Helping more parents move into work: an evaluation of the extension of New Deal Plus for Lone Parents and In Work Credit: Final report

by Rita Griffiths

Research report
Helping more parents move into work: an evaluation of the extension of New Deal Plus for Lone Parents and In Work Credit: Final report

Rita Griffiths

A report of research carried out by Insite Research and Consulting on behalf of the Department for Work and Pensions
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Rita Griffiths is a founding partner of Insite Research and Consulting, an independent research organisation which provides research and evaluation services to Government departments, public and third sector bodies operating in the employment and social policy fields. She has over 25 years experience of applied social research and evaluation.
# Abbreviations

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<tr>
<td>AA</td>
<td>Attendance Allowance</td>
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<tr>
<td>ADF</td>
<td>Adviser Discretion Fund</td>
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<td>ASM</td>
<td>Advisory Services Manager</td>
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<tr>
<td>BOC</td>
<td>Better Off Calculation</td>
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<tr>
<td>CA</td>
<td>Carer’s Allowance</td>
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<tr>
<td>CAB</td>
<td>Citizens’ Advice Bureau</td>
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<td>CPM</td>
<td>Childcare Partnerships Manager</td>
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<tr>
<td>CBT</td>
<td>Council Tax Benefit</td>
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<td>CTC</td>
<td>Child Tax Credit</td>
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<td>CV</td>
<td>Curriculum Vitae</td>
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<tr>
<td>DLA</td>
<td>Disability Living Allowance</td>
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<td>DWP</td>
<td>Department for Work and Pensions</td>
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<td>EMA</td>
<td>Education Maintenance Allowance</td>
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<td>ESA</td>
<td>Employment and Support Allowance</td>
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<td>ESOL</td>
<td>English for Speakers of Other Languages</td>
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<td>EZ</td>
<td>Employment Zone</td>
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<tr>
<td>HB</td>
<td>Housing Benefit</td>
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<td>IB</td>
<td>Incapacity Benefit</td>
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<tr>
<td>IFS</td>
<td>Institute of Fiscal Studies</td>
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<tr>
<td>IS</td>
<td>Income Support</td>
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<td>IWAS</td>
<td>In Work Advisory Support</td>
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<td>IWC</td>
<td>In Work Credit</td>
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<tr>
<td>IWEDF</td>
<td>In Work Emergency Discretion Fund</td>
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<td>JSA</td>
<td>Jobseeker’s Allowance</td>
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<td>LPA</td>
<td>Lone Parent Adviser</td>
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<td>LPO</td>
<td>Lone Parent Obligations</td>
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<td>LPP</td>
<td>Lone Parent Pilots</td>
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<tr>
<td>MVC</td>
<td>More Voluntary Contact</td>
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<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>ND+LP</td>
<td>New Deal Plus for Lone Parents</td>
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<td>NDLP</td>
<td>New Deal for Lone Parents</td>
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<tr>
<td>NDP</td>
<td>New Deal for Partners</td>
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<tr>
<td>NVQ</td>
<td>National Vocational Qualification</td>
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<td>PPERC</td>
<td>Parent Policy Evaluation Research Consortium</td>
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<td>UFCC</td>
<td>Up-front Childcare Costs</td>
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<td>WFI</td>
<td>Work Focused Interview</td>
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<td>WFIP</td>
<td>Work Focused Interview for Partners</td>
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<td>WTC</td>
<td>Working Tax Credit</td>
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Glossary

Anticipation effect
This includes any impacts a policy has on individuals’ actions (in particular, likelihood to claim benefits) prior to the policy changes directly affecting them.

Better Off Calculations
These are undertaken by Jobcentre Plus staff on behalf of claimants (and their partners) and provide a basic comparison between a claimant’s out-of-work benefits and the in-work benefits and tax credits they would receive in employment at a specified wage. They provide a ‘snapshot’ in time estimate, based on information supplied by the customer, and may differ from the actual circumstances when the customer is in work.

Child benefit
A universal benefit available to all families with children under the age of 16, or up to 20 if in full-time non-advanced education or certain types of training. The level of payment depends only on the number of children in the family, with a higher payment for the eldest child. It is not income-based.

Child poverty
There is no single, universally accepted definition of poverty in the United Kingdom. At the time of this research, the Government attached targets to a ‘relative low income measure’, that is, children living in households where income is 60 per cent below the British median.

Child Tax Credit
A payment made by the Government for bringing up children. Families with children are normally eligible if their household income is no greater than £58,000.

Childcare Assist
A payment available to parents, participating in New Deal for Lone Parents (NDLP) and New Deal for Partners (NDP), to help with registered childcare costs in the week prior to starting work.

Childcare Partnerships Manager
A member of staff appointed to co-ordinate Jobcentre Plus programmes and strategies with local childcare development plans, working in partnership with local authorities and Children’s Centres.

Couple
Two adults living together as if they were married (regardless of actual marital status).

