving the security of claiming benefit. They expressed concern about people on low incomes and whether information about ETU reached them; discussed the preventive role of the benefit and the interaction of income from different sources; and they thought that the availability of ETU was a matter of fairness and social justice in the context of the provision of in-work benefits.

Aspects concerned with the operation of the benefit appeared to change less. For example, some of the differences between the pilot areas and the Agencies which were evident from the outset, such as the training and awareness received by BA and ES staff and also among both Agencies' offices, continued in the second round. BA training and awareness appeared to be more extensive and consistent than that of the ES. Paradoxically, ES staff's use of ETU was greater so arguably they needed the more widespread awareness and expertise. These differences were reinforced by ES's use of casual staff.

Take-up in the pilot area in which, from the start, ETU was given a low profile with the result that few staff had awareness of it, continued to be low, even though staff awareness of the scheme was reported to have improved. Respondents thought that their position was explained by: the low level at which awards under Scheme A were set; a fragmented labour market; proximity to London and a high cost of living; and a larger than average proportion of transient and deprived people.
2.9.3 At the heart

The first round of staff panels suggested that some tensions lay at the heart of ETU. It was seen as ‘belonging’ to the BA because it was a benefit, though its usefulness lay with ES staff whose business and clientele were unemployed people. Neither Agency was directly concerned with low-paid employed people. The way that the benefit was processed and administered and the systems put in place to monitor its use all reflected this ambiguity.

ES staff believed that the advent of New Deal had changed an important aspect of their practice. In the first round, Jobcentre staff were pressed for time to spend with individual clients, and thought this influenced their use of ETU. New Deal was to give them both time and continuity of contact with individuals. They welcomed the change, with ETU as an integral part of it.

Certain other aspects continued into the second round. Staff still thought that ETU was best able to help young people living at home with their parents. Staff still believed that success was inhibited by: ETU counting as income in the calculation of Housing and Council Tax Benefits; people’s fears of leaving out of work benefit; and the actions of employers, which inhibited people’s eligibility and increased their insecurity in work.

Some concerns had become apparent or strengthened by the time the second round panels were held. Staff had become increasingly uneasy about piloting and how the end of the three years would be managed. They feared that people who relied on ETU for their income would have to give up their jobs if it was withdrawn, and that it would be difficult to break the news to them. In their experience, pilots were used to ‘iron out the problems’ of initiatives which would subsequently be introduced. This was the first time that this type of pilot of a benefit had been run and while some staff supported it, some condemned it. For central staff, there was the added dimension of the threat to their jobs and to what they perceived as a small, successful unit.
3 ETU RECIPIENTS

3.1 Introduction

3.1.1 Study design

In this component of the evaluation, 40 people who were in employment and receiving ETU were interviewed, five in each of the Scheme A and Scheme B areas. The interviews were face-to-face and took between one and one and a half hours. The topic guide is at Appendix C. All the respondents were employees: people who were self-employed and in receipt of ETU are the subject of a separate study (see Introduction Section 1.2, and Appendix B).

A random sample of recipients was supplied for each area, drawn from ETU administrative data provided by the DSS. Recipients were grouped according to certain characteristics:

• under 25 years, single, and applied for ETU when already in employment;
• under 25 years, single, and applied for ETU when taking a job from unemployment;
• aged between 25 and 44 years, single, and applied for ETU when in employment;
• aged between 25 and 44 years, single, and applied for ETU when unemployed; and
• over 25 years, part of a couple, and applied for ETU when in employment.

In the main, one respondent was recruited from each of the groups. Interviews were held during the spring and early summer 1998. Men were more likely than women to refuse to be interviewed.

Respondents’ characteristics represented the range of ETU recipients; they were not intended to be exactly representative of the client group as a whole (for example, proportionally more younger people claim ETU than were represented in the sample). The overall totals were:

• 11 were under 25 years, 16 were aged between 25 and 44, and 13 were over 45 years;
• 26 were women and 14 were men;
• 24 were employed when they applied for ETU and 16 were unemployed and at the point of taking a job; and
• 33 were single people and 7 were part of a couple.

The interviews were tape recorded and the transcripts were analysed using NUD*IST software.
Respondents were asked for details of their employers and permission to approach them for a closely related element of the evaluation, on the understanding that their name and the fact that they had initiated the contact would not be disclosed. All of the respondents described their employer’s business, but only 36 of them gave permission for their employer to be approached. This element of the study is reported in the next chapter.

3.1.2 The report

Respondents were promised confidentiality; the aliases used in this report and details of the respondents are provided in Appendix D. This shows their age group, marital status, whether they were in work or unemployed when they applied for ETU, Scheme, area type and housing tenure. A brief description of the speaker is given for verbatim quotations, including the alias, age group, Scheme and area type.

Respondents’ work experiences and views about employment and their local labour market are outlined next (Section 3.2). This is followed by sections that describe respondents’ experience of applying for ETU (3.3), and the impact and effects of receiving it (3.4). Section 3.5 offers recipients’ critical evaluation of the idea of ETU, its aims and intentions as they see them, and of piloting. The final, concluding section (3.6), compares Scheme A and Scheme B, draws out differences among the areas and according to respondents’ characteristics, and gives an evaluation of ETU as an in-work benefit and work incentive.

3.2 Recipients’ work experience and views

3.2.1 Work histories

Respondents were in employment and receiving ETU at the time of the interviews. Their employment histories differed in some respects, but were similar in others. Most had been in work more than they had been unemployed, but with various patterns of employment.

Type of work

Respondents had worked in a range of different occupations. The most common types of occupations were in the service sector (retail, cleaning and domestic work, catering and care work) and in manufacturing (factory work). Other occupations mentioned included hairdresser, labourer, driver, miner, security guard, classroom assistant, worker in the leisure industry and worker with animals.

Few of the jobs involved any supervisory or managerial responsibility or much specific training. However, around half of the sample had undertaken some vocational training such as hairdressing, care work, leisure, catering, building work, secretarial, business, computing, driving instructor and veterinary work. Some used this training in their jobs, but several worked in quite different areas. A few had been on YTS or other government schemes but only one used this training in her job. A small number of respondents had academic qualifications, but they had yet to enter jobs for which such qualifications were needed.
Many of the respondents had held a variety of different positions in the course of their working lives. There was no discernible career pattern to their work; they seemed to apply for anything they thought they would be able to do:

‘... and then I bought an ice cream van ... and did that for a total of five years and I actually sold that with the intention of buying a shop but it fell through, so after that it was various jobs, just like building sites, working briefly in shops ... that many different jobs, nothing steady, until I ended up applying for the kind of work what I'm doing just now and I've been doing that for two years now.’

(Richard, 30s, Scheme B, rural)

Often, respondents held a series of short-term jobs:

‘Well, after I left school I had a job to go to for 3 weeks... then I got a job at a furniture manufacturers, that was for about 3 weeks... didn't like that job because that was a dead end job, sweeping, tea-boy. Then I went to a place doing laminated signs... that was for about 10 months, that was OK, but again I was getting dead end jobs in the end and that was in a paint shop and of course paint fumes all day. After that I went ... and made registration plates for about 19 months ... but it was just a sort of tedious, boring job that was going nowhere really. So I left that and then I went to [manufacturer] for about 2 weeks but that was even worse because they keep pushing you and pushing you ... and then I went onto the parks and gardens, for 3 to 6 months in the first year, then for 9 months and then a permanent job, full-time, and that was for about 11 years.’

(Elliot, 30s, Scheme A, seaside)

Slightly fewer respondents had always worked in the same sort of occupation or industry. For example, one said that she had always worked in a shop, though selling different things such as shoes or stationery. Most of the respondents who had worked in similar occupations all their lives had stayed in their jobs for relatively long periods.

Only one of the respondents had worked in the traditional heavy industries that used to be the main sources of employment in some of the areas; he was a miner. This is probably because more women than men were recruited in this study, and very few of the men interviewed were over 40.

No strong patterns could be found among the personal characteristics of respondents or between the areas or Schemes in relation to respondents’ work histories. Rather more of the men and women in couples had held various jobs throughout their lives, but otherwise among this group no particular age group, area or housing tenure dominated. The same was true for those who had always done the same kind of work.
There was no pattern of difference among the respondents who had held short-term or long-term jobs, except that those in long-term jobs tended to be from large northern towns. Some of the respondents who were under 25 years old had only ever had one job and had received specific training.

**Hours of work**

Many of the respondents had always worked full-time, and the rest were divided between those who had always worked part-time and those who held both full- and part-time jobs in the course of their working lives.

Almost all of the male respondents had only ever worked full-time. Typically, men have not taken part-time employment, and our sample reflects this.

The women in the sample had the experience of part-time work. Many of the older women who had only ever held part-time jobs or had done part-time work at some time in the past, did so from force of domestic circumstances rather than by choice. For instance, because of marriage and/or children or other caring responsibilities:

‘Originally I used to work with horses, years and years ago, until I got married, and then you sort of take a series of part-time jobs because you’ve got kids and you can’t work full-time …’

*(Barbara, 40s, Scheme B, seaside)*

‘I was going to look for full-time work and then my mum died and my dad’s only got just got back to normal ... he was in and out of hospital, he had a breakdown ... he has a lot of dizzy spells, so I don’t like to be away too long.’

*(Nancy, late 20s, Scheme A, major urban)*

As might be expected, women’s experience was of industries in which part-time employment was traditionally available and taken by women, such as catering, retail, cleaning and domestic services and care. The respondents who had always or usually worked full-time had done so in occupations associated with full-time work for men, for example manufacturing, labouring, driving, mining and administration.

**Mostly in or out of work**

Most of the respondents said that they had been in employment more than they had been out of it since leaving full-time education, and had worked more or less continuously with only relatively short periods on benefit:
‘I’ve been mostly in work. When I first started work I think in between leaving college and starting work it was 3 or 4 weeks before I got a post, but it meant moving to the other side of the country ... I had about 12 years in work before I hit a bad spot last year. But apart from that it’s been pretty continuous ...’

(Edgar, 30s, Scheme A, major urban)

The mature women, whether currently single or in a couple, related the pattern of their working lives to their domestic circumstances, and referred to their families, including caring for older relatives, and having children. Some believed they were able to continue in employment only because they did not have children. Others said they had always worked despite having children:

‘I’ve always worked, I’ve never, ever not worked since I was 15, I left school at 15 and I went to work in a factory. I lost a baby at 18 and I went back to work 6 weeks after that, and I was at work for the next 5 years till I had Michelle and my mum looked after her and I went back to work after 6 weeks again.’

(Violet, 50s, Scheme B, rural)

There was no difference among the respondents’ experiences of work and unemployment between the Schemes and the areas. Rather, differences related to their personal characteristics. There were twice as many women than men in the group of people who had been continuously in work, but this may be due to the over-representation of women in the sample as a whole. None of the men in this group were over 35 years of age.

Most of those who had spent a lot of time out of work were over 30. This group was split evenly between men and women, and they gave differing explanations for their inactivity. Men tended to relate their unemployment to labour market conditions:

‘... I went in the army when national service was finishing and I ... did nine years in the army, I came out, I sort of kicked around, then ... I went in (the pits) just as the strikes were on in the 70s, and I was there till the pits closed in eighty-nine. Then I went on a course, when the government was sending you on all these courses where you went for a year, £10 a week more than dole, I went on one of them as a driver, driving mini-buses for the disabled.’

(Andrew, 50s, Scheme B, major urban)

As we have seen, the women explained their experiences in terms of their domestic circumstances. Both men and women had had periods of inactivity due to illness, for example, one respondent had taken three years out of work because of back problems.

Many of the men said that they had been involved in schemes or programmes run by the Jobcentre such as Jobclub, and some had studied or taken training courses.
3.2.2 Attitudes to work

There was no evidence from the patterns of work experience described by respondents that they were other than serious in seeking and holding on to employment. Respondents were asked to describe their thoughts and feelings about work and how they coped with not being in work. They were also asked if their preferring to be in work over- rode considerations of pay and conditions.

**Reasons work is important**

An overwhelming majority of respondents said that work was important to them and that they hated being unemployed. Some people discussed the financial benefits, but various other reasons were given. The most common reason was the fear of being bored and of having too much time on one’s hands: work was important because it gave a structure and purpose to the day:

‘So it’s important in the sense that I get up in the morning. If I was on the dole I’d probably sit and watch the ... telly ... so it’s important in that way, it just gets you out. So it’s important to do something, that’s the main thing, well it’s obviously not the money because I don’t make much money, but it’s important to do something.’

(Richard, 30s, Scheme B, rural)

Some respondents also referred to the opportunity work gives for social interaction; this was particularly important for those who lived on their own. A few mentioned that work offered the chance to gain and update skills and keep abreast of new developments and working practices such as ‘all the new technology’.

**Reasons not to be unemployed**

Many respondents felt that they would dislike being out of work because of a perceived stigma attached to claiming unemployment-related benefits; some thought that the very act of signing on at the Jobcentre was demoralising. Several people talked about self-respect and how they preferred to be ‘paying their own way’ rather than relying on social security, even if it meant taking a job which would make them worse off. One respondent thought she would take almost any job to avoid going to the Jobcentre and signing on.

**Coping with unemployment**

Some thought that work was important but they could cope with being unemployed. One respondent had been unemployed for 15 years and believed he was more alert because he did not have to face the ‘stresses and strains’ of work. A woman who had been out of work for a long time said that she had got used to it and learned to manage.

However, long-term unemployment appeared to have affected the confidence and motivation to work of one respondent:
‘I’m much more concerned about getting on people’s nerves, because I know people that have been unemployed for 15 years tend to be a bit less in contact with what normal relations are, you know … ’

(Owen, 40s, Scheme B, major urban)

**Work at any price**

It should be recalled that all the respondents were employed and receiving ETU at the time of the interview. Although most of them felt that work was important, many said that they would not take a job at any price, mainly because they could not afford to take work that would make them financially worse off. Some respondents set a lower limit on the hourly rate that it would be ‘worth it to go out.’ Most said that they would have to leave a job and sign on if they would be worse off in employment:

‘If I was better off on JSA I would take the JSA until I found a decent job ... Athough I would like to get a job, but it’s not worth it, how can you pay things like bus fares or lunches and that, you’d have nothing anyway, so it’s not worth it.’

(Becky, under 25, Scheme B, rural)

Some respondents had other reasons for avoiding particular jobs: for example, one said that his ‘brain would just sort of melt’ if he worked on a production line, and another did not want to work in a chicken factory again. Others said they would not take a job if it would be detrimental to their health, for example because of a bad back or a dust allergy.

Three of the younger respondents worked in jobs for which there was specific training and a relatively clear career path. All of them wished to stay in the same kind of work and two of them said they would only look for jobs in related fields.

Some respondents referred to factors other than income. A few, all aged under 25 years, felt that the pay and conditions of a job would have to be really bad for them to refuse it, such as working ‘the most horrendous’ hours and getting little pay. One thought her low pay was offset by the training she was receiving; but another wanted more pay and to do something with better prospects:

‘I’m on £2 an hour, and I’m always looking for something a bit higher than £2 an hour, depending on what the job is as well ... I’m happy doing security at the moment. But I want to get out of security because I’ve had enough of it, it’s four years ... there’s a lot of security guards they’ve been in ten years in security and a lot of firms don’t want you once you’ve had ten years experience.’

(Jason, under 25, Scheme B, major urban)
Respondents normally used a variety of methods for looking for work. The most common ways were looking in the Jobcentre and reading the local papers, though a speculative approach to employers was also widely used. Many used a combination of methods.

Respondents took different views about finding work through the Jobcentre. Those who had had more positive experiences said that the advantages offered by the Jobcentre were that it covered a wide geographical area, gave an immediate service direct to potential employers, and staff helped in the search for suitable work:

‘And I just found that going through the Jobcentre, if you applied for a job out of the paper you have to send your CV, a lot of the companies now won’t even reply, so you can be waiting 2 or 3 weeks to even know if you’ve got an interview, and if you go to the Jobcentre you know immediately almost. ... and again if there was anything that I wasn’t sure about I could actually ask them at the Jobcentre to ask while they were on the phone ... if they were looking for a young girl, a school leaver or something, it wasn’t worth me going for jobs because it was a waste of their time and a waste of my time.’

(Natalie, 50s, Scheme B, seaside)

Other respondents criticised their local Jobcentre because: it was too busy and this limited the number of job enquiries made; it was too far away and travel costs were too high; they could not attend during working hours; only a limited range of jobs were advertised; and jobs were not quickly removed from the vacancy board once they had been filled.

The local paper was preferred by some because they believed a greater variety of jobs was advertised there than at the Jobcentre. Some also looked in specialist magazines.

Several respondents approached employers speculatively; they sent a curriculum vitae and a letter, or made a telephone call or visit according to the employment sought. Social contacts were sometimes helpful as a source of information about pay, conditions and vacancies; one respondent had been offered a job in a friend’s company.

A few respondents had used the Jobclub to look for work and most found the provision of writing materials and stamps and the production of a ‘professional looking’ curriculum vitae helpful. One said that she was offered many interviews after she had found a job because she made so many applications through the Jobclub. Respondents also looked in shop windows, used recruitment agencies, and searched the national press and Ceefax.
Respondents explained their choice of method in terms of the type of job they were seeking. There was a tendency for the Jobcentre to be used more by women and people from major urban areas, while men generally would make speculative approaches.

**3.2.4 Local labour markets**

Respondents held strong views about their local labour markets. Some thought that it was hard to get work where they lived; others felt that there were jobs in their area if people wanted them.

Perceptions differed by area and suggested a North-South divide. Respondents in the North of England, Scotland and Wales described the difficulty of finding a ‘decent’ job and referred to the problems of travelling, flexible working hours, loss of industry, and the excess of poorly paid jobs. None of the southern respondents talked about the prevalence of low-paid jobs in their area and only one commented on the number of part-time jobs.

Men and women had different experiences. Women found work more easily, but few men felt that it was easy to get the sort of work they wanted. This seems to reflect the loss of traditional ‘men’s’ employment and the plethora of jobs that have traditionally been taken by women.

**Problems with the availability of employment**

Several respondents said that they had found it hard to get work and it became harder as their time unemployed lengthened. Many respondents said that jobs were available in their area and were advertised in the Jobcentre and the local newspaper, but that they were often very poorly paid and undesirable: in this context, they mentioned cleaning, domestic and care work in residential homes and security guards. They said that ‘decent’ jobs were hard to find:

‘Well it’s hard to get a decent job, it’s easy to get a job ... but the easy jobs are the ones that are absolutely [dreadful], bad pay, bad working conditions or travelling too far, and the jobs that are good they are very hard to come by ... .’

(Alan, under 25, Scheme B, large town)

The lack of full-time jobs was also seen as a problem by some men and women. A related point was that seasonal work was hard and unreliable because employers wanted staff to be flexible: they were required to work long hours and weekends in the season, but cut back in the winter. Construction work was also described as very short term, and ‘not continuous work all the time.’

Some respondents had applied further afield for particular jobs in, for example, sport or care management. Others felt that they would have to travel to get a better job. Three respondents who lived in rural areas and did not own a car felt their job opportunities were restricted.
Respondents, especially men in the North of England, said that not enough jobs had been generated to replace those lost following the closure of the coal mines.

Some respondents believed their age was a barrier to finding work. Mostly, this was raised by older respondents: ‘older’ in this context was ‘a brick wall that hits you when you become forty-five’, though being perceived as too young could also be a problem.