Couple parent
Defined by DWP as one of two adults living together as a family with one or more dependent children (regardless of whether they are the birth mother or father of the child or children in question) where one adult is the ‘main claimant’ and the other the non-claiming partner.
<table>
<thead>
<tr>
<th><strong>Term</strong></th>
<th><strong>Definition</strong></th>
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<tr>
<td>Customer</td>
<td>Defined by DWP as a person in receipt of financial or other assistance from a DWP benefit, service or programme.</td>
</tr>
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<td>Dependent children</td>
<td>All children aged 0-15 and those aged 16-18 who are in full-time education, living in the same family unit.</td>
</tr>
<tr>
<td>Discovery Events</td>
<td>An intensive course developed as part of the original New Deal Plus for Lone Parents (ND+fLP) pilot for lone parents who were not ready to join the NDLP programme designed to help them move closer to the labour market. In April 2008, eligibility was extended to couple parents in ND+fLP pilot areas and across all London Districts.</td>
</tr>
<tr>
<td>Employment part-time – mini-job</td>
<td>A job of less than 16 hours of work per week.</td>
</tr>
<tr>
<td>Employment – part time</td>
<td>A job of 16 to 29 hours of work per week.</td>
</tr>
<tr>
<td>Employment – full time</td>
<td>A job of 30 hours or more of work per week.</td>
</tr>
<tr>
<td>Employment and Support Allowance</td>
<td>From 27 October 2008, ESA replaced Incapacity Benefit and Income Support paid on incapacity grounds for new customers. ESA provides financial assistance as well as personalised support for people with limited capability for work to help them move into suitable work.</td>
</tr>
<tr>
<td>Employment Zone</td>
<td>Employment Zones aimed to help people who have been out of work for a long time to find and stay in work. At the time of the research there were four Employment Zones across the country, all in areas with a high rate of long-term unemployment. In April 2009, Employment Zones were replaced by the Flexible New Deal programme. Flexible New Deal is being replaced by the Work Programme in 2011.</td>
</tr>
<tr>
<td>Family Unit</td>
<td>One or more people living together as a family (consisting of a single adult or a couple, with or without dependent children).</td>
</tr>
<tr>
<td>Flexible provision</td>
<td>This is available to eligible customer groups including lone parents, main claimants and dependent partners. This allows District Managers the flexibility to purchase training courses or provision which is currently unavailable, but can make a difference to customers’ employment opportunities and so allows advisers greater scope to address specific needs.</td>
</tr>
<tr>
<td>Formal (or registered) childcare</td>
<td>Ofsted registered childcare, including day nurseries, out-of-school clubs, pre-school play groups and childminders.</td>
</tr>
<tr>
<td>Flexible New Deal</td>
<td>FND is a compulsory programme for all those who have been unemployed for over 12 months and are eligible to receive Jobseeker’s Allowance (JSA). The FND programme has four stages. The first three relate to claiming JSA with Jobcentre Plus. The fourth stage is an employment programme delivered by private or third-sector providers. FND is being replaced by the Work Programme in 2011.</td>
</tr>
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<td><strong>Glossary</strong></td>
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<tr>
<td><strong>Housing Benefit Run On</strong></td>
<td>An extended payment of Housing Benefit (HB) and/or Council Tax Benefit (CTB) for the first four weeks in employment, available to certain eligible customers who were in receipt of HB and/or CTB before they started work.</td>
</tr>
<tr>
<td><strong>Inactive</strong></td>
<td>Treated by DWP to mean not working, not actively seeking work or not available to start work.</td>
</tr>
<tr>
<td><strong>Income Support</strong></td>
<td>Income Support (IS) is a means-tested benefit for those who do not have to sign-on as unemployed. This includes some lone parents, who are not subject to Lone Parent Obligations (LPO) or are exempt from LPO.</td>
</tr>
<tr>
<td><strong>Informal childcare</strong></td>
<td>Childcare not registered with Ofsted, including parent and toddler groups and that provided by family or friends.</td>
</tr>
<tr>
<td><strong>In Work Credit</strong></td>
<td>A tax free, non-means-tested payment of £40 a week (£60 in London) available for up to 52 weeks to eligible lone parents leaving benefits for work of 16 hours or more. In Work Credit was also available to eligible couple parents across all London districts and in New Deal Plus for Lone Parents pilot districts for a time-limited period.</td>
</tr>
<tr>
<td><strong>In Work Emergency Discretion Fund</strong></td>
<td>A fund which provides financial help to lone parents for the first 26 weeks of their employment, to overcome any unexpected financial barriers which might otherwise prevent them from remaining in their jobs. IWEDF was also available to eligible couple parents across all London districts and in New Deal Plus for Lone Parents pilot areas for a time-limited period.</td>
</tr>
<tr>
<td><strong>The In Work Retention Pilot</strong></td>
<td>The IWRP was part of a series of policy interventions designed to encourage greater numbers of lone parents to take up paid work. It was a two-year pilot which tested the effectiveness of using wage supplements plus adviser support as an aid to job retention and progression. A mix of weekly payments, quarterly lump sum bonuses and adviser support were offered to eligible lone parents entering work of at least 16 hours per week in pilot areas.</td>
</tr>
<tr>
<td><strong>In Work Advisory Support</strong></td>
<td>Help available to all lone parents to ease the transition into work and to aid job retention in the first 26 weeks of employment. IWAS was also available to eligible couple parents across all London districts and in New Deal Plus for Lone Parents pilot areas for a time-limited period.</td>
</tr>
<tr>
<td><strong>Jobseeker’s Allowance</strong></td>
<td>JSA is the main benefit for people of working age who are out of work (or work less than 16 hours a week on average) and are available for and actively seeking work.</td>
</tr>
<tr>
<td><strong>JSA flexibilities</strong></td>
<td>These are flexibilities that have been incorporated into JSA regulations to take into account of parents’ caring responsibilities for a child who is a member of their household.</td>
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<tr>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>Lone parent</td>
<td>A parent or guardian with a dependent child under 16, who is not in a co-habiting relationship.</td>
</tr>
<tr>
<td>Lone Parent Obligations</td>
<td>These are changes to entitlement conditions for lone parents claiming IS, which started in November 2008. Most lone parents with children seven and over are no longer eligible for IS solely on the basis of being a lone parent, subject to certain exemptions and conditions. Instead those able to work can claim JSA and are expected to look for suitable work in return for personalised help and support. Lone parents with limited capability for work may claim ESA, if eligible.</td>
</tr>
<tr>
<td>Lone Parent Adviser</td>
<td>A Jobcentre Plus specialist adviser who provides support to lone parents to help them enter and sustain paid employment.</td>
</tr>
<tr>
<td>Low value procurement</td>
<td>Low value procurement (LVP) is one-off training that can be accessed where contracted or non-contracted provision cannot provide it. Requirements can vary from a single day’s training to a number of week’s activity.</td>
</tr>
<tr>
<td>Main claimant</td>
<td>For the purpose of this report, a main claimant is a DWP customer who is in receipt of a DWP benefit.</td>
</tr>
<tr>
<td>Mainstream (or generic) adviser</td>
<td>A Jobcentre Plus adviser who provides guidance and support mainly to customers claiming JSA to help them enter and sustain paid employment.</td>
</tr>
<tr>
<td>New Deal adviser</td>
<td>A Jobcentre Plus adviser who provides guidance and support, mainly to customers participating in mandatory New Deal programmes, including New Deal 18-24, New Deal 25+ and New Deal 50+.</td>
</tr>
<tr>
<td>New Deal for Lone Parents</td>
<td>A voluntary programme of guidance and support to help lone parents enter and sustain employment.</td>
</tr>
<tr>
<td>New Deal for Partners</td>
<td>A voluntary programme of guidance and support to help eligible partners of benefit claimants enter and sustain employment.</td>
</tr>
<tr>
<td>New Deal Plus for Lone Parents</td>
<td>This was introduced in selected pilot areas in April 2005 to test the delivery of an ‘enhanced’ package of support for lone parents. The aim was to increase the participation of lone parents in NDLP and to increase the number entering and remaining in work. Some elements of New Deal Plus for Lone Parents (ND+FLP) were rolled out nationally to lone parents and extended to couple parents in London and in ND+FLP pilot areas in April 2008. These measures include In Work Credit, Childcare Assist, In-Work Advisory Support and In-Work Emergency Discretion Fund. The pilots ran until July 2010.</td>
</tr>
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Options and Choices Events

Group sessions organised for lone parents moving from IS to JSA as a result of LPO. Their purpose was to inform lone parents about the changes to IS entitlement and to raise awareness of the support available to help them develop skills and gain a better understanding of the labour market. They were a national requirement prior to September 2010, but are now discretionary.

Partner

Generally understood to mean one member of a couple. For DWP, a partner is the non-claiming partner of a main claimant.