In the accounts above, the difficulty of finding work was put down to factors seemingly out of the control of respondents. However, a few felt that they should carry some of the responsibility because they had not put enough effort into looking for work or lacked relevant qualifications.

**Easy availability of employment**

Some respondents found it relatively easy to find work in their area, but a lot of them acknowledged that was because they would willingly take employment of a type that would not suit everyone. They said that there were plenty of vacancies for sales assistants, cashiers in supermarkets and hairdressers.

Some respondents not only found it easy to find work themselves, but also felt that others should not have problems either. They thought that unemployment was the fault of the individuals concerned and maintained that there were jobs available if people were willing to take them. They implied that unemployed people were too ‘choosy’ or too lazy to take the jobs on offer:

‘... I would never be unemployed because in this area in particular you don’t have to be unemployed, there’s work if you want it. I mean in ... our local paper, there’s nearly six hundred jobs advertised every week and I don’t think there is any excuse for people to actually be out of work, if they want to work they will.’

(Natalie, 50s, Scheme B, seaside)

Respondents were asked to describe the job they were in, or were about to enter, when they first applied for ETU. In the majority of cases, respondents held the same job at the time of interview.

**Type of job**

Respondents held various types of jobs. The most common employment for women was as a shop assistant, from working on a market stall to in a supermarket, or as a cleaner or domestic worker, including hotel chambermaid. Other jobs that were filled only by women included bar assistant, sandwich delivery person, care assistant, nursery nurse, teaching assistant, leisure worker and veterinary nurse. Only two men worked in these fields, one in cleaning and one in care services; both were in supervisory positions.
The jobs held only by male respondents included driver, delivery person, factory worker, security guard, labourer, type-setter/designer and church stall assistant. Both men and women were customer service assistants.

Typically, respondents’ jobs were relatively low skilled and subordinate. The exceptions were a qualified hairdresser, and people training to be a veterinary nurse and a graphic designer.

**Hours of work**

Hours of work differed by the type of employment, by sex and by area. The majority of respondents worked in part-time jobs. Many of them worked around 23 hours a week, but some did as few as 16 or as many as 30 per week. Most of the full-time jobs were 40 hours per week; exceptionally, a security guard had a normal working week of 96 hours.

Nearly all of the women interviewed were working part-time, while most of the men worked full-time.

There were area differences. Most of the respondents (male and female) from one of the major urban areas in the North East worked full-time whilst all the Welsh respondents worked part-time.

The majority of respondents earned between £3 and £3.50 per hour. A few younger people earned less, most of whom were living with their parents, and a few earned more, though only one person earned more than £4 per hour.

**How respondents found their jobs**

Respondents had found their job from which they applied for ETU in a variety of ways that did not exactly reflect their descriptions of their preferred approach (see Section 3.2.3). The most common of these was through the Jobcentre. Two young women with learning disabilities found Jobcentre staff very helpful in getting them work. For instance, one was on a Linkup scheme for people with particular problems; she and her mother spoke highly of the scheme and the staff.

Several of the respondents found their jobs through personal contacts. For example, some gained work in companies where their friends or family worked; others had worked for their employer previously which they said helped them to find their current position.

Voluntary work helped two of the respondents: one was a voluntary teaching assistant until she was taken on as a paid employee. Other respondents had gained their jobs through advertisements in the local paper or a shop window, or had signed on with a recruitment agency.
Views of their jobs

Respondents were asked to describe what they liked and did not like about the jobs they had when they first applied for ETU. Several people said they liked everything about their jobs. Many of them liked the opportunity to meet and work with friendly people. A few said they liked their jobs because they were working in a preferred field, for example with children or in the leisure industry, while others referred also to getting training.

Many respondents liked their jobs, but with reservations. Some said their jobs could be boring or entail tedious procedures, and some disliked their employers. Others complained about the number of hours they had to work, how tiring their work was or their low wages. Two care workers said that some clients were a problem.

A small number of respondents said they disliked everything about their jobs. For instance, one wanted to work in residential care, but was very critical of the care home he worked in because he thought it was understaffed to the extent that he sometimes ‘was responsible for the whole building’ and was not able to ‘spend individual time with people’.

A factory worker and a security guard did not like the perceived dangerous conditions in which they worked.

A few respondents appeared to be indifferent about their jobs. It was ‘just a job’ and not the sort of work they had particularly been looking for. In general, they stayed in their jobs because they feared a move would make them worse off and there was little else on offer in their area.

Applications for ETU were made on form ETU1. The form asks for various details about the applicant, and any partner, including hours worked, income from different sources and preferred payment method for ETU. The form and any relevant documentation (for example, payslips for employees and accounts for self-employed people) were sent direct to the processing centre at Norcross. A helpline was available for people having difficulties completing the form.

Essentially, respondents applied for ETU because they were on low wages and needed to increase their net household income. There were, however, differences in approach and emphasis in the reasons given by respondents for making an application. Three broad reasons can be identified, which are related to the respondents’ economic status prior to their ETU application and to a lesser extent to gender:
• some respondents, all unemployed prior to their application, needed ETU as a wage supplement so that they were better off in work. These respondents wanted a job, and ETU made low paid employment a financially feasible option. In a few cases, respondents wanted a particular job and ETU facilitated this choice;

• some respondents said they applied because they were advised to do so by ES or BA staff (see also 3.4.1). They were mainly women who were out of work before their ETU application. Unemployed female respondents were more likely to first hear of ETU through a face-to-face contact at an Agency than were male unemployed respondents (see 2.3.5); and

• most of the respondents already in work when they made their application sought to top-up their existing earnings. ETU provided them with extra income; it did not affect their decision about taking work. A few of these respondents were unsure of their entitlement to ETU and applied partly to see whether they would be successful (see Section 3.4.1).

3.3.2 Finding out about ETU

In this section, two aspects of publicity about ETU are discussed: how respondents initially found out about ETU and their awareness of the ways in which the benefit was publicised.

Initial sources of information on ETU

Respondents were asked how and when they first found out about ETU. Generally, they were able to recall the initial source of their information. For some, the provision of the information by itself led to an enquiry or request for an application form, for others a combination of sources eventually prompted an application. The time lag between receipt of the information and acting upon it also varied, from a matter of minutes to several months.

Respondents first learnt about ETU in four main ways, through:

• services provided by the local BA office or ESJ;

• local publicity campaigns (other than posters and leaflets at Jobcentres);

• family and friends; and

• employers, managers and work colleagues.

BA and Jobcentre services

Most of the respondents first heard of ETU through services provided by the Agencies, notably by the ES. Information about ETU could be conveyed by Client Advisors’ Interventionists, by posters and leaflets in Jobcentres or by staff in Jobclubs. Generally, respondents were told when applying for a job or whilst signing off the unemployment register, although two respondents learnt about the scheme when their partners signed on:
... it was an interview with one of the Client Advisors at the Jobcentre, they were talking about looking into taking a job and they said have you ever thought of taking a job which has got lower wages and then you can have your earnings boosted with this scheme called ETU.

(Hugh, 40s, Scheme A, rural)

As might be expected, those finding out about ETU from a Client Advisor/Interventionist were, with one exception, unemployed prior to their ETU application. The exception was in work when her partner signed on and was told about ETU.

All but one of the respondents finding out about ETU from leaflets and posters in Jobcentres were also unemployed.

Furthermore, most of the respondents who were first informed about ETU by a Client Advisor/Interventionist were female. One possible explanation is that ES staff were more likely to check for entitlement to FamC when women claimants signed off than when men did so, and realised the women's eligibility for ETU.

In addition, two respondents, who were female and in work, were informed about ETU by local BA front-line staff.

Local publicity campaigns (other than Jobcentre posters and leaflets)

ETU was well publicised in the local areas when it was launched (see 2.3.4, where the limits placed on the publicity campaign are also explained). Several respondents recalled advertisements for ETU in local newspapers, on radio, television4 and billboards, and posters at bus stops and on buses. Some remembered the campaign launching ETU:

‘... I heard about it in October 1996, you know how you read adverts and you think oh yes, what's that and it sticks in your mind, and then I saw it again and ... applied for it ... early 1997.’

(Elaine, 50s, Scheme A, rural)

Generally, those using this route were in employment prior to their ETU application.

Most of the male respondents in the sample were initially informed about ETU through publicity materials (including leaflets and posters in Jobcentres). However, some women also found out about ETU in this way.

---

4 ETU was advertised on the radio only in the Welsh pilot area, and it was not advertised on television in any area. This was because these media broadcast to geographical areas larger than the pilot areas and would reach people ineligible for the benefit. This is discussed further in Section 3.2.3.
Family and friends

Some respondents found out through informal social networks. Family members and friends could provide the information either because they were in receipt of ETU or because they had seen publicity about the scheme:

‘My husband saw a poster, he saw one of the bus stop posters on his way home from work, and he mentally wrote off the number, came home and phoned, and ... one of the application packs came through the post ... ’

(Leanne, under 25, Scheme A, seaside)

Both unemployed and employed respondents used these social networks to learn about ETU.

Women were more likely than men to find out about ETU from their social networks of family, friends and work colleagues, though none of the sample of women from the Scheme A seaside area found out through social networks (2.3.5). This appears to be a somewhat haphazard approach. For example, one woman heard about ETU from the mother of her daughter’s boyfriend in the course of a conversation:

‘... we were just talking away in general and I was just saying what a struggle it is now ... and she said have you not heard about ETU ... ’

(Violet, 50s, Scheme B, rural)

Respondents found out by chance because ETU was not an item of everyday conversation:

‘I never mention it to be honest unless it happens to come up in conversation. It’s not something you go around saying ... to be honest I feel as though if I did mention it you’d get a lot of blank stares, because I really don’t think there’s that many people know it even exists.’

(Eleanor, under 25, Scheme B, major urban)

Work contacts

A few respondents found out about ETU from their employers, managers or work colleagues. Indeed, one respondent had previously been a deputy manager and had distributed application packs amongst care assistants because he believed they received ‘shocking wages’. Another respondent claimed that the first she knew of ETU was when her manager advised staff to make an application for benefit.

General awareness of ETU publicity

ETU was widely publicised when it was launched, giving information about the benefit and eligibility, with the freephone contact number for the private sector Helpline which sent application packs to eligible enquirers. There had been no new publicity since because the 1997 General Election intervened and the required caseload had been achieved (2.3.5).
Most of the respondents could name a number of sources of information on ETU. Most of them recalled seeing posters at Agencies, bus stops or on buses and the publicity at the Jobcentres, though a few referred to local BA offices and the Housing Benefit or Council Tax Benefit sections of local authorities.

Several respondents also saw advertisements for ETU in local newspapers, and one read a report about the scheme in a national Sunday paper.

A few said they saw the scheme advertised on billboards.

One respondent mentioned hearing an advertisement for the scheme on local radio. Another respondent believed the scheme had been advertised on either radio or television. Two other respondents believed it had been advertised on television. However, neither of the respondents who said they heard something on the radio lived in Wales, the only area where this medium was used, and no television advertising was undertaken. None of the Welsh respondents mentioned radio advertisements. Conceivably, those reporting radio and television advertisements for ETU may have confused them with those for, say, FamC.

A few of the respondents also telephoned the freephone Helpline\(^5\) number given in these posters and advertisements, to seek further information and an application pack.

The fact that respondents could recall this publicity – including when they first heard of ETU – suggests that the advertising was memorable, especially as some had heard about it two years prior to the research interview. One respondent praised the publicity for being ‘widespread’.

However, some criticised the relative lack of publicity in general and others wanted more publicity in Jobcentres. A few of the latter respondents also claimed that Jobcentre staff did not mention the scheme when they should have done so. Those alleging insufficient publicity were predominately female and in work just prior to their ETU application. This criticism was spread across the pilot areas. Some respondents could not recall any further publicity about ETU once they had heard about the scheme.

---

\(^5\) This was the ETU helpline run by a private company, Response House, on behalf of the DSS. It processed around 400 applications a week soon after the launch, but only 50 or so a week in mid 1998.
Respondents’ views on entitlement

Initially, respondents had different perceptions of their entitlement to ETU. They can be divided into the following three broad groups:

- most respondents, at first, did not know, or were confused about, one or more of the conditions for entitlement. Some respondents, for example, were generally unsure of the eligibility rules, other respondents initially believed that ETU was only for part-time workers, and a few respondents were unaware of or misunderstood the dependency rules. For many of the respondents in this group applying for ETU involved an element of ‘risk taking’ in that they invested time and effort in making an application in order to see what would happen;

- several respondents were confident of their eligibility and appeared to know the rules and target group for ETU. Indeed, some of these respondents realised when they first heard of ETU that they were then ineligible, but applied later when their circumstances changed; and

- a few respondents were reasonably clear about the rules, but uncertain of their entitlement, for instance, whether their earnings would disqualify them. One respondent also thought that being self-employed might make him ineligible.

The respondents who had been confident of their entitlement tended to be female, though again this may be no more than a result of having more women in the sample than men. Otherwise there were no associations between perceptions of entitlement and gender, age, area or economic status prior to applying.

A few respondents were also confused over interactions between ETU and other benefits, for example, not realising that ETU would count as income in an assessment of Housing Benefit and Council Tax Benefit. They were surprised when their Housing Benefit was reduced or they lost entitlement to Council Tax Benefit. Another only found out that her partner could not claim Income Support whilst she was in receipt of ETU when the BA sought to recover the overpaid Income Support.

Making an application

Generally, the respondents found the application process straightforward, simple and quick.

Where the respondents obtained a copy of the application form was related to their economic status prior to applying for ETU. Those respondents who had been in work tended to telephone the advertised, private sector Helpline to request an application pack. As might be expected, previously unemployed respondents were typically given an application pack at their local Jobcentre.
Most respondents found the ETU1 application form straightforward and easy to complete. Some said that the form was better designed than other social security forms, such as those for Income Support, JSA and Housing Benefit.

Most respondents completed the forms by themselves and did not require help from a third party. To some extent this is because they had experience of other forms, notably, for Housing Benefit and FC6.

However, some respondents did find the ETU application form hard to complete, and a few needed help with it. In one instance an employer completed the application form because neither the respondent nor her mother could understand the form. When her application was renewed, staff at an employment agency completed the form on her behalf. Another respondent found all forms, including the ETU1 form, ‘distressing’; and yet she did complete it on her own.

Some respondents made more specific criticisms. A few said that the ETU1 form was too long, and another thought that some of the questions could be simplified so that less detailed information was sought. One respondent said some of the questions were ambiguous, but this was not a problem because there was an open-ended question where applicants could explain their circumstances7.

A few respondents said they encountered problems when making their applications. One respondent did not have proper payslips and subsequently had to get her employer to confirm her earnings. She commented:

‘... if you haven’t got the payslips then it’s a bit of a rigmarole, getting forms filled in everywhere rather than just you filling them in.’

(Ellen, late 20s, Scheme A, major urban).

Other respondents who needed their employers to complete part of the form8 claimed their firms were slow in doing so, and that this delayed their application.

A few of the respondents received a telephone call from staff at Norcross because they had not answered all the relevant questions on the form. For example, one respondent was telephoned at work because she had not answered questions on hours of work and residency. In all cases the matter was successfully resolved over the telephone.

6 A few respondents had previously claimed FamC, and due to changes in family circumstances became eligible for ETU.
7 ETU1 form page 17.
8 That is, form ED500, which is used when an applicant is not submitting payslips as supporting evidence, and is completed largely by employers. A similar form, ETU501, is completed by self-employed people.
Respondents’ perception of speed of processing applications

The respondents received letters from Norcross, or in one instance a telephone call, saying their forms were receiving attention. Most received a letter stating they had been awarded ETU within one to two weeks of their application. Generally, they were satisfied with the service, several described it as ‘good’ and ‘efficient’, and some were surprised at how quickly their application had been processed:

Andrew: ‘It came pretty quick mind you, I’ll give them that.’
Partner: ‘The best of it is you don’t have any hassle with it, you’re either going to get it or you’re not going to get it, and you get to know pretty quick.’
Andrew: ‘I’d say just over a week before we got it ...’
(Andrew, 50s, Scheme B, major urban)

A few respondents waited three to four weeks before they heard that they had been awarded ETU. One complained that getting a decision on whether benefit was awarded took a month and she had been expecting it to be two to three weeks. This delay created some uncertainty for the respondent about whether the job was going to be financially worthwhile.

Another respondent appeared to have misunderstood the application process with respect to submitting payslips. He gave his employer his ETU1 form and they retained it until the necessary payslips were available. This delayed his application and he objected because his application was not backdated two months.

Contacting the Helpline

Some of the respondents contacted the private sector Helpline to request an application pack or to enquire about the progress of their application. Generally, the respondents found the staff ‘helpful’ and ‘very friendly’. Only one respondent had a complaint about the Helpline, alleging that an offensive racial remark was made to her.

3.3.4 Renewal claims

Twenty of the respondents said that they had made at least one renewal claim for ETU, all but one of which were successful. Six of them had made additional renewal claims, and one applicant believed she was currently on her fourth consecutive claim.

Respondents’ reasons for making renewal claims

Renewal claims appear to have been undertaken as a matter of course. Respondents were prompted to renew their claim to ETU by a reminder slip within their payment booklet, and by receiving a renewal form direct from Norcross at the appropriate time. One respondent was issued a renewal form direct at the local DSS office. Respondents praised the system of renewal:
Only one application for renewal was unsuccessful; the applicant’s income had increased since her previous claim. When renewing their claims, the respondents appear not to have re-considered their eligibility for ETU. Equally there was no apparent expectation of a claim proving successful:

‘... every now and again you get these forms sent through, so I’m a great believer in filling them in now and sending them back. You tell the truth and they can either say yes or no, can’t they.’

(Barbara, 40s, Scheme B, seaside)

‘I got the book and the book was for 6 months, it also said that if you think you might be entitled to it they sent another form for you to claim again, which I filled in and sent because I wasn’t sure whether or not I would be eligible but I wasn’t and they wrote back quite quickly and said that we’re sorry but now that your partner is working and the circumstances have changed you’re not eligible any longer.’

(Natalie, 50s, Scheme B, seaside)

**Continuity of claims for ETU**

Most of the respondents who made successful renewal applications had maintained continuity in their receipt of ETU. The two respondents who failed to make continuous claims had breaks between their first and second applications of two weeks and four weeks respectively. The first respondent had forgotten to collect payslips and the second had changed employment and taken a holiday at the point when he could have submitted a renewal application. Neither of these respondents attached any responsibility for the break in their benefit receipt to the Norcross office.

**3.3.5 Summary: the application process**

Economic status and gender had a greater impact on experiences of the claims process than, for instance, differences in age or area. Neither ES nor BA staff informed many of those already in work of their possible eligibility to ETU, confirming staff panel fears about the failure to reach people in low paid employment (Section 2.3.5).

The process by which respondents applied for ETU apparently differed for men and women. Specifically, the importance of social networks to women and of advertisements to men influenced how they initially became aware of ETU. These factors may have wider reaching implications beyond this study, indicating a gender dimension to service delivery and publicity.
Overall, respondents were satisfied with their experiences of both the initial and the renewal claim process and associated service delivery. Respondents appeared unsure about eligibility despite the high level of renewal claims, but prepared to leave the decision to staff. Generally, the claim process seemed to be relatively easy and straightforward.