Sanction

This is a financial penalty imposed by a Jobcentre Plus Decision Maker. It is the removal of a proportion of benefit payment due to a customer’s non-compliance with conditions placed on benefit receipt.

Self-employed

People who work on their own account, whether or not they have employees, as their main job.

Unemployed

For DWP, unemployed people are 1) those who are without a job, who want a job and have actively sought work in the last four weeks and are available to start work in the next two weeks or 2) those out of work, who have found a job and are waiting to start in the next two weeks.

Up-front Childcare Costs pilot

From April 2008, provision of financial support was piloted for lone parents in London participating in the New Deal for Lone Parents to cover advance childcare costs, such as registration fees and deposits. The pilot ended in March 2010.

Work First

An approach to delivering employment assistance measures which emphasises rapid labour market attachment and job entry.

Work Focused Interview

This is a mandatory interview for engaging with customers, which takes place at regular, specified intervals, between a Jobcentre Plus adviser and a benefit customer (and their partner, if appropriate). The aim is to encourage and assist customers to address barriers to work and move towards sustainable employment, through accessing a range of support options.

Working Tax Credit

Working Tax Credit (WTC) provides means-tested financial support on top of earnings to eligible working families. This is payable in addition to Child Benefit. Child maintenance is wholly disregarded for the calculation of WTC.
Summary

Introduction

This report presents findings from the second and final phase of a two part qualitative evaluation of a series of Department for Work and Pensions (DWP) policy measures targeted on lone and couple parents, which aimed to increase parental employment as well as reduce child poverty. Interim findings from the first phase of the research are presented in a separate summary and report.

The aim of the evaluation overall was to explore whether the measures offered an adequate package of support to parents, in London and non-London New Deal Plus for Lone Parents (ND+fLP) pilot areas, and if the measures, either collectively or singly, encouraged them to enter and sustain work.

This final phase of the research examined the effects of In Work Credit (IWC) and other policy measures on parents’ work-related decision making and behaviours, looking in particular at whether the measures encouraged and supported work entry, work retention and work progression. A related area of investigation explored how parents were able to balance work and childcare.

Policy background

Reducing child poverty has been one of the most important policy goals of the last decade. The initial policy focus was on supporting lone parents into work because nearly half of the children living in poverty were living with a single, workless parent. However, there has been growing recognition that policy needs to focus more on couple parents. Lisa Harker, in her 2006 report for DWP entitled Delivering on Child Poverty: what would it take? called for welfare to work programmes to be better attuned to the needs of all parents, not just lone parents. In response, in 2007 DWP began introducing a series of policy measures designed to better align the help on offer to couple parents with that previously only available to lone parents.

New Deal Plus for Lone Parents and In Work Credit

The ND+fLP pilot was initially launched in five English Jobcentre Plus areas in April 2005 and expanded to Wales and Scotland in September 2006. In April 2008, ND+fLP was extended to include lone and couple parents across all London districts and to couple parents in ND+fLP pilot areas outside London. The most prominent element of support for lone and couple parents in the case study areas was IWC, a tax-free payment of £40 per week (later increased to £60 in London) payable for up to 52 weeks to eligible parents entering work of 16 hours per week or more.

Research methods

Sixty-six parents were interviewed face-to-face in the spring and summer of 2010 – 43 couple parents and 23 lone parents. Forty-eight parents lived in London and 18 in the West Midlands. In all the lone parent households, and all but two couple households, at least one adult had worked since the extended measures had been introduced, although some had since returned to benefits. Sixteen

of the couple parents had been interviewed in phase one. Take-up of the pilot measures, other than IWC, had been extremely low among those interviewed. Because of this, much of the focus of the research was, therefore, around IWC.

Face-to-face and telephone interviews were also held with Jobcentre Plus staff in the two case study districts.

Key findings

• The findings from this research suggest that, for the parents sampled, the main achievement of the pilot extension appears to have been in improving the incomes of parents getting IWC, many of whom would have left benefits for work anyway, rather than to have encouraged those who, in the absence of IWC, would not have otherwise done so. There was, however, a small group of parents who were encouraged to leave benefits and enter work because getting IWC helped to reassure them that by moving into low income employment, they would be better off, or at least no worse off, than if they stayed on benefits.

• There was little evidence that parents were able to advance or progress in work such that they were able to offset the loss of IWC when it ended, as the policy intended, or that getting IWC reduced the chances of parents suffering recurrent poverty in the future.

• Lack of wage and employment progression was partly due to the poor quality of the jobs many parents were employed in, together with downward pressure on working hours and wages, reflecting the underlying condition of the labour market at the time of the research. The actual or potential loss of eligibility for means-tested benefits, particularly Housing Benefit (HB), also acted as a strong disincentive to higher earnings both among lone parents and (potential) second earners in couples, undermining one of the key assumptions about how IWC would work to reduce poverty longer term.

• Extending the target population of IWC to couple parents appeared to have had mixed results. There was no evidence that extending the measures to couple parents had succeeded in its aim of delivering support to these parents on a par with the help available to lone parents.

• As a wage supplement, IWC had clearly made an important contribution to the goal of reducing child poverty, particularly among low paid parents in London and those working part time (between 16 and 29 hours a week). IWC of £60 had been particularly important in supplementing the incomes of low paid parents living in London experiencing much higher housing, transport and childcare costs than elsewhere. Nevertheless, the credit is time limited and lasts for a maximum of one year. The evidence from this research suggests that once IWC stops, if there has been no growth in wages or other improvement in employment prospects, the positive effects in terms of raising household income may be short lived.

Leaving benefits and entering work

Virtually all the parents interviewed showed a strong attachment to and valuing of work, coupled with an equally strong rejection of welfare dependency, and many were work ready and actively job seeking in the period leading up to getting IWC. As such, there was little evidence that IWC, or any of the ND+fLP measures, had any effect on the decisions of these parents to leave benefits or enter work when they did. There were, however, some instances of parents moving off benefits which, without IWC, may not have otherwise occurred. IWC encouraged these parents to leave benefits by helping to reassure them that moving into low paid jobs would make them better off, or at least no worse off, than if they stayed on benefits. Here, IWC seemed to incentivise work by helping to
tip the balance in favour of these parents leaving benefits at the time they did, or for employment which they may not have otherwise considered. This group included lone parents who had lost their eligibility for (Income Support (IS) (due to Lone Parent Obligations (LPO)) or knew they would lose it in the future. It also included a small number of lone parents in London moving into especially low paid part-time (16–29 hours) jobs who would have been little better off in work without IWC. Also encouraged to leave the security of benefits were parents becoming self-employed. For all these parents, the safety net and added weekly income that IWC provided appeared to be a decisive factor in their decision to leave benefits for employment when they did.

Work retention

For many parents, IWC appeared to be functioning as a wage supplement, helping them to retain work by topping up low wage employment, substituting for drops in income when hours of work were reduced by employers and replacing wages lost due to sickness and other unpaid absences from work. This may be evidence of a ‘London effect,’ suggesting that IWC may be performing a different role there compared with elsewhere – for although housing, transport and childcare tended to be more costly in London, wage rates were typically no higher.