3.4 Impact and effects

The financial impact of ETU and the way it related to other benefits was a crucial issue which affected respondents' judgements of ETU. The effects on job decisions are considered first at Section 3.4.1. Financial and other effects are outlined at Sections 3.4.2 and 3.4.3. ETU in the workplace and respondents' views on the impact of ETU on employment are discussed in Sections 3.4.4 and 3.4.5.

3.4.1 The effects of ETU on job decisions

The effects on in-work decisions

Some respondents were in employment when they heard about or applied for ETU. For most of them, it appeared to have had no immediate impact on their aspirations either to stay in the job or look for a different one, but it did have an effect in the longer run.

The reasons why respondents preferred to stay in their current jobs and not seek any change in terms, conditions or hours differed. For one respondent, it was because her increased earnings from work had led to less benefit entitlement. In her view, one ‘cancelled out’ the other:

‘... it seems the more money you earn the less you're entitled to. So at the end of the day it all evens itself out to rubbish, rubbish pay.’

(Nicola, 30s, Scheme B, seaside)

Several other respondents, such as a young woman who was in her first steady job following a period of unpaid training and unemployment since she left school, were delighted to be in work or on a training programme of their choice. For them, ETU was a bonus which had no impact upon their job or their decision to stay in their job.

ETU did act as a support for those who would otherwise have needed more hours or higher pay. For example, one woman felt that without ETU she would have had to ask for more hours. She had to risk taking the job without knowing whether or not she would receive ETU. Although she would have taken the job without ETU, getting it meant she did not have to take every opportunity to ask her new employer for more hours.

One young man applied successfully after he lost a day's work as a hairdresser. He gained £28 per week, which effectively covered the wages of the lost day. This enabled him to stay with the same employer and not look for an alternative full-time job or seek extra part-time hours with another employer.
There was a clear division between those for whom part-time work was the preferred option made more affordable by ETU, and those for whom the move to full-time work was a necessity whether or not ETU was lost. For example, one woman had decided that full-time work was not a cost-effective option:

‘Well there’s no point in getting a full-time job, you’re worse off, which to me is ridiculous. It’s a Catch 22 isn’t it, so what do you do, I’d rather work part-time and sun myself in the afternoon.’

(Nicola, 30s, Scheme B, seaside)

The contribution made by ETU meant that one respondent could stay in her part-time job and gain valuable experience rather than just move on:

‘I would have still taken the job but I might not still be in the same job because I would certainly have looked for more, like a full-time job. So I suppose it allows you to stay in a job and maybe build up your skills and stuff as well, rather than just move from job to job, which I probably would have done.’

(Becky, under 25, Scheme B, rural)

Several respondents wanted to work full-time, even if that meant they would lose ETU:

‘I really wanted the job to increase more than to decrease because I like it, and sometimes working part-time is good in some ways but in other ways if you’re having periods off between working it’s difficult to keep up with everything going on, so working even a few more hours actually helps you to overcome that, because you keep up to date with the changes that are going on ... so in my case the ETU was a great help... ’

(Natalie, 50s, Scheme B, seaside)

One respondent had been resigned to staying in her job because she felt that at age 55 years her opportunities in the labour market were limited. ETU made a big difference to her income. However, for some respondents, ETU made the crucial difference in their decision to stay in their current employment.

**Effects on decisions while out of work**

ETU affected previously unemployed respondents’ choices considerably. For some, it made the prospect of work affordable.

One respondent thought that unemployment-related benefit was more secure and could make people better off than low paid work. However, he felt that ETU made the difference and made work affordable, giving a real option and an escape:
‘... a lot of unemployed people feel like that, they go out to work, they’re on a low wage and ... they’re actually worse off or they’re just breaking even than they were actually on social, so it’s like there’s only about £5 or £6 difference between them being on social and them actually going out to work, so a lot of unemployed people don’t actually go out to work and since ETU has come out lots of people have been able to get out of that Catch 22 situation, instead of going round in circles ETU has provided a small hole ... people can get out and escape.’

(Alan, under 25, Scheme B, large town)

Another respondent also believed that ETU made his job more affordable. He was looking at factory work, which he thought was very low paid in order to attract people younger than him. He had heard of ETU previously and had kept it in mind. Like other respondents, he felt that ETU made doing a job more viable:

‘It just makes a difference between a job that’s a bit of a penance and one that you just feel that you wanted, because you’re getting all these benefits...’

(Owen, 40s, Scheme B, major urban)

Some respondents had ETU in mind during their job-search and, as their period of unemployment went on, began to look at jobs with lower pay and/or fewer hours. When they thought that ETU would increase these lower wages they took a job, at least in part because they believed that they would have to justify refusing it under the JSA regime.

ETU also acted as a clear incentive for some respondents who had particular ideas about the kind of work they wanted to do or the number of hours sought. One respondent, for example, was keen to work alongside his wife in a local Christian organisation, which gave him a great sense of personal job satisfaction. His pay was £100 per month but he was able to make ends meet with ETU and the added support of his wider Christian community.

One woman took a part-time job with ETU with the intention of using it as a stepping stone to full-time employment. In the event she was able to increase her hours to almost full-time and stayed in the job.

A small group of respondents said that ETU had not been the ‘incentive’ to return to work; rather, they had responded to JSA and its associated regulations. The (16) respondents who were unemployed before they moved into a job in which they claimed ETU often mentioned their ‘new’ obligations and responsibilities. Nevertheless, the threat of a benefit sanction for ‘not looking hard enough’ or unreasonably refusing work appeared to be more an expectation held by respondents than an experience they could cite.
However, the effect was real. For example, one man said that he returned to work even though it meant he could no longer afford his flat following the loss of Housing and Council Tax Benefit. He returned to live with his mother and took the job with ETU. In his mind, ETU was ‘an add on’ but the incentive to return to work came from another source:

‘... if I didn’t take the job I was going to get my dole money and that cut, so it was one or the other.’

(Robert, 30s, Scheme B, rural)

A number of respondents felt under pressure. In words reminiscent of those used by the staff panels one said that ETU was a small ‘sweetener’ that made her ‘choice’ to take a job that she did not want to do a little more palatable.

Some respondents took jobs regardless of ETU, but it had an effect on their subsequent behaviour whilst in the job. Mostly, it gave people the option to work fewer hours (see Section 4.1.1).

On the other hand, some respondents said that ETU was purely a bonus on top of their wage and had no effect on their job-search or the decisions they made while out of work. For instance, one said that ETU was not a factor in her taking two part-time jobs. She wanted a full-time job but felt that piecing together part-time hours was her only option.

**Effects on future work decisions**

Several respondents observed that part-time work had become more affordable and possible. They said that although part-time work was not an ideal option or their first choice, they could seriously consider it with ETU.

ETU was also welcomed for providing support without stigma. It was compared favourably with Income Support:

‘I would take a job with less money, knowing that I would be able to get ETU, because I don’t feel that there’s a label attached to that as much as with Income Support ... with the ETU I would be prepared to take a job with less money’

(Olive, 40s, Scheme B, large town)

Some respondents emphasised ETU would not make them alter their job-search in the first instance: they would not look for less hours and rely on the extra top-up. Many respondents were still looking for a full-time job with a ‘good wage’. For example, one woman said that she did not want ETU to become part of her wage packet so that she depended on it to the extent that she changed her job-search behaviour. What she wanted most was a ‘proper job’.
However, most were pragmatic. They would take a job, with ETU, as long as together they amounted to an adequate income. The financial top-up was perceived as an important incentive because it could change a low paid job in to ‘a reasonably good job’. The following typified the attitude of these respondents. They would rather not have to claim ETU, but they would look at jobs which, without the bonus of ETU, they would have ruled out:

‘I’m looking for a post now and obviously ... the salary attracts you to a job. I would go for a job that had more money, but if I couldn’t get one at the level that I was looking for I have to lower my sights and expectations. And if it was on such a low salary well yes I would apply for ETU.’

(Edgar, 30s, Scheme A, major urban)

ETU also helped to keep them in the labour market so that they could apply for better jobs.

Nevertheless, some fears were expressed. A respondent was concerned that ETU would ‘lock’ her into part-time work. She thought that having taken up part-time work she might be removed from a pattern of or commitment to a search for full-time work:

‘If you’re getting that extra money it doesn’t really encourage you to keep looking for something else, full-time jobs... so once you’re getting this money you’re not in that cycle of going round looking for a full-time job are you.’

(Brenda, under 25, Scheme B, seaside)

Similarly, another respondent felt that ETU had in some senses ‘trapped’ her into a job she did not want. She recognised that it was currently difficult to leave a job without good reason and not affect eligibility for JSA and incur penalties, ‘and mess up all my Housing Benefit and everything’.

Some respondents said they had felt little financial advantage from being in receipt of ETU because the amount was low or ‘cancelled out’ by the loss of other benefits. They felt that it would have little impact upon future job-search.

Respondents were asked to assess their own financial situation in the light of their necessary expenses and such ‘extras’ as a social life, a car or a holiday. Those living with their parents were asked if they would be able to move to a place of their own.

Most of the respondents felt that a relatively modest increase in their then existing income would make a big difference for them. They talked about an extra £10 to cover unexpected events such as the cost of repairing the washing machine, and to ‘make life more comfortable for me’. Others set their sights higher: one said she needed £30 a week more, and another was constantly depressed by money and felt that she would need at least an extra £100 per week to ‘live normally’ (she paid £400 a month in rent having recently split up from her boyfriend).
One respondent admitted that it was only by ‘working on the side’ and earning an extra £50 a week that he could make ends meet. He had used his ETU to pay the contributions to his rent and Council Tax when he went back to work, and felt that he needed the additional income to give him the money to live on:

‘I get an extra £50 a week and that’s in my hand … if I was paying the full rent and if I wasn’t to get the extra £50 a week I honestly wouldn’t survive because it’s coming in one hand and out the other.’

Several respondents raised the issue of the cost of food. Typically, they believed that the cost of feeding a family was underestimated.

Food aside, the cost of running a car was the most frequently mentioned expense, both by those who actually ran a car, and by those who aspired to. This was especially important for people who lived in rural areas.

‘I’ve got no money for extras. I would love to buy a little car and run a car because we’re so out of the way here … I did ring up about insurance and I think it was just about £150 insurance and then the tax is probably about the same, but you see it would be all extra wouldn’t it, and I’ve got no money left over at all.’

(Isobel, 50s, Scheme A, rural)

The younger respondents who lived with their parents took different views about their position. One of them had an income of £91 a week and thought that was not enough to live on. She had never had a place of her own and felt that her income would need to increase by about £40 a week to make this possible. Some respondents in the same situation did not want to move out. They were happy living with their parents because it suited them and because they thought life was better at home than struggling on their own.

Some knew other people for whom moving out of home had not been a success, for example, one had not been able to meet his bills and eventually sold his television to raise extra money.

Only a minority of respondents, two of whom lived at home with their parents, felt that their income gave them enough to live on and allowed them to do the things they wanted.

3.4.3 Financial and other effects of ETU

Financial changes

Overall, the level of awards did not vary enormously between respondents. The average was £28 a week. Almost half of the respondents received between £20 and £30 a week; the lowest award was £4 a week and the highest £48 (rounded numbers).

Some respondents, particularly those who applied for ETU whilst in work saw ETU as a bonus which they spent on personal or household items. Some apparently spent all of the extra money on necessities.
such as bus fares, dinners (at work) and bills, but others saw it as also allowing them ‘a bit extra’, so they could have things for an expected baby, nicer food, music and trips:

‘Oh wonderful, absolutely wonderful, I mean it doesn’t seem a lot ... I’ll tell you what it enables me to do ... I play darts you see once a week and that means I can afford to spend £3 and have a drink, it’s not a lot but it enables me to do it ... It just makes my life a bit easier, I can afford to have a bit more luxuries than I suppose I’ve had before, I can afford to go in A sda every now and again, that’s a good thing, I never even went in A sda for years actually. Yes, that seems silly doesn’t it, it does seem silly me saying that but that’s what it does. Obviously it’s not enough for me to get a car and it’s not enough for me to have holidays ... but it enables me to have a little bit more than I did before, I don’t have to count every penny.’

(Elaine, 50s, Scheme A, rural)

A few respondents felt much better off as they moved from unemployment to a job with ETU. For example, one put it towards the cost of her car, which she needed for work because she lived in a rural area, and another used it to buy shoes for his child (who lived with its mother). One said he wanted to use it to save and buy a fridge and a washing machine.

Some respondents acknowledged that ETU helped them, but had not wanted to do the job in the first place, having taken it in the face of perceived pressure from the conditionality rules of JSA.

Some respondents felt no better off with ETU. For some this was because the gains they had made by receiving ETU were matched by the loss of other benefits, in particular Housing Benefit and Council Tax Benefit. Another said that ETU merely helped her to ‘break even’ because her wage was no more than her JSA while her ETU covered her bus fare to work and paid for her prescriptions which used to be free.

Two respondents stressed the advantage of the stability of the six-month award and weekly payments. One respondent found that the ETU award helped pay the mortgage and gave her and her husband a basic, fixed income that they could rely on for the six months. She said it ‘was a life saver because it helped us to cope’. The other said that it made budgeting and weekly shopping a lot easier. She also appreciated the fact that the benefit was in her name whereas Income Support had been in her husband’s name.

Those respondents who were living at home with parents (they were mostly aged under 25 years) said that they paid more board than before ETU, but they were mostly left with extra money in real terms:
'This position I'm in now, I'm the best off I've ever been in my working life ... Well from my point of view it's excellent, I mean especially when I was earning £50 a week, it was OK for the first couple of months, then I really did need that £100.'

(Ryan, under 25, Scheme B, seaside)

**Transitions to ETU, Housing Benefit and Council Tax Benefit**

Some respondents described difficult transition periods as they moved on to ETU; they referred particularly to the fact that financial gains were often cancelled out by losses in other benefits (discussed in the following section). The main difficulty faced was with Housing Benefit and the calculation of the contribution they would have to pay towards their rent, and with Council Tax Benefit. Typically, this group found it hard to lose full Housing Benefit and Council Tax Benefit, and this was exacerbated by administrative delay.

Some felt that the gain from ETU had been directly cancelled out by the increase in rent and Council Tax that they had to pay. For example, one said that her wage covered her rent, Council Tax and Water Rates, and she lived on her £28 a week ETU. She, among others, thought that although they were no better off financially, being at work was preferable to being unemployed.

For some respondents the delays and uncertainty led to rent and/or Council Tax arrears which left them feeling no better off with ETU at the time or even in the longer run. One was given incorrect information about the amount of rent she would have to pay. She was told (wrongly) that she would be able to keep her Housing Benefit. In the event, she kept it for a time and then had to pay it back as an overpayment. She thought that in the long run she might be a little bit better off with ETU but felt worse off at the time of the interview:

'Yes, it's ridiculous, my mum had a right fit. But I mean we were told the wrong information basically ... now they're taking back what I was given because they say I owe them now... Well you see I'm a little bit better off with it... but now they're taking what I owe them I'm definitely not.'

(Nicola, 30s, Scheme B, seaside)

Respondents described the difficulties associated with the different periods over which payments were made. Those who received their wages and ETU weekly usually found it easier to manage the shorter period between payments. A respondent who was paid monthly, into his bank account, found the move to a longer period quite difficult, particularly during the initial transition:
'So I had to learn from being unemployed to being in work, how to balance my budget ... When you get money coming through every fortnight ... you know, you can see it, it's there in your hand and you say that I can spend, that I can't, when it goes into your bank it's another thing, you're thinking how much have I got.'

(Hugh, 40s, Scheme A, rural)

Loss of other benefits

Respondents were asked about the loss of other benefits. Some did not mention them spontaneously, but were prompted to think about the loss of such things as free prescriptions and dental treatment. Almost a quarter of the respondents described the loss of such benefits as problematic. Some of these had persistent health issues, and took, for example, anti-depressants or treatment for asthma. Some said that they would not be able to go to the dentist because it was no longer free.

Two respondents had moved from receiving FamC to ETU and thought that they had lost out as a consequence. For one, the loss of free prescriptions was keenly felt, though she acknowledged that whilst ETU did not make life much easier, it would be a great deal harder without it:

‘I'd be starving to be truthful. Because I mean it does help, it's always paid some bill. I mean I'm not one for going out and taking debt on or anything like that, you know, I might even stop the catalogue, things like that, just to try and save a bit.’

(Angela, 30s, Scheme A, large town)

A respondent tried to get a discount on her bus pass as an ETU recipient in the same way as she had when claiming FamC. She found that she was no longer eligible. The local bus operator had not heard of ETU and it was not one of the benefits which entailed cheaper travel passes. Another tried to find out whether she would lose the benefits she had enjoyed when receiving FamC but could not obtain any clear guidance.

3.4.4 ETU in the workplace

Respondents were asked about the extent to which they had referred to or discussed ETU with colleagues and employers. Those who were starting a job approached their employer to get supporting evidence of their hours and pay for their application. Most of the people who were already employed had enough payslips of their own to submit without approaching their boss.

Several respondents raised the issue of colleagues who were unable to apply for ETU because their address made them ineligible. Sometimes people doing the same job took home different amounts of pay because one was in receipt of ETU and the other not, or because they had
been awarded different amounts of ETU under Scheme A and Scheme B. This had caused some problems. Clearly, this is an outcome of the pilot: respondents’ views about piloting are discussed in Section 3.5.3.

**Employers’ knowledge**

On the basis of the respondents’ evidence, about half of their employers had heard about ETU and were neutral about it or happy to cooperate. Respondents frequently said they had to explain the benefit to their employers. A respondent thought it was a shame that employer awareness was so low; she believed that if they knew about ETU, they could mention it to prospective employees at interview. Respondents said that employers seemed reassured to learn that, whatever effects ETU had, it would not cost them anything.

In certain workplaces, knowledge seemed widespread and a large number of employees were in receipt of ETU, either because it had been actively promoted by their employer or because ‘word had got around’. In one workplace, employees had been told by managers to apply for ETU because it would act as a useful buffer against ‘lean times’, when it might not be possible to guarantee the usual number of hours of work:

> ‘We got told to do it by the managers at work, they told us it’s a wage top-up to help you, just in case there’s weeks where we can’t guarantee your hours, you’ve still got that little bit of money coming in, so we all did it.’

(Abbie, under 25, Scheme A, large town)

Only one respondent suggested that employers were promoting ETU with the intention of saving themselves money and benefiting from subsidised employment. He and his colleagues had been informed about ETU by their employer and he thought they all had applied for it. He believed that his employer saw it as subsidised employment and hired people accordingly.

Certain respondents were reticent about approaching their employers about ETU. Some were new members of staff and did not want to bother their bosses with forms to sign, and some would have preferred to keep the information private. One employer was described as fed up with the amount of administration she had to do completing ETU forms for the majority of her employees.

The evidence here appears to be reinforced by the interviews with the employers. For example: the problems associated with the fact that ETU is a pilot so that people who work together may be eligible for more or less generous Schemes or for none; employers’ overall neutrality towards the benefit so long as it did not cost them anything; and the effort made by one manager to inform staff.

---

9 This was a higher proportion than might be suggested by the parallel study of employers.
Discussion among colleagues

Many respondents had discussed ETU with other people at work. Some of them had found out about it in that way, and several had encouraged colleagues to apply. Often respondents had spoken about ETU to people outside of the workplace including friends and family. One had encouraged her friend to apply who in turn had persuaded her son to apply.

The importance of discussion among colleagues as a channel for information was highlighted. However, it was a route that was not available to all and could not be relied on.

Most respondents were overwhelmingly positive about ETU. Respondents who praised ETU thought that it was ‘great’, ‘a help’ and ‘brilliant’.

Six-month award

Many respondents were in favour of the stability of the six-month award. It seemed of particular importance to couples who often had more complex financial arrangements to work out, including, and perhaps especially, mortgages. For example, a woman found that the length of the award had provided some financial security at a difficult time. However, another woman, also part of a couple, envisaged that it might not always be advantageous. If the applicant’s income went up, the award would stay the same and would feel like even more extra money, but if the income went down then there would be no extra ETU to cover the shortfall (until it was renewed).

“For me it’s been good because if my husband’s wages do go up then I don’t have to say oh this has happened and getting them to change it and that, but at the same time if his hours went down, you know I’d be entitled to more and I can’t get it.”

(Ellen, late 20s, Scheme A. major urban)

Yet another respondent was helped by keeping her ETU award during the time between jobs. She moved quickly to other work and did not have to find out that ETU would be treated as income in the assessment of JSA. She felt that to have it in the transition between jobs was very supportive.

The six month award was also seen as giving extra security and the opportunity to decide about a new job:

“It gives you a breathing space as well, it gives you six months into a job and to know what’s what. No matter what happens, because the first six months you might really hate the job and you might want to leave but you’ve still got this £28 for six months.”

(Ava, 40s, Scheme B, large town)
Work incentive

ETU was seen by most respondents as acting as an incentive to take work. This was the case even if it had not acted as such in their own case: they could still see the potential for it to act as an incentive and applauded that.

ETU might persuade some people to take jobs which they would not ordinarily want to do and might refuse because the work was part-time or at low rates of pay. It encouraged a feeling of reciprocity: if you were ‘doing your bit by having a job’ the government would support you ‘by giving you an extra hand with your wages’ (Eleanor, under 25, Scheme B, major urban).

A common view was that it made that slight difference between feeling that a job was worthwhile and feeling that the pay was so low that it was exploitative and not worth doing:

‘I think the amount they give you it’s like a little carrot, it’s a sweetener, you know it’s not to be sniffed at but on the other hand it’s not to throw a party with sort of thing.’

(Elaine, 50s, Scheme A, rural)

The particular circumstances of some respondents made them see the work incentive effect of ETU function in reality. One had a moderate level of learning disability and had been unable to find steady work since leaving school. With help from a charitable organisation which subsidised her travel to work and a very pro-active Jobcentre adviser, her mother felt that ETU had acted as a unique kind of benefit for someone in her daughter’s situation:

‘... just talking from (her) point of view and her special needs, this is perfect, she’s got a job, she has her independence and she’s able to do what she wants to do ... to most people it would not be enough, but talking from (her) point of view it is ideal, but she could do with a little bit more though. It suits (her) and she pays her own way and does her own things and that’s what I like about it, she has her independence the same as the others.’

(Mother of Alison, under 25, Scheme A, rural)

Another respondent thought that the link between ETU and getting people into work was explicit: it worked well and overcame the ‘Catch 22’ of dependency on benefit. He thought that if ETU helped people to improve their standard of living, the end result was an investment in people and the economy as a whole:
‘It’s absolutely great, I’ll be honest... because it’s helping a lot of unemployed people get back out to work... instead of wasting money they should actually invest in people themselves so that people can have a higher standard of living and actually be able to go out to work because the more people that go out to work the better the economy of Britain, so I think the government is doing themselves a favour by getting people out to work, it’s also stopping the rioting, you won’t see teenagers and children going out on the streets and trying drugs, it improves everything for everyone all round.’

(Alan, under 25, Scheme B, large town)

Enhancing work choice

Most respondents thought that ETU gave greater choice in the labour market. Those who wished to work part-time felt that ETU made that more affordable. Others saw part-time work as better than nothing in a labour market which offered them little or no opportunity for full-time work. Overall, respondents believed that being in work was better than being unemployed. One dissenting voice said that making part-time work viable could act as a disincentive to seeking full-time work.

Poor health was sometimes a reason for taking part-time work. Respondents in this position found part-time work allowed them a gentler return to the labour market. For one woman, it enabled her to care for her husband who had been ill.

Rewarding work

Some respondents drew positive inferences from the fact that ETU was in some sense a reward for, or in recognition of, being in work. The feeling of reciprocity this brought about was referred to above. Respondents also thought that, while they did get help from the government, the fact that they were in work made receipt of a benefit legitimate:

‘I’m paying my tax, so I’m not sponging. ... well those people who don’t go out to work and they claim benefits, they’ve got benefits coming out their ears. I’m actually going out there, I’m working, so I’m earning that money, I’m paying tax as well, I’m not claiming for anything else.’

(Abbie, under 25, Scheme B, large town)

For the same reason, they felt that there was no stigma attached to ETU because it was a benefit paid for being in work, as opposed to being out of work.
Parity with FamC

Some respondents drew a parallel between ETU and FamC. They argued that if help was given to someone on a low income with children, it was only right that someone without children, but in the same kind of financial situation, should receive help. This gave them a strong sense of entitlement. One compared her situation as a working taxpayer of many years, with young single parents who had an instant entitlement to benefit. In her view it was only right that eligibility for state help should be extended to her.

A Government subsidy to low pay

Only one respondent argued not only that employers should be paying more in the first instance, but also linked that to the cost to the taxpayer of paying ETU:

‘I mean, the government giving you £100 is obviously very good, but maybe it should be the employers that are paying a bit more to you ... because basically it’s our money isn’t it. So I think maybe the employers should maybe put a bit more towards your wages, if they’re that low in the first place that the government think they need to give you £100 then it’s got to be low.’

(Ryan, under 25, Scheme B, seaside)

In fact, several respondents thought that the Government should do more about rates of pay and the availability of full-time work with wages high enough for them not to need ETU.

Some worried about the capacity for employers to abuse ETU by paying lower wages than they might otherwise have to offer. However, some respondents argued that trying to get employers to pay higher wages would lead to job losses.

Respondents who discussed the introduction of a minimum wage believed that ‘there was nothing to be done’ and believed that employers could fix pay levels as they chose. Some respondents were sympathetic with employers who could not afford to pay better rates, though they argued that those who could should be made to do so. A worker on a market stall felt that a minimum hourly rate of £4.26 which she had heard discussed would put the stall owner out of business. Nonetheless, she believed there had to be some minimum as she had friends who worked for £2 an hour which she considered unreasonable.

Loss of other benefits

As already discussed, this was a strong theme which for many detracted from the value of ETU. Typically, they thought that it was unfair to lose their ‘subsidy’ by having money taken off Housing Benefit and Council Tax Benefit.
Some said the ETU assessment should be more inclusive and look at overall income and need. It should include the costs of travel, clothes or a uniform for work, paying tax and National Insurance, and the costs of doing further work-related training. The amount paid in the private rented sector should also be taken into account.

A couple of respondents thought that ETU should be assessed annually rather than every six months because the period was too short. On the other hand, two others thought that ETU should be reviewed every three months so that changes in circumstances could be taken into account more quickly.

Respondents had little idea what would happen to their ETU if they moved between jobs, or left or lost their job. It came as a shock to one respondent to find that when he lost a job and moved onto JSA, his ETU was deducted pound for pound. The respondent thought that ETU should be paid for six months regardless.

Calculating ETU

Some respondents expressed concern about the way in which average earnings were calculated in the assessment of ETU. The most common ‘problem’ occurred if one of the seven weekly wage slips submitted showed earnings above the others because of overtime. For several respondents this was their Christmas wage slip, which by its nature occurred just once a year. It represented a wage which they considered was not average but which affected their ETU entitlement for a six-month period.

‘But like when I’ve done overtime and that, I’ve only done it like for one week and they have took money off us for like doing the overtime. And like I don’t do it all the time, I only do like 30 hours unless they’re desperate and I have to do it.’

(Lisa, under 25, Scheme A, major urban)

A few of the respondents had had their ETU cut at their second (renewal) claim because of occasional overtime earnings. This made them think carefully about when they would put in their next claim:

Other criticisms

Some of the respondents who were under 25 years saw no reason why they should get a lower award based on their age.

Some noted that the ETU awards had gone up very little each year and questioned if the rises had been index linked.

It was suggested that ETU should be evaluated by politicians who had gained practical experience of life on low pay.
3.5.3 Piloting

Most of the respondents had heard that the ETU scheme was being piloted although not all knew before they applied. Most of those that knew found out through the information in the application pack. Others heard from people on the ‘Helpline’ number or Jobcentre staff. Nevertheless, several respondents did not know that the pilot would last for three years. A few did not know that it was being piloted at all.

Several people said that they would be worried if the scheme was not continued after the three years. Most of them were concerned about the loss of their extra income and how they would cope without it. For instance, one felt that it would have quite extreme consequences:

‘I’d probably leave the job ... just make myself homeless and put me in a B&B and that. Because I wouldn’t work for that, there’s not many would work for it.’

(Robert, 30s, Scheme B, rural)

They were worried because they did not think that they would be able to get jobs that paid higher wages. Without ETU, their choice would be constrained because they could no longer consider low paid jobs.

Other people were concerned about the scheme ending because it was such a good idea, ‘helping people that are trying to help themselves’. Local unemployment levels were expected to increase because people would have to leave some jobs and would not be able to afford to take others:

‘It might mean that people give up jobs, or can’t manage anymore and would be better off not working, they might say it’s not worth me going to work because I have this to pay and that to pay and it costs us a fortune. And if the ETU is meaning the difference between them going out and working, and having a bit of self-respect, and have loads of time on their hands, then I think it should be kept going.’

(Ellen, late 20s, Scheme A, major urban)

However, some respondents said that they would not be concerned if the ETU scheme came to an end. For instance, one said, ‘it wouldn’t be a major thing if it did’, and another thought that it was superfluous after six months anyway, once it had helped people to ‘settle in’.

A few people said that they would miss the extra money provided by the scheme but they were confident that they would be able to manage without it. Some pointed out that they had coped before ETU was introduced so they could not see any reason why they could not cope without it.
Others said that they were not worried about losing ETU because they would be able to claim Housing Benefit and Council Tax Benefit:

‘But then I think if that stops then everything else goes down, so I wouldn’t have to pay so much rent, probably won’t have to pay my poll tax, which would help me out that way.’

(Hope, late 20s, Scheme A, seaside)

The people who were worried about ETU being discontinued were from a mixture of areas. However, nearly all of those living in the Southend area were not concerned about it ending.

A small number of people disapproved of the scheme being piloted and thought that it made the scheme unfair. A few of them referred to the fact that eligibility was based on where an applicant lived. For instance, one said he could not understand why he was eligible and a woman he worked with who lived 20 minutes away was not. Others felt the same way: one woman said it was ‘really unfair’ and it should be nationally available.

A few respondents thought it was unfair that people who lived in an area very close to them were able to get higher awards. These respondents came from the North East of England where Scheme A and Scheme B operated in adjacent areas.

A few other respondents supported the idea of piloting. They said that they understood the rationale: it was ‘obvious’ that a pilot was needed to ‘test it out’ before it was introduced nationally and made permanent.

The evidence from the respondents in this sample gives no indication of systematic differences between Scheme A and Scheme B. The only difference discerned was counter intuitive: the respondents in Scheme A (the less generous Scheme) were the more likely to feel better off with ETU.

Two main sources of differentiation were found: the personal characteristics of the respondents; and a North-South division.

Gender differences were found, for example, on the way in which respondents found out about ETU, and in the ease with which they found jobs that they wanted: women were more likely to find out through social networks and also found congenial jobs more easily. Members of couples experienced more difficult transitions to ETU because their affairs were more complicated and had to take account of the other person in the couple. Younger respondents living with their parents appeared to gain the most in terms of money that could be spent on ‘extras’; older respondents, particularly men, were more likely to be continuing to seek full-time employment and a ‘decent’ wage.
Respondents shared many work experiences and views: most of them had been in employment more than they had been out of work; preferred to be working, but thought that they needed to be financially better off than when unemployed; and held relatively low skilled jobs in subordinate positions.

However, a North-South division appeared among respondents’ views of their local labour markets. Many people in the North of England, Wales and Scotland said that it was hard to find ‘decent’ work in their area: there were too many low-paid, part-time jobs, with a requirement for flexible and insecure working hours, while traditional mining and manufacturing industries and ‘proper’ jobs had been lost. People in the South of England were more likely to say that it was relatively easy to find work in their area.

3.6.2 ETU as a work incentive

Some respondents were already in work when they applied for ETU. The benefit cannot be seen as an incentive to take work if it arrived after the event, but it can be interpreted as a support, keeping people in work. The evidence suggests that ETU played a role in maintaining respondents in jobs they thought were not ideal financially or in other ways.

Nearly half the respondents applied for ETU when they were unemployed, at the point when they were moving into a job. It influenced their views about the employment they might take and enhanced their choice. Subsequently, nearly all of the respondents felt that they had ‘broken even’ or were better off. This encouraged them to take ETU in to account when they were thinking about their current or future employment.

Respondents themselves referred to the pressure that they felt under the conditionality of the JSA regime and their fear that they would be penalised if they did not take a job or remain in one. However, for some, the availability of ETU was an important, if not the sole, consideration. The evidence suggests that, at the least, ETU ‘sweetened the pill’ of a job which was not ideal but had to be taken in the circumstances. The stronger interpretation is that ETU encouraged and enabled people to consider a broader range of jobs than they might otherwise, and allowed them to escape the trap of unemployment.
4 EMPLOYERS

4.1 Introduction

4.1.1 Study design

The employer sample was drawn from information provided by 40 participants in the study of ETU recipients during spring and early summer 1998 (previous Section 3).

In the course of their interview, respondents were asked to provide information about their employer and permission to approach their employer at a future date. Respondents had to be assured of confidentiality: neither their name, nor the fact that they had initiated the firm’s inclusion, were to be disclosed to their employer. This gave a sample of employers who were known to have at least one employee with a successful application for ETU.

Thirty-six of the respondents provided information under these conditions. The four respondents who were unwilling to give permission worked in small firms; they felt that anonymity was not possible and their employer might be upset by the approach.

Letters were sent to the 36 employers, outlining the research, requesting help from them in the form of a short telephone interview, and assuring them of confidentiality. Letters were addressed to the manager or proprietor of the organisation, not to named contacts (in order to maintain the promise of anonymity given to recipients). The letters were followed up with a telephone call to the firm, within seven days of their receipt of the letter.

Arranging and conducting the interviews was relatively straightforward once contact had been made. However, it often took several telephone calls to identify and establish contact with the most appropriate person in the organisation. Moreover, this part of the study took place during July and early August which proved, in some geographical locations, to be peak holiday time. Often individuals were away and some firms shut down for a number of weeks (one extended the period from two to three weeks because orders were slack). Because of the difficulties experienced, the achieved sample was smaller than anticipated.

From the sample of 36 firms contacted, 23 employers (two thirds) were interviewed. A further four employers agreed to be interviewed and arranged a time but then withdrew on the day of the interview. Employers who refused to take part in the research all said it was because of time constraints or unavailability due to holiday arrangements.

Consideration was given to finding substitutes for the employers who either refused to take part in the research or could not be contacted.
Enough was known about the employers to make it possible to identify and contact similar firms in the relevant geographical locations and industrial sectors. However, it was decided that this would not be appropriate because they would have differed from the main group: they had not been chosen because they employed one of the sample of ETU recipients, and it was not known if any one of their workforce was in receipt of ETU.

All the interviews were conducted by telephone. A topic guide, containing a number of open and closed questions was used for the interviews. It is reproduced at Appendix E. The interviews lasted, on average, between 15 and 20 minutes; they were tape recorded and transcribed for analysis.

**4.1.2 The report**

The employers' firms are described in Section 4.2. The employers' knowledge and views on in-work benefits in general, ETU specifically and the way these affect their employment practices are explored in the next two sections, 4.3 and 4.4. Finally, in Section 4.5, conclusions are drawn in respect of the effects of ETU on employers' behaviour.

**4.2 The firms**

The characteristics of the 23 employers interviewed in the study are outlined in this section. Three main aspects are discussed: the employers' businesses and industrial sector (4.2.1); the size of the workforce, hours of work and wage rates (4.2.2-4); and issues concerning the recruitment, retention and turnover of labour (4.2.5).

Data on the firms appears in Tables F.1 and F.2 in Appendix F.

**4.2.1 Business and industrial sector**

Qualitative studies do not seek to be statistically representative, as quantitative research must: rather, they ensure that the views and experiences of a range of respondents are explored. In this instance, the sample was never intended to be representative of industrial sectors in the respective local labour markets. Indeed, as a result of locating the list of employers through the ETU recipient sample, certain sub-sectors of service industries have a high representation, in particular residential care, leisure, retail and hotels and catering. Only one manufacturing employer is included in the sample (See Table F.1 in Appendix F).

The employer sample was made up of 11 companies from Scheme A pilot areas and 11 companies from Scheme B areas. The employer who, by chance, was located in a pilot control area was interviewed as part of the sample because an employee from the firm lived in a Scheme B pilot area.

On the basis of employers' responses, 12 of the firms were local, eight national and three international. There were no significant differences between the types of firms in Scheme A and Scheme B, or among the areas.
The majority were small or medium sized employers: 14 companies employed fewer than 50 employees (see Table F.2). Small and medium sized firms were also evenly spread between geographical locations.

Respondents were asked to provide a breakdown of the types of jobs that were available within their organisation. Unsurprisingly, given the industrial distribution of the sample, most indicated that they had a high number of semi- or unskilled jobs, such as sales assistants, care workers, waitresses and cleaning staff. Even in the other sectors that were included in the sample, for example a large public sector employer, semi-skilled and unskilled work was emphasised, particularly for the grades on which new staff started:

‘It’s mostly what we call A1, which is Administrative Assistant, and A4 which is more Administrative Officers. Anything else we tend to do by promotion exercises for managers and things like that. It’s mostly female in the lower grade …’

(Public sector, Scheme B, major urban area, Sunderland)

Sixteen respondents indicated that the workforce was predominantly female. Only three employers said that their workforce was male dominated: these were a transport firm that employed a large number of drivers and loaders (a large firm), a manufacturer (medium sized) and an amusement arcade (small firm).

Most respondents stressed the need for a flexible workforce, which, in the majority of cases, involved a combination of full-time and part-time employees in order to meet business demands. The hours people worked were determined, by and large, by the needs of the business. For example, large retailers operated multi-shift patterns to meet the demands of long trading hours. Unsocial hours and shift work were a common feature in both care work and leisure services. In one seaside area, an employer stated that hours of work were determined by seasonal factors, with staff working full-time hours during the summer months and part-time hours during the winter months.

While most respondents stated that they did employ people for 16 or fewer hours each week, such workers tended to represent a small proportion of the workforce. Typically, they were students who did weekend work or employees who had reduced hours to accommodate temporary domestic problems. A very few employers referred to employees who were claiming FamC or ETU and who were not prepared to increase their working pattern beyond 16 hours. However, the employers’ accounts of their employees’ behaviour suggests that the employers, and possibly the employees, do not have a good grasp of the rules (FamC and ETU awards run for six months so the hours worked between the periods on which awards are based are not material):
‘For a couple of the waitresses it is actually the thing that they are only allowed to work that amount of hours a week ... I think they have to work sixteen otherwise it changes their benefits or whatsoever.’

(Hotel and Catering, Scheme B, major urban area, Sunderland)

In most cases, however, employees’ hours of work were determined by business need and jobs were advertised for a specified number of hours. The ability of employees to negotiate a change in hours was dependent on a change in the volume of business and/or staff turnover, which could result in extra hours becoming available.