Most parents had expected to be financially much better off in work, but only a few said they were. Without IWC, many would have struggled financially and some said they may otherwise have returned to benefits. Parents who were still in receipt of IWC at the time of the research had serious concerns about how they would manage financially when it ended. Nevertheless few parents whose IWC had ended had returned to benefits. This was mainly because most of the parents interviewed preferred working to claiming benefits, even if they were little better off.

Work advancement and progression

Low paid employment provided a stepping stone for some parents into work of longer hours or jobs that were better paid. However, due to the immediate and regressive way in which HB is withdrawn as income rises, for many parents, an increase in hours and pay did not necessarily result in an increase in income. These effects were more acutely experienced by parents living in London in private rented accommodation whose rents were typically much higher than for parents living in social housing and those residing outside London. Low pay also acted as a disincentive to working longer hours. Rather than increasing their hours of work, low paid parents often preferred to spend extra time with their children.

Childcare responsibilities also meant that when career and training opportunities arose in employment, lone parents, in particular, found it difficult to take advantage of them. The high cost of childcare also discouraged some lone parents from working longer hours. Even with financial help, registered childcare was held to be expensive and mostly unaffordable, particularly in London.

Parents who had gained a qualification prior to leaving benefits generally moved into better paid work and better quality employment. Those with low housing costs or whose earnings or circumstances disqualified them from receiving HB were also able to work longer hours and increase their earnings without being penalised financially.
Balancing work and childcare

Few parents in this research identified caring for children as a constraint they had to overcome to enter paid work, or viewed registered childcare as a means of enabling one of both of them to do so. A widespread distrust of formal childcare was evident among most parents and many had strong reservations about using it. Where some form of childcare was unavoidable, for reasons of trust, flexibility and affordability, most preferred to rely on close family and friends. Very few parents had chosen registered childcare in preference to other forms of care, or to enable one or both parents to work. The costs and benefits of working full time and paying for childcare, together with specific childcare help and measures, were thus rarely considered or taken up.

For the few parents who had accessed registered childcare, financial help had been central to their ability to work. However, even with maximum tax credit help, some parents struggled to bridge the gap between the contribution they received and the full cost of childcare. IWC was used by some lone parents to pay the residual cost of childcare that remained after tax credit support. Under these circumstances, for as long as they were receiving it, IWC had made an important contribution to the ability of some lone parents to remain in work.

Policy implications

This research has illustrated the difficulties low paid parents can face when seeking to increase their earnings and income within the current system of tax and benefits, while also seeking to reconcile work and childcare responsibilities. In showing how the net gain from increased earnings can vary according to housing tenure and rent levels, the research also highlighted an important link between employment, child poverty and housing policies. These issues obviously extend much further than a consideration of the role that ND+fLP and IWC can play in parents work-related decisions, but nonetheless provide valuable evidence on the multi-faceted nature of that decision making.

The findings also have implications for the development of Universal Credit. Among the parents interviewed, many needed little additional incentive to leave benefits. Indeed, financial motives were rarely the only or the most important reason for doing so. Some parents chose to enter work even though they were little better off than they were on benefits.

The high rate at which in-work benefits are withdrawn as earnings rise did appear to disincentivise many parents from working longer hours and earning more, particularly those in receipt of HB and living in private rented accommodation. Here, however, high rental levels and the limited availability of social housing seemed to be as important in explaining parents’ reluctance to increase earnings as weak work incentives and the high rate of benefit withdrawal. Regardless, therefore, of any improvements which a higher earnings disregard and standardised rate of benefit withdrawal may bring, increasing parental employment is likely to remain a challenge.
1 Background and introduction

1.1 Background to the research

This report presents findings from the second phase of a two part qualitative evaluation of a series of Department for Work and Pensions (DWP) policy measures which aimed to reduce child poverty through offering a more customised and flexible package of support to help lone and couple parents enter and retain work. Couple parents, in a DWP context, include both the parent claiming benefits on behalf of the family (referred to in the report as the ‘main claimant’), and the non-claiming parent (referred to as the ‘partner’ or ‘dependent partner’). Both phases of research were qualitative involving in-depth, face-to-face interviews with Jobcentre Plus staff and parent customers in two New Deal Plus for Lone Parents (ND+fLP) pilot areas, one in London and one in the West Midlands. A separate report entitled Helping more parents move into work: an evaluation of the extension of New Deal Plus for Lone Parents and In Work Credit; phase 1 report, presents findings from the first phase of research.

The specific measures under consideration across both phases of research were:

• from April 2008, the extension of the ND+fLP pilot to couple parents across all London districts and in NDfLP pilot areas outside of London;

• from July 2007, the extension of In Work Credit (IWC) of £40 to eligible couple parents across all London districts and in ND+fLP pilot areas outside London;

• from July 2008, an increase in the amount of IWC from £40 to £60 per week for eligible lone and couple parents in London districts;

• from April 2008 to March 2010, an Up-Front Childcare Costs (UFCC) pilot to help eligible London based New Deal for Lone Parent (NDLP) participants who were starting work to pay for childcare registration fees and deposits.

A large body of research and evidence already exists in respect of ND+fLP and IWC targeted on lone parents. This research therefore focused on couple parents and parents who live in London where levels of child poverty remain persistently high. The first part of the research examined how the extended measures had been implemented, identifying levels of awareness and take up of ND+fLP and IWC among couple parents, and exploring whether they offered an adequate package of support. In phase two, the emphasis switched to lone and couple parents who had moved off benefits and into work, examining whether IWC and other Jobcentre Plus support and interventions, encouraged or supported parents to enter, retain and progress in work. A further objective was to explore how parents who moved into employment balanced work and childcare.

2 Griffiths R., (2011) Helping more parents move into work; an evaluation of the extension of New Deal Plus for Lone Parents and In Work Credit; phase 1 report. DWP Research Report No. 731.

3 The seven ND+fLP pilot areas were North London, Southeast London, Sandwell and Dudley, Leicestershire, Bradford, Cardiff and Vale and Edinburgh.
1.2 Research objectives

The aim of the second phase of this research was to explore the work-related decisions and experiences of parents who had moved off benefits and into work in the period since ND+fLP and IWC was extended to couple parents and after IWC was increased in London from £40 to £60. A key area of interest was the role of IWC in parents’ journeys off benefits and into work. In particular, what role IWC may have played in influencing parents’ decisions to leave benefits, in supporting the transition from benefits to work and in helping parents to remain and progress in work during and after IWC receipt. A closely related but separate area of investigation was to explore the extent to which childcare issues and constraints featured in parents’ work-related decision making and to find out how effectively lone and couple parents who moved off benefits were able to balance work and childcare.