In all sectors, part-time work was dominated by female labour.

4.2.4 Wage rates

Respondents were asked, as local managers, how much autonomy they had over determining the wage rates paid to their employees. The response of national and international organisations was the same: wage rates were determined at Head Office, with local managers being awarded an annual budget from which they were able to determine the number of employees they were able to recruit. They had, in fact, little or no autonomy over local rates of pay:

‘The company at the beginning of the financial year will determine our pay-roll budget for that year ... How that budget is carved up across the year is pretty much down to the general manager of the site to determine that, however, the hourly rates that are paid are fixed and they're laid down by a company scale, which they review annually.’

(Leisure, Scheme A, rural area, N Wales)

The managers of the companies that were part of national or international organisations were aware that pay differentials existed between different geographical locations, most notably between London and other areas. One respondent mentioned that a higher pay rate existed in Aberdeen as a direct result of the oil industry, which had raised the cost of living and created local labour shortages.

Some large retailers and international leisure organisations also graded local operations in terms of their business performance, which may result in differing pay scales even within the same geographical location. For example, retail stores occupying city centre sites may be allowed to pay their employees a higher hourly rate than those working in out-of-town sites, depending on their turnover and business performance.

The means by which local employers determined pay rates appeared to be much more ‘rule of thumb’, using practices which may give rise to wage effects. Most tried to gauge the pay rates of other employers who operated in the sector locally (some of which were likely to be
the national and international firms already discussed), while others referred to rates which had previously been set by trade bodies or professional organisations. The chemist shop and the hairdresser both referred to old scales. The hairdresser upgraded his rates in line with inflation, starting from the base of the rate set by the Hairdressing Federation which he said had been ‘abandoned for quite a few years now’. He also gave his staff a bonus based on turnover. The chemist adopted a similar approach:

‘We always used to have the scale that was published each year, the NPA [National Pharmaceutical Association] always used to send us the information, but of course since about two years ago that was all done away with. So I tend to work from that scale plus then the sort of rate of inflation sort of factor.’

(Retail, Scheme A, large town, Wakefield and Barnsley)

Some local employers, in areas of high unemployment, were well aware that they could temper their wage rates because of the large number of people who were seeking work. Others indicated that they would simply set their rates as low as they could in their locality:

‘We analyse what we think is the local market and set the rates of pay that we think we can get away with, you might say.’

(Leisure, Scheme A, seaside area, Southend)

**Recruitment**

Skill shortages were evident in all types of labour market. Employers reported difficulties in attracting labour in fields such as nursing, craft and skilled manual labour and skilled catering and bakery work. The shortage of nurses was attributed to a national problem, which had particularly affected private nursing and residential homes, where pay and conditions were perceived to be less attractive than those within the National Health Service or private hospitals. A national employer had introduced a training programme to counter the effects of skill shortages. Training was offered even in areas of high unemployment:

‘Over the last sort of few years the small shop, like [named national chain] and the likes have tended to go ... and the amount of people with butchery and bakery skills have been reduced. And what we’ve now started is an internal craft scheme where we put people through professional qualifications, but in-house.’

(Retail, Scheme A, large town, Wakefield and Barnsley)

Several companies which were located in areas of high unemployment commented on the availability of labour and reported no problems in recruiting semi-skilled and unskilled workers. There were, however, some exceptions. Respondents described jobs with particular shift patterns, mostly twilight shifts, as unpopular, which made recruitment difficult. The managers of two companies said that they had experienced recruitment problems because of an influx of new
companies moving into the area. They believed that the increased demand had reduced the pool of labour available. Respondents in two large organisations (one in the public sector) located in Perth and in Sunderland, found recruitment for clerical jobs a problem; they thought this was because of the starting salaries they could offer, which were attractive to younger people but proved less so to older workers:

‘... (the salary) attracts young people - it is quite a good salary. However, as they get older it isn’t ... they have a new entrance grade, so everyone comes in at, I think £136 a week gross, that is whether you’re 16 or 40.’

(Public sector, Scheme B, major urban area, Sunderland)

Two companies cited their geographical location as the reason they found it difficult to fill staff vacancies. Both were located in out-of-town sites, which, they felt, deterred applicants because of the cost and inconvenience of travelling.

Significantly, only one respondent pointed to the range and availability of benefits to unemployed people as the reason for current recruitment difficulties:

‘You can hardly find them just now. The trouble is they feel there’s such a lot of money in unemployment benefits that some of them in Bannockburn and Stirling don’t want to work. It’s a difficult scenario.’

(Retail, Scheme B, rural area, Perth)

Staff Retention and Turnover

Several of the employers interviewed reported that they were not at that time encountering problems with high staff turnover. These employers were evenly spread across the whole range of labour markets included in the study. Where a problem with high staff turnover did occur, it was linked to particular types of occupations rather than to specific labour markets. For example, employers of cleaning, unskilled catering and caring staff said that they experienced particular problems. It was recognised that low pay, unsocial hours and, often, the part-time nature of the work were all contributory factors, with many workers seeing the job as a stop-gap measure until they were able to secure better pay and conditions with another employer.

For one public sector employer in the Sunderland area, the widespread use of temporary contracts, coupled with relatively low starting salaries for entrants into clerical jobs, had created retention and turnover problems in an area where there was high unemployment:

‘High turnover I would say is a problem, a) because of the salary, and b) in the past we have tried to keep a flexible workforce ... so what we have done is, we have recruited casual staff, so they haven’t got a permanent contract, so they come to us and they look for a job elsewhere, they look for something which is maybe more certain, who would look to offer fixed term contracts or permanent.’

(Public Sector, Scheme B, major urban area, Sunderland)
Staff poaching between local employers was not found to be a widespread problem for the employers, even in occupational areas where labour shortages had been identified. The manager of a cleaning company said that they had a problem during the summer months, when a local holiday centre recruited extra numbers of cleaning staff and were able to offer more hours to part-time staff. This was the only company that mentioned that they had introduced measures, such as a loyalty bonus to workers, to help curtail high staff turnover.

The employers interviewed for this study employed the ETU recipients who participated in another element of the evaluation. As expected, they were not representative of the labour markets in the pilot areas: rather, particular sub-sectors of service industries were over-represented, and there was only one manufacturer.

Half the employers were local firms, with the rest divided equally between national and international firms. Most of them were small or medium sized. Many had a predominantly female workforce, associated with part-time work. The employers stressed their need for a flexible workforce, which was able and willing to work the hours dictated by the needs of the business.

Firms which were part of national and international groups exercised little or no control over the wage rates they could offer: these were set at Head Office. The local firms could determine rates of pay. They appeared to gauge their rates in relation to other local employers, with some well aware that high unemployment allowed them to drive down wages.

In the main, companies had little difficulty in recruiting semi-skilled and unskilled workers in areas of high unemployment. However, difficulties in recruitment and turnover could be encountered if there was a sudden demand for labour, hours were part-time and unsocial with particularly low rates of pay, and the job entailed the cost and inconvenience of travel.

There was no evidence of systematic differences between Scheme A and Scheme B firms, or between the areas. Rather, such differences as there were hinged on the nature of the firms themselves and the pay and conditions of the jobs.

Employers’ awareness and understanding of in-work benefits are explored in this section. Respondents were asked to indicate what they knew about in-work benefits and to comment on which in-work benefits they thought were open to their employees. They were asked if and in what ways in-work benefits had affected their business, in particular in relation to staff recruitment, wage setting and labour flexibility.
It should be borne in mind that at least one employee in all the firms in the sample was in receipt of ETU, which had been in operation for nearly two years when the employers were interviewed. In addition, some of the recipients had asked their employer to provide evidence of employment hours and earnings in support of their ETU application. As far as possible, interviews were undertaken with the employer or manager named by the ETU recipients.

Nearly all the employers from the sample were aware of the existence of in-work benefits: they recognised the names of the benefits, even if they could not volunteer them. However, they were much less clear about how in-work benefits operated: many knew that employees had to work 16 hours a week in order to qualify, but few understood the other eligibility criteria such as having children in order to claim FamC. Evidence (Section 4.3.2) suggests that some employers were not clear about benefit rules and did not know which of their employees was receiving in-work or unemployment-related benefits.

Unsurprisingly, given the recent introduction of ETU and the fact that it was a pilot, rather more of the employers interviewed were familiar with FamC than they were with ETU. However, the difference was not great. All those who were familiar with ETU were also aware of FamC. One employer knew that in-work benefits existed but said that he was unfamiliar with the names of the benefits.

While most of the employers knew of the existence of in-work benefits, a much lower number went on to say that any of their employees were currently claiming them. In fact, there was no reason why they should know unless they had completed a form to give evidence for an employee’s claim: applicants can supply pay-slips without telling their employer.

These employers were fairly evenly spread between Schemes A and B and between the different types of labour market. Some said they had employees claiming FamC, while some others said that they had employees currently claiming ETU. Six respondents said that they had employees who were claiming both benefits. Some respondents recalled filling in forms for their employees to claim in-work benefits, but could not remember the type of benefit. Other respondents could remember that they had employees who had claimed in-work benefits in the past, but were unsure whether they were still doing so.

Where respondents did say that they had employees who were claiming or had claimed in-work benefits, either FamC or ETU, they typically believed that the number of employees involved was very small. This may be correct - the companies included in the sample were primarily small or medium sized organisations with relatively few employees - or it could be because employers were not aware of who was claiming.

4.3.1 Knowledge of in-work benefits

Unsurprisingly, given the recent introduction of ETU and the fact that it was a pilot, rather more of the employers interviewed were familiar with FamC than they were with ETU. However, the difference was not great. All those who were familiar with ETU were also aware of FamC. One employer knew that in-work benefits existed but said that he was unfamiliar with the names of the benefits.
Only one respondent, who managed a recruitment agency in a Scheme B area, mentioned that she had several temporary staff who had applied for in-work benefits:

‘Yes, obviously we have people that work temporary for us, or work on some of the long term contracts, and I know people try and apply for ETU and FamC…’

(Recruitment Agency, Scheme B, large town, Doncaster)

The majority of employers interviewed felt that the existence of in-work benefits did help in relation to staff recruitment. They argued that in-work benefits acted as an incentive to unemployed people to take jobs, in particular part-time jobs, that they might not otherwise be prepared to consider. Employers in most of the areas put forward this view:

‘I think for the nature of this industry, where there are so many part-time vacancies, I think things like the ETU certainly help us to fill those vacancies, without a doubt. Because the hours that are on offer naturally aren’t always enough for people to sustain a decent wage if you like, so if they can get any form of top-up, it is worth their while to take a part-time job and get the top-up, so it’s worth their while to come to work.’

(Hotel and Catering, Scheme B, major urban area, Sunderland)

Employers largely agreed that the availability of in-work benefits helped them to attract more job applicants, in particular for part-time work. However, many of the employers thought that in-work benefits introduced unwanted effects and could introduce rigidities into the labour force. Four employers (who were located in large towns or major urban areas within both Scheme A and Scheme B) described direct experience of this: they said that they had interviewed job applicants who were reluctant to accept a job if they were not given a guarantee that they would not be expected to work any more than the minimum number of 16 hours required to claim either FamC or ETU:

‘It’s harder to get flexibility with staff because obviously people want set hours so they can work out how much benefit they’re going to get. If you start giving people extra hours they say ‘Oh I can’t because I’ll lose my benefits’.’

(Retail, Scheme A, major urban area, Newcastle-upon Tyne)

In fact, the employers appear to have misinterpreted what was going on. They may have misunderstood the eligibility rules for ETU: employees have to work at least 16 hours a week to be eligible, but they may work more, though some recipients may limit their hours while they are collecting pay slips to present as evidence for renewal of ETU. It is employees receiving out-of-work benefits, JSA or Income Support, who are allowed to work only up to 16 hours a week, beyond which they lose their benefit entirely. It seems likely that the employers were mistakenly referring to employees in this situation.
In fact, some respondents took the opportunity to say that, rather, the problem lay with unemployment benefits. In their view, recruitment was made difficult for them because of the reluctance of many unemployed people to give up the benefits they already had and to move into work, with or without the availability of in-work benefits.

A few employers were aware that ETU was a new in-work benefit, but they felt that it was too soon to tell whether it was having any impact on recruitment.

One employer described a pro-active response to in-work benefits and believed that they could be used to good effect. It was initiated by a branch of the firm not in the ETU pilot area, and so it cannot be an action taken as a response to the benefit. Rather, it must have been based on FamC claimants. The respondent’s company in Wales employed a large number of cleaning staff, usually for a small number of hours each week; they had used the availability of in-work benefits as part of a recruitment drive. Instead of advertising jobs for three or four hours each week, they grouped cleaning contracts together, guaranteed applicants a minimum of sixteen hours each week and offered advice on the availability of in-work benefits. This recruitment strategy was highly successful in the more urban area in which it was initiated. Managers in other localities were encouraged to follow the example, but had not found it as effective, including the branch manager interviewed. He thought that transport difficulties were to blame.

In Scotland, in a Scheme B area, a company had found that recruitment had certainly improved since the introduction of ETU. However, the fact that it was a pilot, with postal address as one of the criteria for eligibility, had created many problems for them once staff had been appointed. Employees quickly became aware that a take-home pay differential existed because ETU was available to those in the Stirling area and not to workers from other areas. This resulted in unrest among groups of workers within this organisation:

‘It’s easier to recruit staff, but for the staff that we had already employed it made a lot of unrest ... Because not everybody lives in the Stirling area. So we have two people, side by side, one that’s taking home the original rate and the other that’s taking home the top-up.’

(Manufacturer, Scheme B, rural area, Perth)

The problems encountered by this particular company are discussed in more detail at 4.4.1.

Most respondents stated that, up to now, the existence of in-work benefits had had no effect on wage setting within their organisations. Two reasons were given for this. First, where companies were part of national or international operations, local managers had no control over wage rates, and doubts were expressed about the impact on
company policy of the availability of in-work benefits. However, this does not rule out the possibility that their Head Office strategies took account of nationally available benefits, such as FamC; rather, it suggests that the effects of the ETU pilot may be negligible on firms which determine local rates within an overall company plan.

Secondly, some respondents believed that many employers were still unaware that in-work benefits existed. However, a number of respondents felt that, while they had not yet affected wage setting, the very existence of in-work benefits opened up the possibility of this happening:

‘That wouldn’t affect us, because the wages don’t concern us whatsoever, but I do think that, for small employers, it might affect them, because they might think well, I don’t have to offer them that much because they can have a top-up or they can get FamC.’

(Public sector, Scheme B, major urban area, Sunderland)

There was some evidence that suggested that in-work benefits did affect wage setting. A few respondents thought that the availability of in-work benefits might be helpful to new businesses, by reducing their wages bill. A manager in the hotel and catering industry set wages locally. He was the only respondent who acknowledged that, if in-work benefits did not exist, his company, and others, might be forced to review their current wage structure:

‘I guess if people couldn’t get an extra top-up from the government, and employers like ourselves were desperate to fill these positions, then I suppose overall ... it might result in the general pay rate increasing.’

(Hotel and Catering, Scheme B, major urban area, Sunderland)

The managers of the national and international firms in the sample said that they had only limited control over the number of hours that their employees worked. Their Head Offices determined the total number of hours at their disposal; they allocated the hours, but within the constraint of the given total. They were content with the requirement for employees to be employed for a minimum of 16 hours per week for entitlement to in-work benefits.

Employers recognised that an advertisement for a post at 16 or more hours would generate interest and applications and they acted accordingly. For example, one said he collapsed two jobs in to one so that he could offer 16 hours a week.

However, many of the employers who had experience of their employees claiming in-work benefits believed that the 16 hour eligibility rule had created some degree of inflexibility and rigidity into the workforce, in terms of the hours people were prepared to work. This belief was widespread, in both Schemes and across all pilot areas.
In sectors such as retailing and hotels and catering, where staff flexibility was considered critical to the meeting of business needs, employers thought that employees who claimed in-work benefits presented a problem. Employers said that staff were often reluctant to increase their hours of work because of the effect this would have on the amount of benefit they could claim. They were frustrated by the rules which, as they understood them, restricted their employees' willingness to work extra hours and thought it was perverse to penalise employees who were prepared to work by cutting their benefit:

‘I mean people who mainly work like two days, who claim benefit, they say they can’t do any more hours ... because it would affect their benefits and they would be worse off. So, it does affect their benefits in an adverse way.’

(Retail, Scheme A, major urban area, Newcastle-upon-Tyne)

As the earlier discussion indicated (4.3.2), it as likely that employers were mistaken in thinking that eligibility for ETU limited the number of hours employees would work, and had confused the rules of in-work and out-of-work benefits in relation to paid employment. Some employers recognised – rightly – that the issue only arose when in-work benefits were about to be reassessed:

‘Yes, it puts an overtime ban on, because nobody will work overtime and present a wage slip ... you know, obviously, they want to show the minimum wage, so they can get the maximum out of the benefit.’

(Manufacturer, Scheme B, rural area, Perth)

Other respondents appeared to have a good understanding of the rules and to be philosophical about the situation. They accepted that employees could be expected to juggle their working hours to maximise benefit entitlement, given the criteria attached to claiming in-work benefits:

‘I mean, I know that FamC, there were times when the FamC is assessed where they won’t do extra hours. I’m sure they’re not supposed to work it like that ... (but) it’s human nature isn’t it?’

(Public sector Scheme B, large town, Doncaster)

While the majority of respondents were well aware of the implications of the minimum wage on their businesses, they did not appear to have considered how this would affect the number of people who would then be eligible for in-work benefits.

The introduction of the minimum wage held no fears for some of the respondents. Some, who were managers in large organisations, spoke positively about it, arguing that the stipulated hourly rate was not an unreasonable amount for employers to be expected to pay. Even more stated that they already paid their employees above the minimum wage rate, and that its impending introduction 'won’t affect us'.
Some respondents expressed concern about the adverse effect the introduction of the minimum wage would have on their businesses. Three employers (Retailing, Care and Manufacturing) stated that jobs would definitely disappear within their organisations. The manufacturing firm had already started replacing labour with machines. One employer claimed that the Government had failed to appreciate the difficulties small firms faced in meeting labour costs:

'I think there are a lot of employers who can’t afford to pay the minimum wage and I think they’ll always be around. I think it may encourage … more employers to hire people and not put them through the books.'

(Public sector, Scheme B, major urban area, Sunderland)

The few respondents who had considered the impact of the minimum wage on in-work benefits, took different views. Two employers, one from Scheme A and one from Scheme B, who had employees currently claiming in-work benefits, assumed that they would carry on receiving them because they were currently paid more than the minimum wage hourly rate. However, another employer felt that a consequence of this development would be more inflexibility in the workforce. He thought that employees who were claiming in-work benefits would be even more reluctant to work additional hours because of the effect on the amount of benefit they received:

'Well, we've got no problem with the minimum wage … but the whole issue of benefits is a problem, yes. How it will affect it, I would imagine a little bit worse than at the moment, because people will find different reasons why they shouldn’t work that long, or so hard, you know…'

(Hotel and Catering, Scheme B, seaside area, Bournemouth)

Most of the employers had some level of understanding about in-work benefits. Most did not know that one (or more) of their employees was receiving ETU, though some two-thirds knew that employees were claiming one of the in-work benefits. This suggests that they may well have underestimated the number of their workforce that was claiming an in-work benefit.

In-work benefits were welcomed as an incentive to people to take work, particularly part-time jobs, that they otherwise would not consider. However, employers showed only a limited knowledge of the rules governing in-work benefits. In-work benefits were criticised because the employers believed they introduced rigidities into the labour force: for example, respondents said that some staff refused to work more than sixteen hours a week because it would affect their benefit adversely. Employers thought the rules were perverse because they penalised employees who were prepared to work more hours. This suggests that some employers confused the rules of in-work and out-of-work benefits. Some employers appeared more knowledgeable and were sympathetic to people who 'juggled' their hours when they were gathering evidence for an application.
Employers thought that, so far, in-work benefits had not affected wage setting, in the main because they did not have local control over rates, though also because they believed that many employers were unaware of in-work benefits. However, a number recognised the potential effect, and one acknowledged that in-work benefits allowed his firm to pay lower rates.

Generally, the respondents were aware of the implications of the minimum wage on their businesses, but few had considered the effect of the minimum wage on in-work benefits. Some thought that any employees currently claiming in-work benefits would carry on because they were already paid more than the minimum wage; another feared inflexibility in the labour force as workers sought to maximise their benefit income.

The actions taken by employers in the light of their knowledge and understanding of ETU are examined in this section. It will be recalled that ETU had been in operation for less than two years when the employers were interviewed. The issues are whether companies have encouraged their employees to claim ETU and if businesses have taken on more employees or otherwise made changes to wage rates and working patterns.

Some genuine confusion did appear to exist among employers about the types of in-work benefits that existed, with some respondents confidently claiming some understanding of ETU, and then moving on to describe FamC, and some apparently confusing in-work and out-of-work benefits. However, some employers were clearly aware of how many of their employees were receiving or had applied for ETU.

The manager of the one manufacturing firm in the sample said that ETU had been brought to their notice quite forcefully because it caused problems for them. Their concern about the way ETU was being piloted was the main reason they had participated in the research. The eligibility rules based on workers' home post-code had caused the firm considerable difficulties because employees were working side by side but taking home different amounts of pay (see also 4.3.2).
4.4.2 Encouragement to employees to claim ETU

Most employers said they had not actively encouraged their employees to claim ETU because, in most cases, they only became aware of the benefit when employees were in the process of applying. How successful applicants found out about ETU is discussed in Section 3 of this report. Many employers thought that most of their employees had found out about ETU through word of mouth recommendation from other workers:

‘I’ve not personally encouraged anybody, no. I mean, I know of members of staff who have mentioned it to other members of staff, who maybe haven’t been so aware of it, and they’ve explained the system that they go through and how they go about getting it.’

(Hotel and Catering, Scheme B, major urban area, Sunderland)

Some employers had helped their employees to claim, but typically it was for in-work benefits in general rather than for ETU in particular:

‘Yes I have … it’s just particularly people that come, maybe their partner loses their job and so I have actually given or sent off for brochures for some if it can help them, so that they can remain in employment … I’ve mentioned it to a couple that have been for interview and yes, one lady took it up and actually came to work for us.’

(Residential Care, Scheme A, rural area, N Wales)

4.4.3 Changes to wage rates, numbers employed and working patterns attributed to ETU

The relative ‘newness’ of ETU as an in-work benefit made it difficult to determine within this sample any marked changes that have been implemented by many employers and may be attributed to ETU.

Employers who had some experience of their employees claiming ETU typically had small numbers of employees within their organisation. There was little evidence to suggest that employers were actively tailoring wage rates to increase the volume of employees who could potentially claim the benefit or creating more jobs because labour was relatively cheaper to employ.

There was one exception: we have seen that a manufacturing firm found the piloting of ETU created problems for them and had acted in the light of this. To counter the impact of the piloting in some postcode areas and not in others, the firm had been forced to review wage structures in the hope of re-introducing equality of take-home pay within the workforce. As a temporary measure, the firm had decided to increase wage rates for those employees who found that they could not claim ETU because they lived outside the Stirling area, in the hope of avoiding the loss of valued employees:

‘We have had to look at it in detail, as we have members of staff that are very upset about it and to keep those staff happy … we have to look at giving them an increased wage rate and the people who are claiming the top-up, set that off against the other, so that we can make everyone equal.’

(Manufacturing, Scheme B, rural area, Perth)
The BA and ES staff panels believed that recruitment agencies paid low wage rates and were reluctant to offer security of employment (Section 2.6). There was one recruitment agency in the sample. The respondent said they had a number of temporary staff in receipt of ETU, but emphasised that the availability of the benefit would not affect the pay rates negotiated from employers who were using the agency to recruit staff. He tried to negotiate rates that were the same as those paid to permanent staff:

‘No, you can’t set your pay rates just on whether somebody might get ETU, no. I try to set my pay rates on what my clients pay their own permanent staff and try and get it as a parity pay rather than think ‘Oh well I’ll pay them less’ … I’d never think ‘Oh I’ll pay them less because they might be able to get ETU’, I’d never ever think of that.’

(Recruitment Agency, Scheme B, large town, Doncaster)

While it was difficult to identify employers who have renegotiated wage rates to encourage the take-up of ETU, there were some employers in the sample who were prepared to make changes to working hours in order to attract or retain employees. This employer saw the potential employee as an active negotiator in the process, seeking to achieve eligibility for ETU:

‘… she asked me about it and what we had, it was like in this sort of interview that I had, I said the hours that I wanted and then she wanted this, so we tailored it around (eligibility for ETU), so both employee and employer were happy with the outcome.’

(Retail, Scheme A, large town, Wakefield and Barnsley)

One employer in an area of high unemployment, was confident that he was able to attract more applicants to part-time jobs if he could offer more than 16 hours, because of the availability of ETU and FamC to top-up potential wages. He ensured that he offered 16 or more hours:

‘I think for the nature of this industry where there are so many part-time vacancies, I think things like the ETU certainly help us to fill those vacancies without a doubt, because the hours that are on offer, naturally aren’t always enough for people to sustain a decent wage, if you like, so if they get any form of top-up, it is worth their while to come to work. I think without that I don’t think there’d be a lot of people that would be that keen to take on doing sort of 16, maybe 20 hours a week, without any extra.’

(Hotel and Catering, Scheme B, major urban area, Sunderland)

4.4.4 Policies to assist in the take-up of ETU

The marginal influence of ETU on most companies in the sample, led many employers to state that they had not, as yet, introduced any policies which would directly assist their employees to take up the benefit. On the fringes of such development, it may however be possible to include the small number of firms who had manoeuvred part-time working hours to increase the number of people who would then become eligible for in-work benefits such as ETU. At the same time, these firms aimed to improve their recruitment and retention of staff in part-time employment.
Most of the employers found out about ETU from their employees when they were asked to complete application forms. Employers thought that employees heard about it from their colleagues; they themselves had not actively encouraged claiming.

Employers were reluctant to attribute any changes to wage rates, the numbers employed or the pattern of part-time and full-time work to the introduction of ETU. In the main, employers appeared to be motivated by the wish to maximise the flexibility of their labour force in relation to the needs of their business. They acknowledged that ETU could help to hold down wages, though they argued that it had not done so to date, not least because only the local firms had the power to set hourly rates.

They were aware of in-work benefits and welcomed them as an aid to the recruitment and retention of workers. However, they were more wary of them when they believed they encouraged rigidities in the labour force, though this belief may be based on a confusion of the rules relating to hours of employment for in-work and out-of-work benefits. Other employers appeared to have a better understanding of ETU and some sympathy as workers sought to conform to the rules of eligibility and to maximise their benefit income.

It may be assumed that the hours of employment and the rates of pay offered by employers are determined by the needs of the firm. Employers said that they needed a flexible workforce, usually with a combination of full-time and part-time working patterns, in order to meet business demands. They also needed to recruit and retain quality employees.

Several employers in this sample were part of national or international businesses; they were not in a position to determine locally either the total hours their employees would work or the pay rates they would offer. Rather, these were decided at Head Office in the light of overall strategic planning. It is probable that this takes account, inter alia, of in-work benefits that are nationally available. However, on the evidence of this study, it appears that local piloting of ETU is unlikely to have had a direct, local influence on the wage rates offered by these employers. The quantitative analyses carried out by PSI (employers’ survey) and IER (local labour markets) are needed to answer this reliably.

Local employers controlled the hours and the wage rates they offered. They appeared to set hourly rates by 'rule of thumb' in relation to other employers who operated in the sector locally. This study offers some evidence on what a ‘rule of thumb’ might take in to account. First, as respondents acknowledged, they referred to other employers, some of whom were likely to be national or international firms whose
strategy in turn may recognise nationally negotiated wage rates and available in-work benefits. Secondly, some local employers in areas of high unemployment were aware that this helped to hold down wage rates. In any event, some acknowledged that they set rates as low as the market would bear. Thirdly, a few employers operated out of date trade agreements, up-rated for inflation.

There was no evidence that employers were well enough versed in ETU eligibility criteria or processes for this directly to affect their wage setting behaviour. However, the range of influences which bear upon ‘rule of thumb’ calculations, and the fact that one respondent acknowledged that if in-work benefits did not exist his company might be forced to review its current wage structure, suggest that FamC and possibly ETU may indirectly affect local wage setting behaviour.

Nevertheless, there is some evidence that in-work benefits generally, and possibly ETU in particular, encouraged employers to offer work of 16 hours or more a week so that employees could meet the eligibility criteria.

Employers’ judgements centred on the demands of their business: in-work benefits were welcomed when they helped to meet those needs and criticised when they failed to. Employers were happy to create 16 hours a week jobs so that employees could comply with the rules and receive in-work benefits because that helped the employers to recruit and retain staff. Employers were critical of the ETU rules when they thought they limited workforce flexibility and introduced rigidity. It is possible that some employers confused the eligibility rules of in-work and out-of-work benefits, so these criticisms may be based on a misunderstanding.

Employers themselves believed that in-work benefits helped them to recruit staff to positions they otherwise would not have considered. They referred, in particular, to part-time employment, unpopular shifts, jobs that entailed the cost and uncertainties of travel, and very low pay.

There was little direct evidence to suggest that employers were actively tailoring wage rates to take advantage of ETU, but there was wide acceptance that it was appropriate to arrange the hours so that employees could claim benefit.
These conclusions draw together the varying perceptions of staff, recipients and employers concerning the purposes of ETU, the circumstances under which ETU may be effective and the tensions at the heart of ETU. The views of the groups reflect their different interests and concerns; it is on these differences that the conclusions hinge.

This is an interim report and covers three of the total of six strands of the evaluation. Reports on the third round of staff panels, and on unsuccessful applicants, people who are no longer in receipt of ETU, and self-employed recipients will follow. Of necessity, these conclusions are provisional. Findings from all of the qualitative studies will be reported at a later date.

5.1 The purposes of ETU

Staff’s views of the purposes of ETU were influenced by the policy climate in which they were formed. These views changed between the first and second panel meetings as first JSA and then New Deal and other measures were introduced.

Staff respondents recognised that ETU was intended as a work incentive, but they offered a variety of interpretations of how it gained its effect. In the first round they tended to focus on ETU’s role in getting people into work; indeed, a few questioned whether ETU should even be brought to the attention of people already in low paid work because they did not need it as an incentive. In this narrow view, ETU performance measures would be limited to additionality, substitution and deadweight.

In the second round, staff were more inclined to take a broader interpretation of the purpose of ETU. It was to help reduce the barriers to working, in part by helping people to overcome their fears of leaving the security of benefit receipt, but also by encouraging them to take part-time and low paid jobs that they otherwise would not have considered. The effects of ETU might be partial, seen mainly in combination with other factors; evaluation would include whether ETU reached all those who were eligible, how far it prevented young people slipping into the habit of benefit receipt and whether it provided a stepping-stone into employment.

ES staff made extensive use of ETU in their work and tended to focus on the value of ETU in getting people into employment. BA staff seldom had contact with unemployed claimants and ETU, but they
acknowledged ETU's role as a job incentive. BA staff raised the issue of social justice and the extension of ETU nationally, given the provision of in-work benefits to parents and disabled people in low paid employment.

The studies of ETU recipients and their employers provide evidence for both direct and more diffuse ETU effects. For example, ETU recipients said that, when they were unemployed, the availability of the benefit influenced their views about the jobs available to them. Their employment choices widened to include low-paid and part-time work they otherwise would have rejected.

Recipients felt they had 'broken even' or were better off in work with ETU, which encouraged them to take ETU into account when they were thinking about their current or future employment. Some referred to the security given by the six-month award.

Similarly, while ETU cannot be seen as an incentive to take work for those who were already employed when they applied, it can be interpreted as a valuable support, keeping them in work. The evidence from this qualitative study suggests that ETU played a role in maintaining recipients in jobs they thought were not ideal financially and in other ways. However, this contradicts the quantitative, interim findings which found no discernible effect on job retention.

Staff and recipients indicated that ETU combined with other measures to produce effects. Staff in the first round of panel meetings welcomed ETU as a 'sweetener' to the JSA regime that was introduced at the same time; later, they thought ETU complemented New Deal. ETU recipients referred to the pressure they felt under the JSA regime; the availability of ETU, at the least, 'sweetened the pill' of a less than ideal job, which had to be taken in the circumstances and could not be left for fear of JSA sanctions.

Employers' minds were not much exercised by the government's intentions and the purposes of ETU, but they were, understandably, by the needs of their firms. The issue for employers was how far ETU helped them with their requirements for a flexible workforce to meet business demands, and to recruit and retain quality employees. The employers welcomed ETU (and other in-work benefits) when they thought they were helpful with their aims, and criticised them when they were not.

There is no evidence that many of the local employers were well enough versed in ETU or other benefit rules for this directly to affect their wage-setting behaviour; rather, some, at least, seemed to confuse in and out-of-work benefits. However, it is possible that the availability of in-work benefits at least indirectly affected local wage levels. Wage rates were set nationally for many local firms, in relation to local and
national circumstances, presumably including in-work benefits: these rates, in turn, became part of the prevailing conditions in the locality. A few employers said that they set rates as low as the market would bear and acknowledged that without in-work benefits such as ETU and FamC, their wage rates would have to rise.

The evidence is contradictory in respect of whether ETU benefit rules encouraged employers to offer work of 16 hours or more a week so that employees could meet the eligibility criteria. On the one hand, the members of the staff panels believed that some employers were reluctant to offer jobs at pay levels that brought National Insurance and other obligations. On the other hand, a few employer respondents had actively created jobs at 16 hours or more a week so that employees could claim in-work benefits, because that helped with the recruitment and retention of staff. That said, employers showed some confusion about the rules governing the number of hours that people receiving in-work or out-of-work benefits may work. Some believed that employees with ETU limited their working hours to less than 16 a week, but it is likely that this refers to people working and claiming JSA.

From the perspective of employers, ETU met their needs by helping them to recruit and retain staff in part-time and low paid employment, and unpopular shifts. From the perspective of staff and of recipients, ETU encouraged people to take and to stay in jobs they otherwise would have rejected. However, it must be repeated that this is not corroborated by the interim, quantitative findings.

5.2 The effectiveness of ETU

The members of the staff panels thought that the design and administration of ETU helped it to be effective: the process of application, receipt and renewal was straightforward, with a fast and efficient helpline for enquiries, and the information in the application pack was relevant and clear.

Staff also thought that ETU was effective because of the pattern of available jobs. Secure, full-time employment in manufacturing industries was lost, while there was growth in part-time and low paid jobs, mostly in the service sector, some of which was shift work offering unsocial and unpopular hours. ETU could encourage people to take such work, because they would be better off in employment, and they might hope that the job would be a stepping stone to something better.

However, because of the jobs available, ETU was more effective with some clients than others. Staff could use ETU to more effect with women, who were accustomed to such jobs, than they could with men who had held ‘proper’ full-time jobs, in traditional industries. Staff believed that the effectiveness of ETU was inhibited by employers
who offered poor hours and rates of pay along with demands for flexible work patterns, particularly ‘zero hours’ contracts which gave maximum flexibility to the employer but failed to meet the requirements for ETU.

Staff said that different types of people found ETU useful; the evidence from the study of ETU recipients supports this. For example, according to respondents’ accounts: younger recipients, living with their parents, gained the most additional spending money; people living in their own place often achieved little more than ‘breaking even’ after they had taken rent and Council Tax into account; and ETU awards were not adequate to help people with mortgages to leave benefit. Older recipients, particularly men, were less likely to find work they thought was satisfactory, but continued to seek full-time employment and a ‘decent’ wage. Women were better able to find jobs they judged acceptable, with ETU, than were men.

Staff said that the effectiveness of ETU was obviously inhibited when people did not know about it, though they acknowledged that ETU’s pilot status affected the publicity it received. They were concerned about: staff awareness of ETU in BA and ES local offices, particularly new and temporary staff; people who were in low paid work and eligible for ETU who might not hear about it; and that the limitation on publicity meant that the pilot might not indicate the true level of eligibility and need for ETU.

Staff believed that the effectiveness of ETU was further limited because it counted as income in the calculation of Housing and Council Tax Benefits. Panel members stressed the importance people attached to feeling that their housing was not at risk; this made them fearful to leave the security of out-of-work benefit. Their fears were exacerbated by their finding that they gained ETU but lost Housing and Council Tax Benefits, leaving them hardly any better off.

The experience related by recipients confirms this: some felt no better off in work with ETU because they lost their Housing and Council Tax Benefits. In addition, recipients took into account the extra costs they incurred by being in work, such as travel and meals, and the loss of passported benefits such as free prescriptions and dental care. Several respondents felt that financially they were no better off, but they preferred to be in employment, earning their own money.

There was no evidence of systematic differences between the Scheme A and Scheme B pilot areas. However, a North-South divide was apparent among recipients’ views of their local labour markets. Those in the north said that there were too many low-paid, part-time jobs with a requirement for flexible and insecure working hours; they
compared them unfavourably with the ‘proper’ jobs that used to be available. People in the south were more likely to say that it was relatively easy to find work in their area and were less likely to criticise the available jobs. This suggests that ETU may be more useful in particular labour markets.

It is notable that the pilot area in which, at the outset, ETU was given a low profile and which had the lowest take-up during the pilot, was in the south of England. Staff in the area thought that the following characteristics of the area militated against the success of ETU: the low value of awards made under Scheme A; the fragmentation of their labour market, which limited word-of-mouth exchange of information and knowledge of ETU; and proximity to London and the high cost of living, particularly for people with mortgages.

Other policies and measures also had an impact upon the effectiveness of ETU. Recipients felt that they were under pressure from the JSA regime, in which case ETU was not their sole consideration in taking a job or remaining in one, but it was an element in their thinking. Similarly, New Deal allied with ETU to produce an effect. For example, staff considered that the time and effort that ES advisers were able to give younger unemployed people under New Deal, along with the incentive of an ETU award, were important in combination.

5.3 Tensions within ETU

The findings from the staff panels suggest that certain tensions lie at the heart of ETU: it was seen as ‘belonging’ to the BA because it was a benefit, though its usefulness lay with ES staff whose business and clientele were unemployed people; and neither Agency was directly concerned with low-paid employed people. The staff thought that people in low paid employment would not necessarily hear about ETU and realise that they could receive it. However, staff in most of the pilot areas reported a considerable increase in local knowledge of ETU during the course of the pilot and ‘word of mouth’ had been the source of information for some recipients.