Specific research objectives for phase two included:

- to provide evidence to ascertain the extent to which the policy measures under consideration encouraged couple parents to enter and remain in work;
- to examine whether main claimant parents and partner parents engaged differently with ND+fLP and IWC, and whether they engaged differently from lone parents;
- to examine client and staff perceptions of the impact of IWC (and of increased IWC in London) on lone and couple parents’ employment outcomes;
- to determine the level of awareness and participation among NDLP participants in the UFCC pilot and to identify how ineligible parents pay for up-front childcare costs;
- to provide evidence of whether the pilot extension and new policy measures offered all parent customers a better ‘family focus’ in policy delivery, as recommended in Lisa Harker’s report on child poverty.

The research is one of a suite of projects within a co-ordinated programme of DWP commissioned research and analysis on lone and couple parent policies and pilots. Other research of relevance to the current evaluation includes a qualitative evaluation of the national roll-out of IWC to eligible lone parents, a series of qualitative evaluations of new Lone Parent Obligations (LPO), an impact assessment of the Lone Parent Pilots (LPPs) including IWC, and a quantitative survey of lone parent customers.

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1.3 Policy background

Reducing child poverty was one of the most important policy goals of the previous government. Children at greatest risk of poverty are more likely to live in families headed by a lone parent.\(^8\) Lone parent families, in turn, are disproportionately poor because of a lack of employment in the household or employment in part-time or low paid work. Alleviating child poverty was therefore seen to require more lone parents to enter and remain in sustainable employment that can lift the family out of poverty. As such, the policy focus was originally on enabling more lone parents to combine work and parenting. Specific measures pursued during the last decade include targeted employment support to help lone parents move off benefits into work and financial measures to ease the transition from benefits to work and to make work pay. A complementary strand of policy has been to help low income parents combine work and parenting through expanding the quality and availability of childcare in poorer areas and making childcare more affordable by providing targeted financial help.

The Government has pledged to maintain the goal of ending child poverty.\(^9\) Alleviating poverty thus remains at the heart of its agenda, together with an emphasis on increasing parental employment.\(^10\) To this end, the current administration is pursuing a similar set of policies to those of the previous government. The LPO policy has involved the progressive reduction in lone parents’ eligibility for Income Support (IS), based solely on the grounds of being a lone parent, according to the age of the youngest child in a household. As of October 2010, lone parents claiming IS were moved onto Jobseeker’s Allowance (JSA) as soon as their youngest child turned seven. From 2012, there are plans to extend LPO so that lone parents claiming IS will be moved onto JSA as soon as their youngest child reaches the age of five. From 2012, plans are for unemployed couples with children whose youngest child has reached aged five, and where neither partner is disabled or has a health condition which prevents them from working, or is a carer, to be required to make a joint claim for JSA, requiring both partners to actively seek work\(^11\).

Parents claiming JSA are subject to the same legal requirements as other job seekers. However, in recognition of the need to care for children, a number of flexibilities have been introduced to the JSA regime including amendments to ‘just cause’ for signing on late which might otherwise result in benefit disallowances or sanctions, and the ability of some parents, under certain conditions, to restrict their availability for work.

Lone parents who are entitled to remain on IS because they are carers or have a disability or health condition, are exempt from LPO but are required to attend six monthly Work Focused Interviews (WFIs), while those with a youngest child one year below the age at which they will be moved off IS, are required to attend WFIs quarterly. The non-working partners of those claiming IS, Employment and Support Allowance (ESA), Incapacity Benefit (IB) or Severe Disablement Allowance (SDA) are required to attend a one-off Work Focused Interview for Partners (WFIP) 26 weeks after registration of a claim.


Other DWP policy changes introduced by the Government include replacing the existing Flexible New Deal (FND), New Deal for Partners (NDP) and New Deal for Lone Parents (NDLP) programmes with a single integrated Work Programme in which workless lone and couple parents will be supported alongside other workless people. The Government aims to have the new Work Programme in place nationally from the summer of 2011. For lone parents, partners and carers not participating in the Work Programme, Jobcentre Plus may offer access to work focused support, including adviser support and a flexible menu of support options.

The Government also recently published its proposals for reforming the welfare system through the introduction of a Universal Credit. Universal Credit is an integrated working-age credit that will merge and replace means-tested benefits and tax credits, including income-based JSA and ESA, Working Tax Credit (WTC), Child Tax Credit (CTC) and Housing Benefit (HB), for both working and non-working individuals. The credit will provide a basic allowance with additional elements for children, disability, housing and caring. The Welfare Reform Bill, introduced in February 2011, provides the legislative framework for effecting the changes prior to a phased introduction starting from 2013. Full implementation of the measures could take up to ten years.

The aims of Universal Credit are to increase employment and earnings among people on benefits and low incomes through improving financial incentives both to enter work and to earn more once working. The intention is to achieve these aims through introducing a simplified and more transparent welfare system, allowing a larger amount of income to be earned before benefits are withdrawn (the earnings disregard) and standardising the rate at which benefits are withdrawn as income rises (the taper). Greater conditionality and additional sanctions will also be applied alongside greater financial incentives.

1.4 New Deal Plus for Lone Parents

With the exception of the UFCC pilot, the measures being evaluated in this research originally formed part of the ND+fLP pilot introduced in five English Jobcentre Plus areas in April 2005. The pilots were based on the voluntary NDLP programme that had been in place since 1998, offering additional voluntary services for eligible lone parents alongside NDLP. In September 2006, the ND+fLP pilot was extended to Cardiff and Vale in Wales and Edinburgh in Scotland.

Initially, the pilot focused on supporting lone parents claiming IS. However, since more than half of poor children live in two parent households, there was growing recognition that the policy needed to include couple parents. Lisa Harker, in her 2006 report for DWP: Delivering on Child Poverty: what would it take? recommended that support and eligibility for help among lone and couple parents should be more closely aligned. London, where child poverty is most prevalent but has fallen by less than elsewhere in the UK, also warranted separate and specific attention. In response, in 2007 DWP began extending the policy measures that had previously only been available to lone parents, to eligible couple parents in ND+fLP pilot areas and across all London districts. Between April 2008 and March 2010 a UFCC pilot also operated in London to help eligible NDLP participants, who were moving into work, pay for childcare registration fees, deposits and advance payments.

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13 The original five pilot areas were North London, Southeast London, Sandwell and Dudley, Leicestershire and Bradford.


15 This is due to a combination of factors including lower rates of parental employment and low pay. Mothers’ employment rates are lower in London than in other parts of the country and there are also fewer dual earning families. Inner London has particularly high rates of child poverty. London Child Poverty Commission 2006: Monitoring child poverty in London.
The ND+FLP ‘offer’ comprised several different elements which together made up the integrated package of support. The pilot ran until July 2010, since when some of the measures which had been rolled out nationally, including IWC, have still been available to eligible lone parents. The specific measures included:

- **Discovery Events**: an intensive course to increase the number of lone parents joining NDLP.
- **More Voluntary Contact (MVC)**: extra adviser help and advice between mandatory appointments for parents who have not joined a New Deal programme.
- **Childcare Assist**: allows for the payment of registered childcare during the week immediately prior to a parent starting work.
- **Access to flexible training provision**: an additional resource to enable the procurement of new training provision not available elsewhere which could improve access to employment.
- **In Work Emergency Discretion Fund (IWEDF)**: financial assistance to help overcome unexpected financial barriers in the first 26 weeks of employment.
- **In Work Advisory Support (IWAS)**: advisory help to ease the transition into work and to aid job retention in the first 26 weeks of employment.
- **In Work Credit (IWC)**: a tax free, non-means-tested payment of £40 a week outside London and £60 a week in London, available for up to 52 weeks to eligible lone parents and main claimants in the pilot areas leaving benefits for work of 16 hours per week or more and eligible partners leaving benefits for work of 24 hours per week or more.

### 1.5 In Work Credit

IWC, which pre-dates the introduction of ND+FLP, is an important area of focus within this research and the wider DWP research programme. It was introduced in April 2004 on a pilot basis in three Jobcentre Plus districts (including two in London) as a tax free payment of £40 payable weekly to lone parents who were in receipt of IS or JSA for 52 weeks, and who started work of at least 16 hours a week. The aim of IWC is to reduce parents’ concerns about their ability to cope financially when leaving benefits, to support the transition from benefits to work and to encourage them to remain off benefits and in work longer than they might otherwise have. In April 2005, IWC was extended to all London Districts and expanded to include all eligible London-based parents. In July 2007, IWC was increased in London districts to £60 per week. In April 2008, IWC, together with IWAS and IWEDF, was extended nationally to all eligible lone parents as part of the wider package of in work services now available for lone parents.

### 1.6 Previous research findings

Qualitative evaluations of the original ND+FLP pilot and its expansion to Wales and Scotland were published in 2007\(^{16}\) and 2008\(^{17}\) respectively. These found that, overall, the package seemed to be working well. IWC, in particular, was considered to be the most effective and persuasive of the measures in terms of encouraging and supporting lone parents to make the transition from benefits to work.

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Subsequent impact studies\textsuperscript{18} confirmed the dominance of IWC compared with other pilot measures; there was little evidence that the pilots had made the overall package of help any more effective at getting lone parents off benefit and into work than IWC alone.\textsuperscript{19} These findings indicated that the main achievement of the pilots, and therefore of IWC, had been to increase the proportion of potentially eligible lone parents in work and to reduce the number receiving out-of-work benefits. Almost all of the impact was found to arise because the pilots encouraged more lone parents to leave benefits. Only a small part of the impact was due to the role of IWC in helping lone parents to stay in work and off benefit. Although levels of job retention among IWC recipients were high, little could be attributed to IWC. The impacts were greater for lone parents with a history of participation in NDLP, although it was not possible to tell whether this was genuinely caused by NDLP, for example, because lone parents on NDLP were more likely to find out about IWC, or whether it was because lone parents who joined NDLP were more work-ready, or whether it was due to some beneficial interaction between the two policies.\textsuperscript{20}

Qualitative evaluations of the national roll out of IWC covering implementation and the retention effect of IWC on lone parents’ employment have also been published as part of the wider DWP research programme.\textsuperscript{21} The findings suggest that, for many lone parents, IWC did not generally incentivise work and, while many remained in work after IWC ended, this was not judged to be directly attributable to IWC. The incentive effects of IWC were found to be stronger for lone parents who were further away from work and claiming benefits for longer who, in the absence of IWC, may not have been persuaded to move off benefits. A qualitative evaluation of the In Work Retention Pilot (IWRP), which piloted a variation in the payment regime for IWC, found that the alternative payment structure had little effect on work entry or retention.\textsuperscript{22}

Available information on the national picture is included in Appendix A, but findings from the first phase of this research suggest that the extension of ND+fLP had yet to succeed in its aim of offering couple parents support on a par with, or comparable to, the help available to lone parents.\textsuperscript{23} Take up of IWC and ND+fLP measures by couple parents was very low in the case study areas and few couple parents appeared to be benefiting from specialist adviser support or receiving help which explicitly took their parenting role and responsibilities into account. Awareness and take up of IWC among couple parents was also very low and there was little evidence at that time that any of the ND+fLP measures, including IWC, had encouraged more couple parents to enter or retain work.

\textbf{1.7 Phase one research methods}

The first phase of research focused on the implementation and delivery of ND+fLP and IWC to couple parents. Fieldwork took place between May and August 2009, just over twelve months after the extension of ND+fLP to couple parents had been launched in April 2008. The research involved individual, face-to-face interviews with 61 couple parents. Because Jobcentre Plus support is delivered individually to each parent in the couple, interviews were conducted with each parent

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{18} Brewer M. et al. (2009).
\item \textsuperscript{19} Brewer M. et al. (2009).
\item \textsuperscript{20} Brewer M. et al. (2009) DWP Research Report Summary No. 606.
\item \textsuperscript{21} Sims, L., et al. (2010).
\item \textsuperscript{23} Griffiths, R. (2011) Helping more parents move into work; an evaluation of the extension of New Deal Plus for Lone Parents and In Work Credit; phase 1 report. DWP Research Report No. 731.
\end{itemize}
\end{footnotesize}
separately. Since the focus of phase one was on the delivery of the measures to couples, no interviews were held with lone parents.

Face-to-face and telephone interviews were also conducted with 14 Jobcentre Plus staff involved in implementing the pilot. In addition, three focus group discussions were held with a total of 22 advisory staff, including Lone Parent advisers (LPAs) and mainstream advisers drawn from different Jobcentres in the two case study areas.

Further details of the phase one methodology are included in the accompanying phase 1 report which also contains a comprehensive bibliography of relevant reports and research in addition to those cited in the bibliography of this report.

1.8 Phase two research methods

The phase two research presented in this report comprised individual, face-to-face interviews with Jobcentre Plus customers and staff and took place in the same two pilot areas in London and the West Midlands. Fieldwork was conducted between April and July 2010, more than two years after the last of the policies under consideration had been introduced and around a year after the first phase of fieldwork.

Further information about the phase two methodology including how the customer sample was identified and recruited, together with a detailed breakdown of the structure of the achieved sample is included in Appendix B.

1.8.1 Phase two staff interviews

A total of eight interviews involving ten Jobcentre Plus staff were held in phase two, fewer than had originally been planned due to resourcing and operational constraints which reduced the number of Jobcentre Plus staff able to take part. Three individual interviews were conducted face-to-face and four by telephone. One group interview, involving three staff, was conducted by telephone. Three staff were from the London case study area and seven from the West Midlands. Four staff had previously been interviewed in phase one and six were newly interviewed in phase two. There were no interviews held with advisers in London during phase two. Interviews lasted between 20 and 40 minutes and with the consent of participants, interviews were digitally recorded for transcription and use in the report on a non-attributable basis. Examples of the topic guides used in staff interviews are included in Appendix D.