Staff emphasised the complexity of the rules of individual benefits and of the benefits system as whole, in which one benefit interacts with another, and the difficulty people had in understanding the system. This is illustrated by the reaction of recipients to their gaining ETU only to find they had lost other benefits, and by some employers who appeared to confuse the rules of in-work and out-of-work benefits and misunderstand the effects of both.

Staff panels agreed on the importance of the contribution made by ETU in conjunction with New Deal to getting young people into a job and breaking, or preventing, a habit of depending on benefit. They regretted that 16 and 17 year olds were not included in these measures so that they could spend the time just waiting until they were eligible for unemployment benefit at 18 years.
Staff raised doubts about the adequacy of the trial given to ETU. They thought that certain aspects of the pilot called into question the seriousness with which it was being taken. They pointed to: the limited publicity given to the benefit; the fact that eligibility was complicated and related in part to post-codes, and could be missed by inexperienced staff; and the unreliability of the ‘pencil and paper’ monitoring of enquiries and the issue of application packs (though official administrative statistics were also collected on claims).

Members of the staff panels were uneasy about piloting and how the end of the three years would be managed. They feared that people who relied on ETU for their income would have to give up their jobs if it was withdrawn, and that it would be difficult to break the news to them. The study of recipients shows that many took jobs with ETU that they would not have considered otherwise, or that ETU helped to keep them in a job (though this evidence is not corroborated by interim survey findings). This suggests that staff fears may be borne out.

Staff were familiar with pilots that were used to ‘iron out problems’ of initiatives that were then introduced nationally. This was the first time that this type of pilot had been tried. Some staff supported it because they thought it gave the opportunity to explore the use and abuse of ETU before final decisions were made about its introduction. Others condemned as unjust and even questioned the lawfulness of a pilot that gave a benefit to some people but withheld it from others. Some thought that ETU should anyway be extended as a universal benefit as a matter of justice when considered in the context of in-work benefits for parents and disabled people. Even then the case of 16 and 17 year olds needed further consideration.

The views of recipients were mixed. Some were worried about how they would cope with the loss of income if the scheme was not continued; they thought their choice of jobs would be constrained and that local unemployment levels would increase. Others were concerned because they thought ETU was such a good idea in principle, ‘helping people that are trying to help themselves’. However, some thought they would be able to manage, and others said that they would simply return to unemployment and help with their Housing and Council Tax Benefits.
Earnings Top-up (ETU) is an in-work benefit that was introduced to supplement the wages of single people and couples without dependent children. It joined Disability Working Allowance and Family Credit to give almost complete coverage of in-work assistance to low-paid workers.

The objectives of Earnings Top-up were set out in the Green Paper, Piloting Change in Social Security: Helping people into work (DSS, 1995, p26). They are:

- To improve the incentive for unemployed singles and couples without dependent children to take work of 16 hours or more a week, without worsening incentives for others.
- To improve the incentives for those on low incomes to stay in work by raising their incomes relative to out-of-work support, without reducing their hours of work.

The broad aim of Earnings Top-up is to help people without dependent children move from unemployment into work, and to help those on low incomes stay in work (DSS, 1995, p.26). The characteristics of Earnings Top-up are as follows:

- an in-work benefit;
- for low-earning workers;
- for employed or self-employed;
- only available to people without dependent children;
- single people or couples;
- age 18-64;
- pays a supplement;
- fixed rate over a 26 week period;
- for jobs of five weeks or more;
- work for 16 or more hours a week;
- different rates apply to couples and to single people;
- only available in pilot areas;
- only available to people who are not full-time students.

The aims of the pilot are (DSS, 1995, p.26):

- to assess the effectiveness of a new benefit of this structure and level in raising net income, taking account of the impact on work effort, the effects on other in-work benefits and the distribution of wages and hours;
- to assess the impact of such help on encouraging low-income workers to get, and retain, work and in particular on outflows from unemployment;
- to assess the relative effectiveness of the two models proposed;
• to assess the impact on employers’ wage-setting and labour recruitment behaviour of providing universal in-work wage supplementation;

• to evaluate the most effective operational arrangements to implement such a benefit nationally including whether a national scheme could be administered through the wage packet; and

• to establish the programme and administration costs and savings of extending such a benefit nationally, taking account of the direct and indirect economic and labour market effects.

The pilot areas cover four different types of labour market:

• **major urban areas:** Newcastle upon Tyne;
  Sunderland;
  Middlesbrough, Hartlepool and Stockton;

• **large towns:** Castleford, Wakefield and Barnsley;
  Doncaster;
  Rotherham and Worksop;

• **seaside areas:** Southend;
  Bournemouth;
  Southampton and the Isle of Wight;

• **rural areas:** North Wales;
  Perth;
  South Wales.

and three groups of matched pilot areas:

• **Scheme A pilot areas:** Newcastle upon Tyne;
  Castleford, Wakefield and Barnsley;
  Southend;
  North Wales;

• **Scheme B pilot areas:** Sunderland;
  Doncaster;
  Bournemouth;
  Perth;

• **control areas:** Middlesbrough, Hartlepool and Stockton;
  Rotherham and Worksop;
  Southampton and the Isle of Wight;
  South Wales.
The qualitative elements provide a coherent and comprehensive process evaluation within the overall research design and complement the quantitative impact studies. Whilst the quantitative analyses concentrate on determining whether the policy meets its stated goals, the process evaluation aims to explain why this is so and to offer insights into ways that policy might be adjusted or fine-tuned in order better to meet the policy objectives.

A key element in the process evaluation is to recognise the differing, and potentially conflicting, perspectives of the key groups involved in, or affected by, the implementation of Earnings Top-up. To rely solely on the perceptions of one group is to risk providing a biased account of real world events. Likewise, it is also important to recognise that the quality of the relationships between these groups may itself be a factor affecting the effectiveness of Earnings Top-up.

The objectives of the qualitative programme of work are:

- to offer a process evaluation of Earnings Top-up to complement PSI’s impact analysis;
- to understand better how the scheme is perceived by actual and potential claimants and by those in a position to influence its implementation;
- to investigate changes in the behaviour of the major groups affected by Earnings Top-up, low-paid workers, jobseekers and employers, and to consider the rationale for these changes;
- to explore the influence of Earnings Top-up on the labour market trajectories of people within the scope of the benefit;
- to provide accounts of how Earnings Top-up is implemented in each pilot area, including the interaction between local and central agencies, and the way in which these factors might affect the impact of Earnings Top-up;
- to complement IER’s statistical analyses of the local labour markets by providing narrative accounts of changes throughout the three years of the pilot;
- to provide a mechanism to investigate apparent anomalies or issues identified during the course of the pilots; and
- to offer a synoptic but comprehensive overview of the effectiveness of Earnings Top-up by comparing and contrasting the views of all those involved in its implementation.
APPENDIX C  ETU RECIPIENTS: TOPIC GUIDE

1  Introduction  
(self and CRSP; the research; confidentiality)

2  Household  
(describe)

3  Situation before ETU  
(what doing; for how long; pattern of work/unemployment; usual work)

4  Local labour market  
(finding the job they were in when ETU claimed; finding work now)

5  Attitudes to work and employment  
(importance attached to/feel about work and employment; take a job at any price)

6  Finding out about ETU  
(when; how; where; from whom. Remember publicity. What did they think ETU was for; who did they think it was for)

7  Applying for ETU  
(why decide to claim; why then; could it have been earlier, if so, why wait)

8  Hopes and concerns  
(moving off benefit; know of schemes to help; loss of passported benefits; better-off calculations, formal and informal)

9  Claim process  
(how obtain form; completing the form; where sent; any queries/help; able to supply information OK; how long wait; problems)

10  Being awarded ETU  
(when; when renewed; how many times; were there gaps between)

11  Job at time of application  
(how long held; who work for, doing what; describe the firm: name, size, business, where, how get there; describe hours and variations incl overtime; perm/temp job; ft/pt and why; pay rate; costs incurred; like/dislike; why taken; was it the sort of job they were looking for)  
(taken that job without ETU; ETU allow consider jobs not considered in the past)

12  Changes in employment since ETU  
(current status)  
(if changed job, ask questions at 11 about current job)  
(if unemployed, get details of how ETU works with JSA)
13 **Financial impact of ETU**
(amount awarded, more or less than expected; difference it made to household;
problems moving from benefit to work; loss of passported benefits;
advantages and disadvantages of six-month award;
what is total income, is it enough to live as wished; how meet housing costs;
financial commitments and household contribution)

14 **Impact of ETU at work**
(does employer know and what do they think about it;
any problems getting info needed for application from employer;
anyone else at work claiming ETU; any discussions about ETU; if not, why not)

15 **Views on ETU**
(good things: in general, for people with/without children; process and award;
bad things similarly;
apply again; encourage others to apply; how improve ETU;
views on ETU being a pilot)

16 **Future work prospects**
(job desired; will current job help to get another)

17 **EMPLOYER’S DETAILS**

18 **PAY £10**
<table>
<thead>
<tr>
<th>ALIAS</th>
<th>Age</th>
<th>Marital status</th>
<th>Emplo/unempld at time of claim</th>
<th>Scheme</th>
<th>Area type</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicola</td>
<td>30s</td>
<td>Single</td>
<td>In work</td>
<td>B</td>
<td>Seaside</td>
<td>Private rented</td>
</tr>
<tr>
<td>Natalie</td>
<td>50s</td>
<td>Couple</td>
<td>Unemployed</td>
<td>B</td>
<td>Seaside</td>
<td>Owner</td>
</tr>
<tr>
<td>Robert</td>
<td>30s</td>
<td>Single</td>
<td>In work</td>
<td>B</td>
<td>Rural</td>
<td>W th parents</td>
</tr>
<tr>
<td>Richard</td>
<td>30s</td>
<td>Single</td>
<td>In work</td>
<td>B</td>
<td>Rural</td>
<td>LA rented</td>
</tr>
<tr>
<td>Alison</td>
<td>Under 25</td>
<td>Single</td>
<td>Unemployed</td>
<td>A</td>
<td>Rural</td>
<td>W th parents</td>
</tr>
<tr>
<td>Hugh</td>
<td>40s</td>
<td>Single</td>
<td>Unemployed</td>
<td>A</td>
<td>Rural</td>
<td>LA rented</td>
</tr>
<tr>
<td>Lisa</td>
<td>Under 25</td>
<td>Single</td>
<td>In work</td>
<td>A</td>
<td>Major urban</td>
<td>W th parents</td>
</tr>
<tr>
<td>Abbie</td>
<td>Under 25</td>
<td>Single</td>
<td>In work</td>
<td>B</td>
<td>Large town</td>
<td>W th parents</td>
</tr>
<tr>
<td>Ellen</td>
<td>26-30</td>
<td>Couple</td>
<td>In work</td>
<td>A</td>
<td>Major urban</td>
<td>W th parents</td>
</tr>
<tr>
<td>Oliver</td>
<td>50s</td>
<td>Couple</td>
<td>Unemployed</td>
<td>B</td>
<td>Rural</td>
<td>Private rented</td>
</tr>
<tr>
<td>Leanne</td>
<td>Under 25</td>
<td>Couple</td>
<td>In work</td>
<td>A</td>
<td>Seaside</td>
<td>Private rented</td>
</tr>
<tr>
<td>Violet</td>
<td>50s</td>
<td>Single</td>
<td>In work</td>
<td>B</td>
<td>Rural</td>
<td>LA rented</td>
</tr>
<tr>
<td>Angela</td>
<td>30s</td>
<td>Single</td>
<td>In work</td>
<td>A</td>
<td>Large town</td>
<td>LA rented</td>
</tr>
<tr>
<td>Isobel</td>
<td>50s</td>
<td>Single</td>
<td>In work</td>
<td>A</td>
<td>Rural</td>
<td>Owner</td>
</tr>
<tr>
<td>Gina</td>
<td>30s</td>
<td>Single</td>
<td>Unemployed</td>
<td>A</td>
<td>Seaside</td>
<td>Private rented</td>
</tr>
<tr>
<td>Owen</td>
<td>40s</td>
<td>Single</td>
<td>Unemployed</td>
<td>B</td>
<td>Major urban</td>
<td>Owner</td>
</tr>
<tr>
<td>Ryan</td>
<td>Under 25</td>
<td>Single</td>
<td>In work</td>
<td>B</td>
<td>Seaside</td>
<td>Private rented</td>
</tr>
<tr>
<td>Andrew</td>
<td>50s</td>
<td>Couple</td>
<td>Unemployed</td>
<td>B</td>
<td>Major urban</td>
<td>LA rented</td>
</tr>
<tr>
<td>Elsie</td>
<td>40s</td>
<td>Couple</td>
<td>In work</td>
<td>A</td>
<td>Large town</td>
<td>LA rented</td>
</tr>
<tr>
<td>Elaine</td>
<td>50s</td>
<td>Single</td>
<td>In work</td>
<td>A</td>
<td>Rural</td>
<td>Owner</td>
</tr>
<tr>
<td>Imogen</td>
<td>26-30</td>
<td>Single</td>
<td>Unemployed</td>
<td>A</td>
<td>Large town</td>
<td>W th parents</td>
</tr>
<tr>
<td>Olivia</td>
<td>40s</td>
<td>Couple</td>
<td>In work</td>
<td>B</td>
<td>Large town</td>
<td>LA rented</td>
</tr>
<tr>
<td>Brenda</td>
<td>Under 25</td>
<td>Single</td>
<td>Unemployed</td>
<td>B</td>
<td>Seaside</td>
<td>W th parents</td>
</tr>
<tr>
<td>Barbara</td>
<td>40s</td>
<td>Single</td>
<td>Unemployed</td>
<td>B</td>
<td>Seaside</td>
<td>Private rented</td>
</tr>
<tr>
<td>Nancy</td>
<td>26-30</td>
<td>Single</td>
<td>In work</td>
<td>A</td>
<td>Major urban</td>
<td>W th parents</td>
</tr>
<tr>
<td>Wendy</td>
<td>Under 25</td>
<td>Single</td>
<td>Unemployed</td>
<td>A</td>
<td>Rural</td>
<td>W th parents</td>
</tr>
<tr>
<td>Edgar</td>
<td>30s</td>
<td>Single</td>
<td>In work</td>
<td>A</td>
<td>Major urban</td>
<td>W th parents</td>
</tr>
<tr>
<td>Eleanor</td>
<td>Under 25</td>
<td>Single</td>
<td>In work</td>
<td>B</td>
<td>Major urban</td>
<td>W th parents</td>
</tr>
<tr>
<td>Eddie</td>
<td>26-30</td>
<td>Single</td>
<td>In work</td>
<td>B</td>
<td>Large town</td>
<td>W th parents</td>
</tr>
<tr>
<td>Ingrid</td>
<td>50s</td>
<td>Single</td>
<td>In work</td>
<td>A</td>
<td>Seaside</td>
<td>Owner</td>
</tr>
<tr>
<td>Ava</td>
<td>40s</td>
<td>Single</td>
<td>Unemployed</td>
<td>B</td>
<td>Large town</td>
<td>LA rented</td>
</tr>
<tr>
<td>Anna</td>
<td>40s</td>
<td>Single</td>
<td>Unemployed</td>
<td>A</td>
<td>Large town</td>
<td>Private rented</td>
</tr>
<tr>
<td>Alex</td>
<td>30s</td>
<td>Single</td>
<td>Unemployed</td>
<td>A</td>
<td>Major urban</td>
<td>W th parents</td>
</tr>
<tr>
<td>Elliot</td>
<td>30s</td>
<td>Single</td>
<td>In work</td>
<td>A</td>
<td>Seaside</td>
<td>Owner</td>
</tr>
<tr>
<td>Oscar</td>
<td>Under 25</td>
<td>Single</td>
<td>Unemployed</td>
<td>B</td>
<td>Large town</td>
<td>W th parents</td>
</tr>
<tr>
<td>Alan</td>
<td>Under 25</td>
<td>Single</td>
<td>Unemployed</td>
<td>B</td>
<td>Large town</td>
<td>LA rented</td>
</tr>
<tr>
<td>Harriet</td>
<td>30s</td>
<td>Single</td>
<td>In work</td>
<td>B</td>
<td>Major urban</td>
<td>Private rented</td>
</tr>
<tr>
<td>Hope</td>
<td>26-30</td>
<td>Single</td>
<td>In work</td>
<td>A</td>
<td>Seaside</td>
<td>Private rented</td>
</tr>
<tr>
<td>Jason</td>
<td>Under 25</td>
<td>Single</td>
<td>In work</td>
<td>B</td>
<td>Major urban</td>
<td>W th parents</td>
</tr>
<tr>
<td>Becky</td>
<td>Under 25</td>
<td>Single</td>
<td>Unemployed</td>
<td>B</td>
<td>Rural</td>
<td>W th parents</td>
</tr>
</tbody>
</table>
First, please can you tell me a bit about your business. (if necessary, reassure respondent that we want the estimates of a knowledgeable informant, like themselves, not exact numbers)

- description of what the firm does
- public or private or voluntary sector
- is the firm local/ regional/ national
- with how much autonomy ref wage determining and taking on labour
- size of workforce
- in what sorts of jobs

(probe to find out about workers who are low paid or part-time or both: reassure, as above, that we want estimates)

Would you tell me about:

- the gender composition of the different workforce groups
- the hours worked by the different workforce groups
- whether any work less than 16 hours per week, and why
- how much choice staff have about the number of hours they work

**What are the main factors that influence pay levels locally?**

Probe:

- the pay people are willing to work for
- the pay offered by other local employers
- availability/scarcity of labour

**Are you able to decide the rates you will pay anyone you employ?**

Probe:

- national agreements
- head office decides
- local, going rates

**Has your organisation experienced any difficulties in recruitment?**

Keep them focused on low paid; which groups and why; probe on rates of pay

**Is high turnover a problem among any of the workers you employ?**
Let me turn to the benefit that is being piloted. It is called Earnings Top-up, and is paid to people who work 16 or more hours a week, with wages below a certain threshold. You may be familiar with Family Credit, which is an in-work benefit for people with children, based on earnings. (You can say that they can think of Earnings Top-up as Family Credit without the children - but only if you think that will help them to understand.)

1 Which in-work benefits do you think your employees could claim?
2 Do you think that in-work benefits affect recruitment (make it easier or harder)?
3 Do you think that in-work benefits have an effect on wage setting?
4 Do you think that the 16-hour eligibility rule affects the number of hours people prefer to work - and have you experienced this?
5 Of course, the introduction of the minimum wage will affect the number of people who will be able to claim an in-work benefit. How do you feel about that?

Interviews are to be 15 to 20 minutes long. Having completed sections A and B, any spare time can be used to explore employers’ actions on in-work benefits more generally, as follows:

Finally, can I ask if you knew that Earnings Top-up was being piloted in your area?

Have you encouraged any employees to claim in-work benefits/ETU?

(Probe: when - at interview, after job accepted, after a while with the organisation)

Have employees asked for/ have you suggested that their hours are changed so that they can claim ETU?

Have you introduced any policies to assist the take-up of ETU/in-work benefits?

Would you say that the Earnings Top-up pilot has affected your business at all? For example:
1 the rates you have been able to offer workers
2 and the number of workers you have employed

(probe/explore whether new jobs have been created as a result of ETU)

Thank you very much for your help. May I reassure you once more that we will report our evaluation so that what you have said, and your name and your company’s name, will be kept strictly confidential.
### Table F.1 Characteristics of employer sample

<table>
<thead>
<tr>
<th>Business</th>
<th>Scheme</th>
<th>Employer</th>
<th>Area type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Care</td>
<td>A</td>
<td>Local</td>
<td>seaside - Southend</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>Local</td>
<td>rural - N Wales</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>National</td>
<td>major urban - Newcastle</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>National</td>
<td>large town - Doncaster</td>
</tr>
<tr>
<td>Leisure</td>
<td>A</td>
<td>International</td>
<td>rural - N Wales</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>Local</td>
<td>seaside - Southend</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Local</td>
<td>large town - Doncaster</td>
</tr>
<tr>
<td>Retail</td>
<td>A</td>
<td>National</td>
<td>large town - Barnsley</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>Local</td>
<td>large town - Barnsley</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>Local</td>
<td>large town - Barnsley</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Local</td>
<td>rural - Scotland</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>International</td>
<td>rural - Scotland</td>
</tr>
<tr>
<td>Hotels and Catering</td>
<td>A</td>
<td>Local</td>
<td>rural - N Wales</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Local</td>
<td>major urban - Sunderland</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Local</td>
<td>seaside - Bournemouth</td>
</tr>
<tr>
<td>Cleaning</td>
<td>A</td>
<td>National</td>
<td>rural - N Wales</td>
</tr>
<tr>
<td>Public Sector</td>
<td>A</td>
<td>Local</td>
<td>large town - Barnsley</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>National</td>
<td>major urban - Sunderland</td>
</tr>
<tr>
<td>Recruitment Agency</td>
<td>B</td>
<td>National</td>
<td>large town - Doncaster</td>
</tr>
<tr>
<td>Publishing</td>
<td>B</td>
<td>National</td>
<td>seaside - Bournemouth</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>B</td>
<td>International</td>
<td>rural - Scotland</td>
</tr>
<tr>
<td>Transport</td>
<td>B</td>
<td>National</td>
<td>rural - Scotland</td>
</tr>
<tr>
<td>Hairdressing</td>
<td>Control</td>
<td>Local</td>
<td>large town - Rotherham</td>
</tr>
</tbody>
</table>
Table F.2  Employer sample by size of establishment

<table>
<thead>
<tr>
<th>Company size</th>
<th>Number in sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 9</td>
<td>5</td>
</tr>
<tr>
<td>10 - 24</td>
<td>5</td>
</tr>
<tr>
<td>25 - 49</td>
<td>4</td>
</tr>
<tr>
<td>50 - 99</td>
<td>3</td>
</tr>
<tr>
<td>100 - 199</td>
<td>2</td>
</tr>
<tr>
<td>200 - 499</td>
<td>2</td>
</tr>
<tr>
<td>500 - 999</td>
<td>0</td>
</tr>
<tr>
<td>1000 +</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23</strong></td>
</tr>
</tbody>
</table>
# Other Research Reports Available:

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>ISBN</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Thirty Families: Their living standards in unemployment</td>
<td>0 11 761683 4</td>
<td>£6.65</td>
</tr>
<tr>
<td>2.</td>
<td>Disability, Household Income &amp; Expenditure</td>
<td>0 11 761755 5</td>
<td>£5.65</td>
</tr>
<tr>
<td>3.</td>
<td>Housing Benefit Reviews</td>
<td>0 11 761821 7</td>
<td>£16.50</td>
</tr>
<tr>
<td>4.</td>
<td>Social Security &amp; Community Care: The case of the Invalid Care Allowance</td>
<td>0 11 761820 9</td>
<td>£9.70</td>
</tr>
<tr>
<td>5.</td>
<td>The Attendance Allowance Medical Examination: Monitoring consumer views</td>
<td>0 11 761819 5</td>
<td>£5.50</td>
</tr>
<tr>
<td>6.</td>
<td>Lone Parent Families in the UK</td>
<td>0 11 761868 3</td>
<td>£15.00</td>
</tr>
<tr>
<td>7.</td>
<td>Incomes In and Out of Work</td>
<td>0 11 761910 8</td>
<td>£17.20</td>
</tr>
<tr>
<td>8.</td>
<td>Working the Social Fund</td>
<td>0 11 761952 3</td>
<td>£9.00</td>
</tr>
<tr>
<td>9.</td>
<td>Evaluating the Social Fund</td>
<td>0 11 761953 1</td>
<td>£22.00</td>
</tr>
<tr>
<td>11.</td>
<td>Customer Perceptions of Resettlement Units</td>
<td>0 11 761976 6</td>
<td>£13.75</td>
</tr>
<tr>
<td>12.</td>
<td>Survey of Admissions to London Resettlement Units</td>
<td>0 11 761977 9</td>
<td>£8.00</td>
</tr>
<tr>
<td>13.</td>
<td>Researching the Disability Working Allowance Self Assessment Form</td>
<td>0 11 761834 9</td>
<td>£7.25</td>
</tr>
<tr>
<td>14.</td>
<td>Child Support Unit National Client Survey 1992</td>
<td>0 11 762060 2</td>
<td>£15.00</td>
</tr>
<tr>
<td>15.</td>
<td>Preparing for Council Tax Benefit</td>
<td>0 11 762061 0</td>
<td>£5.65</td>
</tr>
<tr>
<td>17.</td>
<td>Employers’ Choice of Pension Schemes: Report of a qualitative study</td>
<td>0 11 762073 4</td>
<td>£5.00</td>
</tr>
<tr>
<td>18.</td>
<td>GPs and IVB: A qualitative study of the role of GPs in the award of Invalidity Benefit</td>
<td>0 11 762077 7</td>
<td>£12.00</td>
</tr>
<tr>
<td>19.</td>
<td>Invalidity Benefit: A survey of recipients</td>
<td>0 11 762087 4</td>
<td>£10.75</td>
</tr>
<tr>
<td>No.</td>
<td>Title</td>
<td>ISBN</td>
<td>Price</td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------------------------------------------</td>
<td>------------</td>
<td>--------</td>
</tr>
<tr>
<td>20</td>
<td>Invalidity Benefit: A longitudinal survey of new recipients</td>
<td>011 762088 2</td>
<td>£19.95</td>
</tr>
<tr>
<td>21</td>
<td>Support for Children: A comparison of arrangements in fifteen countries</td>
<td>011 762089 0</td>
<td>£22.95</td>
</tr>
<tr>
<td>22</td>
<td>Pension Choices: A survey on personal pensions in comparison with other pension options</td>
<td>011 762091 2</td>
<td>£18.95</td>
</tr>
<tr>
<td>23</td>
<td>Crossing National Frontiers</td>
<td>011 762131 5</td>
<td>£17.75</td>
</tr>
<tr>
<td>24</td>
<td>Statutory Sick Pay</td>
<td>011 762147 1</td>
<td>£23.75</td>
</tr>
<tr>
<td>25</td>
<td>Lone Parents and Work</td>
<td>011 762147 X</td>
<td>£12.95</td>
</tr>
<tr>
<td>26</td>
<td>The Effects of Benefit on Housing Decisions</td>
<td>011 762157 9</td>
<td>£18.50</td>
</tr>
<tr>
<td>27</td>
<td>Making a Claim for Disability Benefits</td>
<td>011 762162 5</td>
<td>£12.95</td>
</tr>
<tr>
<td>28</td>
<td>Contributions Agency Customer Satisfaction Survey 1993</td>
<td>011 762220 6</td>
<td>£20.00</td>
</tr>
<tr>
<td>29</td>
<td>Child Support Agency National Client Satisfaction Survey 1993</td>
<td>011 762224 9</td>
<td>£33.00</td>
</tr>
<tr>
<td>30</td>
<td>Lone Mothers</td>
<td>011 762228 1</td>
<td>£16.75</td>
</tr>
<tr>
<td>31</td>
<td>Educating Employers</td>
<td>011 762249 4</td>
<td>£8.50</td>
</tr>
<tr>
<td>32</td>
<td>Employers and Family Credit</td>
<td>011 762272 9</td>
<td>£13.50</td>
</tr>
<tr>
<td>33</td>
<td>Direct Payments from Income Support</td>
<td>011 762290 7</td>
<td>£16.50</td>
</tr>
<tr>
<td>34</td>
<td>Incomes and Living Standards of Older People</td>
<td>011 762299 0</td>
<td>£24.95</td>
</tr>
<tr>
<td>35</td>
<td>Choosing Advice on Benefits</td>
<td>011 762316 4</td>
<td>£13.95</td>
</tr>
<tr>
<td>36</td>
<td>First-time Customers</td>
<td>011 762317 2</td>
<td>£25.00</td>
</tr>
<tr>
<td>37</td>
<td>Contributions Agency National Client Satisfaction Survey 1994</td>
<td>011 762339 3</td>
<td>£21.00</td>
</tr>
<tr>
<td>38</td>
<td>Managing Money in Later Life</td>
<td>011 762340 7</td>
<td>£22.00</td>
</tr>
<tr>
<td>39</td>
<td>Child Support Agency National Client Satisfaction Survey 1994</td>
<td>011 762341 5</td>
<td>£35.00</td>
</tr>
<tr>
<td>40</td>
<td>Changes in Lone Parenthood</td>
<td>011 7632349 0</td>
<td>£20.00</td>
</tr>
<tr>
<td>41</td>
<td>Evaluation of Disability Living Allowance and Attendance Allowance</td>
<td>011 762351 2</td>
<td>£40.00</td>
</tr>
<tr>
<td>42</td>
<td>War Pensions Agency Customer Satisfaction Survey 1994</td>
<td>011 762358 X</td>
<td>£18.00</td>
</tr>
<tr>
<td>43</td>
<td>Paying for R ented Housing</td>
<td>011 762370 9</td>
<td>£19.00</td>
</tr>
</tbody>
</table>
44. Resettlement Agency Customer Satisfaction Survey 1994 0 11 762371 7 £16.00
45. Changing Lives and the Role of Income Support 0 11 762405 5 £20.00
46. Social Assistance in OECD Countries Synthesis Report 0 11 762407 1 £22.00
47. Social Assistance in OECD Countries Country Report 0 11 762408 X £47.00
48. Leaving Family Credit 0 11 762411 X £18.00
49. Women and Pensions 0 11 762422 5 £35.00
50. Pensions and Divorce 0 11 762423 5 £25.00
51. Child Support Agency Client Satisfaction Survey 1995 0 11 762424 1 £22.00
52. Take Up of Second Adult Rebate 0 11 762390 3 £17.00
53. Moving off Income Support 0 11 762394 6 £26.00
54. Disability, Benefits and Employment 0 11 762398 9 £30.00
55. Housing Benefit and Service Charges 0 11 762399 7 £25.00
56. Confidentiality: The public view 0 11 762434 9 £25.00
57. Helping Disabled Workers 0 11 762440 3 £25.00
58. Employers' Pension Provision 1994 0 11 762443 8 £30.00
59. Delivering Social Security: A cross-national study 0 11 762447 0 £35.00
60. A Comparative Study of Housing Allowances 0 11 762448 9 £26.00
61. Lone Parents, Work and Benefits 0 11 762450 0 £25.00
62. Unemployment and Jobseeking 0 11 762452 7 £30.00
63. Exploring Customer Satisfaction 0 11 762468 3 £20.00
64. Social Security Fraud: The role of penalties 0 11 762471 3 £30.00
65. Customer Contact with the Benefits Agency 0 11 762533 7 £30.00
66. Pension Scheme Inquiries and Disputes 0 11 762534 5 £30.00
67. Maternity Rights and Benefits in Britain 0 11 762536 1 £35.00
68. Claimants' Perceptions of the Claim Process 0 11 762541 8 £23.00
69. Delivering Benefits to Unemployed People 0 11 762553 1 £27.00

123
<table>
<thead>
<tr>
<th>#</th>
<th>Title</th>
<th>ISBN</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>70</td>
<td>Delivering Benefits to Unemployed 16–17 year olds</td>
<td>0 11 762557 4</td>
<td>£ 20.00</td>
</tr>
<tr>
<td>71</td>
<td>Stepping-Stones to Employment</td>
<td>0 11 762568 X</td>
<td>£ 27.00</td>
</tr>
<tr>
<td>72</td>
<td>Dynamics of Retirement</td>
<td>0 11 762571 X</td>
<td>£ 36.00</td>
</tr>
<tr>
<td>73</td>
<td>Unemployment and Jobseeking before Jobseeker’s Allowance</td>
<td>0 11 762576 0</td>
<td>£ 34.00</td>
</tr>
<tr>
<td>74</td>
<td>Customer views on Service Delivery in the Child Support Agency</td>
<td>0 11 762583 3</td>
<td>£ 27.00</td>
</tr>
<tr>
<td>75</td>
<td>Experiences of Occupational Pension Scheme Wind-Up</td>
<td>0 11 762584 1</td>
<td>£ 27.00</td>
</tr>
<tr>
<td>76</td>
<td>Recruiting Long-Term Unemployed People</td>
<td>0 11 762585 X</td>
<td>£ 27.00</td>
</tr>
<tr>
<td>77</td>
<td>What Happens to Lone Parents</td>
<td>0 11 762598 3</td>
<td>£ 31.00</td>
</tr>
<tr>
<td>78</td>
<td>Lone Parents Lives</td>
<td>0 11 762598 1</td>
<td>£ 34.00</td>
</tr>
<tr>
<td>79</td>
<td>Moving into Work: Bridging Housing Costs</td>
<td>0 11 762599 X</td>
<td>£ 33.00</td>
</tr>
<tr>
<td>80</td>
<td>Lone Parents on the Margins of Work</td>
<td>1 84123 000 6</td>
<td>£ 26.00</td>
</tr>
<tr>
<td>81</td>
<td>The Role of Pension Scheme Trustees</td>
<td>1 84123 001 4</td>
<td>£ 28.00</td>
</tr>
<tr>
<td>82</td>
<td>Pension Scheme Investment Policies</td>
<td>1 84123 002 2</td>
<td>£ 28.00</td>
</tr>
<tr>
<td>83</td>
<td>Pensions and Retirement Planning</td>
<td>1 84123 003 0</td>
<td>£ 28.00</td>
</tr>
<tr>
<td>84</td>
<td>Self-Employed People and National Insurance Contributions</td>
<td>1 84123 004 9</td>
<td>£ 28.00</td>
</tr>
<tr>
<td>85</td>
<td>Getting the Message Across</td>
<td>1 84123 052 9</td>
<td>£ 26.00</td>
</tr>
<tr>
<td>86</td>
<td>Leaving Incapacity Benefit</td>
<td>1 84123 087 1</td>
<td>£ 34.00</td>
</tr>
<tr>
<td>87</td>
<td>Unemployment and Jobseeking: Two Years On</td>
<td>1 84123 088 X</td>
<td>£ 38.00</td>
</tr>
<tr>
<td>88</td>
<td>Attitudes to the Welfare State and the Response to Reform</td>
<td>1 84123 098 7</td>
<td>£ 36.00</td>
</tr>
<tr>
<td>89</td>
<td>New Deal for Lone Parents: Evaluation of Innovative Schemes</td>
<td>1 84123 101 0</td>
<td>£ 26.00</td>
</tr>
<tr>
<td>90</td>
<td>Modernising service delivery: The Lone Parent Prototype</td>
<td>1 84123 103 7</td>
<td>£ 26.00</td>
</tr>
<tr>
<td>91</td>
<td>Housing Benefit exceptional hardship payments</td>
<td>1 84123 104 5</td>
<td>£ 26.00</td>
</tr>
<tr>
<td>92</td>
<td>New Deal for Lone Parents: Learning from the Prototype Areas</td>
<td>1 84123 107 X</td>
<td>£ 29.00</td>
</tr>
<tr>
<td>93</td>
<td>Housing Benefit and Supported Accommodation</td>
<td>1 84123 118 5</td>
<td>£ 31.50</td>
</tr>
<tr>
<td>No.</td>
<td>Title</td>
<td>ISBN</td>
<td>Price</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
</tr>
<tr>
<td>94</td>
<td>Disability in Great Britain</td>
<td>1 84123 119 3</td>
<td>£ 35.00</td>
</tr>
<tr>
<td>95</td>
<td>Low paid work in Britain</td>
<td>1 84123 120 7</td>
<td>£ 37.00</td>
</tr>
<tr>
<td>96</td>
<td>Keeping in touch with the Labour Market</td>
<td>1 84123 126 6</td>
<td>£ 28.50</td>
</tr>
<tr>
<td>97</td>
<td>Housing Benefit and Council Tax Benefit delivery: Claimant experiences</td>
<td>1 84123 127 4</td>
<td>£ 24.00</td>
</tr>
<tr>
<td>98</td>
<td>Employers’ Pension Provision 1996</td>
<td>1 84123 138 X</td>
<td>£ 31.50</td>
</tr>
<tr>
<td>99</td>
<td>Unemployment and jobseeking after the introduction of Jobseeker’s Allowance</td>
<td>1 84123 146 0</td>
<td>£ 33.00</td>
</tr>
<tr>
<td>100</td>
<td>Overcoming barriers: Older people and Income Support</td>
<td>1 84123 148 7</td>
<td>£ 29.00</td>
</tr>
<tr>
<td>101</td>
<td>Attitudes and aspirations of older people: A review of the literature</td>
<td>1 84123 144 4</td>
<td>£ 34.00</td>
</tr>
<tr>
<td>102</td>
<td>Attitudes and aspirations of older people: A qualitative study</td>
<td>1 84123 158 4</td>
<td>£ 29.00</td>
</tr>
<tr>
<td>103</td>
<td>Relying on the state, relying on each other</td>
<td>1 84123 163 0</td>
<td>£ 27.00</td>
</tr>
<tr>
<td>104</td>
<td>Modernising Service Delivery: The Integrated Services Prototype</td>
<td>1 84123 162 2</td>
<td>£ 27.00</td>
</tr>
<tr>
<td>105</td>
<td>Helping pensioners: Evaluation of the Income Support Pilots</td>
<td>1 84123 164 9</td>
<td>£ 30.00</td>
</tr>
<tr>
<td>106</td>
<td>New Deal for disabled people: Early implementation</td>
<td>1 84123 165 7</td>
<td>£ 39.50</td>
</tr>
<tr>
<td>107</td>
<td>Parents and employment: An analysis of low income families in the British Household Panel Survey</td>
<td>1 84123 167 3</td>
<td>£ 28.50</td>
</tr>
<tr>
<td>108</td>
<td>Evaluation of the New Deal for Lone Parents: Early lessons from the Phase One Prototype Synthesis Report</td>
<td>1 84123 187 8</td>
<td>£ 27.50</td>
</tr>
<tr>
<td>109</td>
<td>Evaluation of the New Deal for Lone Parents: Early lessons from the Phase One Prototype Findings of Surveys</td>
<td>1 84123 3190 8</td>
<td>£ 42.50</td>
</tr>
<tr>
<td>110</td>
<td>Evaluation of the New Deal for Lone Parents: Early lessons from the Phase One Prototype Cost-benefit and econometric analyses</td>
<td>1 84123 188 6</td>
<td>£ 29.50</td>
</tr>
<tr>
<td>111</td>
<td>Understanding the Impact of Jobseeker’s Allowance</td>
<td>1 84123 192 4</td>
<td>£ 37.50</td>
</tr>
<tr>
<td>112</td>
<td>The First Effects of Earning Top-up</td>
<td>1 84123 193 2</td>
<td>£ 39.50</td>
</tr>
</tbody>
</table>
Further information regarding the content of the above may be obtained from:

Department of Social Security
Attn. Keith Watson
Social Research Branch
Analytical Services Division 5
4-26 Adelphi
1-11 John Adam Street
London WC2N 6HT