1.8.2 Phase two customer sample and interviews

The phase two customer sample included all three types of parent customer eligible for the measures being evaluated, namely, main claimant parents, partner parents and lone parents. In total, 66 parents were interviewed living in 48 households. In all but two couple households, at least one adult had worked since the extended measures had been introduced, although some had since returned to benefits. At the time of the interviews one parent was working in 31 of the 48 households, both parents were working in two households and no one was working in 15 households.

Of the 66 parents, 43 were couple parents and 23 were lone parents. 48 parents lived in London and 18 lived in the West Midlands. Of the 43 couple parents, 19 were classified as main claimants and 24 as dependent partners.

This is due to the different conditionality requirements which attach to different benefits.
All the lone parents interviewed were female. Main claimants tended to be male; only three of the 19 main claimants interviewed were female.

The age of interviewees ranged from 21 to 50 years with an average age of 34 years. The age profile of lone parents was almost identical to that of couple parents.

The sample included a relatively large proportion of people from minority ethnic backgrounds, including black British, Asian British, Polish, Turkish, Bangladeshi and Palestinian parents.

Lone parents mostly had one or two children, whereas couples mostly had two or three. Lone parents were also more likely to have older children, with the age of the youngest child averaging seven years compared to five years for couples.

The couple parent sample was made up of a subset of 16 ‘repeat’ couple parents who had previously been interviewed in phase one, together with 27 newly sampled couple parents who had not previously been interviewed. The new sample was identified from DWP administrative data which indicated they had taken up at least one of the measures being evaluated. In 18 cases, both adults in the couple were interviewed (separately), and in seven cases, only one parent in the couple was interviewed. This was either because a dependent partner or main claimant had become a lone parent since phase one (or in five cases since the administrative data was taken) or because the second adult was not available for interview (two cases). All but one of the couple parents had been claiming JSA prior to work entry; the one exception had been in receipt of IB.

Lone parents were included in the phase two fieldwork in order to explore the impact of the measures in London which had not been covered in previous evaluations of ND+FLP, specifically IWC of £60 per week and the introduction of the UFCC pilot. All 23 of the lone parents interviewed in phase two were living in London and none had previously been interviewed for this research. All but four lone parents had been in receipt of IS prior to moving into work. The remaining four were in receipt of JSA. The sample was identified from DWP administrative data which indicated they had taken up at least one of the measures being evaluated.

Customer interviews lasted on average between 40 minutes and an hour and were conducted face-to-face in customers’ homes using semi-structured topic guides. With respondents’ consent, interviews were digitally recorded for transcription and use in the report on a non-attributable basis. Examples of the topic guides used in face-to-face interviews with parent customers are included in Appendix D. Appendix E contains a series of individual case studies which explore in greater depth the circumstances and experiences of some of the lone and couple parents involved in the research. They are not intended to be representative in any way, but serve to illustrate and give a greater insight into the issues and constraints affecting their employment.

### 1.9 Methodological note

It is important to highlight the purposive nature of the achieved customer sample interviewed for this research which makes it significantly different both from the overall parent population eligible for IWC (and other ND+FLP pilot measures) under the national roll-out, as well as customer samples used in other research and evaluation studies of IWC and ND+FLP. These characteristics of the sample, outlined below, are likely to have contributed to the particular and possibly different experiences that interview respondents in this research may have had of Jobcentre Plus help, IWC and of work more generally, compared with other research.

First, the specific (and deliberate) focus in phase two was on parents living in London, with all the lone parents and half of the couples (equating to 71 per cent of individuals and 75 per cent of
Background and introduction

households) being interviewed there. IWC is worth £60 in London, compared with £40 elsewhere, and has been available both to lone and couple parents in the capital for a much longer time than elsewhere\(^{25}\) (albeit initially at £40 per week). Indeed, the sample included a few lone parents who were receiving IWC for a second time, having spent the requisite 12 months in continuous receipt of benefits between the first time they were in work and receiving IWC, and their most recent period of employment.

Secondly, although the original intention had been for the customer sample to include couple parents who had accessed one or more of the ND+LP measures, take up of these measures in the two pilot areas appeared to have been extremely low. As a result, there were no couple parents interviewed who had taken up Childcare Assist, IWEDF, IWAS or taken part in a Discovery Event. The achieved couple parent sample was therefore mainly comprised of parents who had moved into work and taken up IWC. Take up of measures other than IWC was also very low among lone parents and only one lone parent in the achieved sample had taken up UFCC.

The relatively small number of couple parent recipients of IWC and ND+LP measures in the case study areas also meant that, in order to capture them in sufficient quantity for sampling, the data for potential phase two respondents was required to cover a much longer period (from April 2008). Sampling from within this period of two years meant that, for many, a considerable period of time had elapsed since they were first flagged as having received the support. As a result, there was a longer-term perspective available from the achieved interviews than would have been the case had the sample been drawn exclusively from among those accessing the measures during, say, the previous six or 12 months (as was the case in research examining the national roll out of IWC, for example\(^{26}\)).

Finally, it is also important to note that the phase two research was conducted during the economic downturn and at a time of significant policy change within Jobcentre Plus. The resulting operational pressures not only reduced the number of Jobcentre Plus staff able to take part in the phase two research, but may also have affected the capacity of some offices and staff to deliver support to parents as the policy intended. This may in turn have had a bearing on customers’ views and experiences of the support they received at that time.

1.10 Report structure

This report is presented in seven further sections, structured largely to reflect the journey lone and couple parents made from benefits into work.

Chapter 2 explores the decision and motivation to work, including how and why lone and couple parents decided, and were enabled, to move off benefits into work when they did, and in what ways Jobcentre Plus help and support contributed to the decision in any way. It also describes the kind of work parents moved into.

Chapter 3 examines childcare choices and constraints including how parents managed and negotiated work and childcare arrangements when one or both of them moved into work. It also addresses the extent to which available support, including IWC and UFCC, may have helped parents to balance work and caring responsibilities.

\(^{25}\) IWC was extended to lone and couple parents in most London districts in 2005, although in part of the London case study area, it had only been available since 2008.

Chapter 4 considers the decision of parents to move off benefits and the specific role of IWC, exploring whether eligibility for it influenced the decision to work or incentivised work entry for parents.

Chapter 5 describes the difficulties and constraints parents experienced during the transition from benefits into work and the use and role of IWC, and other forms of Jobcentre Plus support, in helping to ease this transition.

Chapter 6 looks at how lone and couple parents who got IWC managed financially in work, examining the use and significance of IWC while parents were in receipt of it. The effectiveness of any Jobcentre Plus help accessed when parents were working is also addressed.

Chapter 7 explores whether parents’ retained, progressed and advanced in work. It also covers how IWC recipients managed and behaved, or how they anticipated they would manage and behave, when they ceased to get IWC. It considers whether employment outcomes would have been any different if IWC had been paid for shorter or longer periods, or had been paid in a different way.

Chapter 8 concludes by summarising the key findings and discussing some policy implications.

Quotes used throughout the report are presented verbatim with the consent of interviewees and include vernacular language and forms of speech used by speakers of English as a second language. The type of benefit which appears in parenthesis after each quote denotes the benefit which the customer was receiving immediately prior to work entry.
2 The decision to work

In all but two of the households involved in the research, at least one parent had moved off benefits and into work since the ND+FLP policy measures had been extended (although some of them had since returned to benefits). This chapter explores attitudes and motivations of the lone and couple parents who started work including how and why they decided, and were enabled, to move off benefits when they did. It considers the practical steps taken by parents to help them prepare for and secure employment in the weeks, months and indeed, years, prior to work entry, including the effectiveness of any support they may have received from Jobcentre Plus. Also described are the different types of employment that parents moved into.

2.1 Strong work motivation and readiness

A strong orientation and readiness for work characterised virtually all of the parents interviewed who had moved off benefits, although the reasons given for wanting to work differed. The desire for work was particularly strongly voiced among lone parents, many of whom said they had made the decision to work in advance and irrespective of seeing a Jobcentre Plus adviser:

‘I wanted to get a job ... I already made up my mind, this is what I want to achieve. So they were just ... confirming what I’ve already made up my mind to do.’

(Lone parent (IS), London)

A preference to be working was closely related to a strong dislike of being on benefits. For some, work of any kind was preferable to ‘sitting at home doing nothing’ on benefits:

‘It was horrible being at home on Income Support, I hated it.’

(Lone parent (IS), London)

Some lone parents made the decision to work even though a Better Off Calculation (BOC) had shown them, what they considered to be, only a little better off financially:

‘Not a lot better off ... At the end of all this calculation [I was] better off by about £34 every week. Is it worth it? For me it’s worth it, because it’s not only about money...I want to feel that I’m working for my children.’

(Lone parent (IS), London)

Believing that work was the right and proper thing to do, wanting to be a good role model for their children and a concern to avoid the stigma attached to ‘living on benefits,’ were all important factors motivating lone parents who had no other working adult in the household:

‘I enjoy working, I think it’s a good thing to do, like a good moral to have, because it shows your kids that you’re doing something, that it’s good to work and you’re not sitting [around] all day.’

(Lone parent (IS), London)

Even lone parents with disabilities were not deterred from working. One lone parent getting Disability Living Allowance (DLA) was strongly motivated to work in spite of serious health problems:

‘I’m struggling with my disability, but at the same time I think to myself I can either be disabled and bored at home or disabled and enjoy a job and feel a bit more worthwhile ... Physically it’s demanding, but I’d rather do that than sit around and waste away.’

(Lone parent (IS), London)
For the few ethnic minority mothers who were lone parents, work was also important in relation to their role as breadwinner. Being widowed had allowed one such mother to reverse the usual cultural expectations for wives and mothers, by stepping into the shoes of her former husband as the family’s sole earner.

Reflecting their status as frequently the family’s sole provider, fathers in couples were more likely to explain the motivation to work in terms of financial necessity, of having to work in order to ‘keep a roof over our heads,’ ‘put food on the table,’ or ‘to pay the bills.’ Nevertheless, couple parents, too, had often made the decision to leave benefits despite being what they considered as only marginally better off:

‘It works out just slightly better off but at least we’re earning it ourselves … So yeah it’s just slightly better than what the benefits were.’

(Dependent partner (JSA), London)

The relatively low amounts by which these parents were willing to move into work for, on the one hand, and a dislike of benefits, on the other, contrasted markedly with advisers’ experiences of other benefit claimants, some of whom were reportedly reluctant to move off benefits even when shown to be significantly better off:

‘I have had some couples that have come in where I’ve done BOCs, one springs to mind where they were £100 better off by him working, and they weren’t very impressed with it … I still had trouble convincing him … I was astounded by it!’

(Lone parent adviser, West Midlands)

2.2 Previous experience of work

Most parents had experience of working prior to the most recent period of claiming benefits. Couple parents had generally been employed full-time, some in the same industry or the same job, for several years; indeed, for a few fathers, the most recent spell of unemployment represented the first time they had claimed benefits as parents. More typical, however, both for lone and couple parents, was to have had a series of low paid jobs in different sectors of the labour market, interspersed with periods of claiming benefits.

Some lone parents had not worked since having their children, but many had. Most had worked part-time and claimed Working Tax Credit (WTC), but some lone parents had, prior to the most recent job, worked in ‘mini-jobs’ of less than 16 hours which had allowed them to continue claiming Income Support (IS):

‘I’d rather [work] than be festering at home … Even when I’ve had young children … even if it was just a couple of hours. You’re allowed to earn £20, so I just earned £20. So I’ve always done something.’

(Lone parent (JSA), London)

Thus, for many parents being in work, rather than claiming benefits, was the expectation and the desire. The few parents who had never worked or were not interested in work were all minority ethnic mothers in couples. Poor English language skills, together with cultural expectations around their role as wives and mothers, were the main reasons for them not working. Some also had health problems or were caring for an elderly relative in addition to their own children.
Although many working mothers aspired to a career, working, rather than necessarily the specific job they did, was something they valued and appreciated and from which they believed their children benefited. Going out to work was seen by them as the chance to get out of the house, to spend time in the company of adults and an opportunity to make friends and socialise. A few went further, saying that going to work stopped them from being depressed, which some had become while at home and on benefits.

### 2.3 Youngest child going to school

Reflecting a large body of evidence and research,\(^{27}\) for most lone parents, but also for mothers in couples, it was the youngest child reaching school age that had prompted and enabled them to start work. For both practical and emotional reasons, few mothers considered working to be desirable or feasible until the youngest child had entered full-time compulsory schooling:

> ‘I wanted to wait really until they were old enough to go into full-time education, like a full day of school ... When she was at nursery [school] ... there was never any time to do a proper job.’

(Lone parent (IS), London)

Once children were happy and settled in school, jobs were selected and working hours arranged to fit around school hours and, ideally, term times:

> ‘I work 20 hours a week so it fits in with the kids. I pick them up out of school.’

(Lone parent (IS), London)

Among the few lone parents starting full-time work, some had waited until the youngest child started secondary school.

### 2.4 Further education or training

Prior to starting work, several of the parents had been keen to participate in training or education courses. Gaining a recognised qualification was seen by many as the best strategy for securing more sustainable and better paid work longer term:

> ‘With having three children it makes sense to have a wage that is ... based on £8 at least an hour ... It doesn’t make no sense working for £5.36 or something an hour ... it’s not really worth it ... so I enrolled on an Open University course.’

(Lone parent (IS), London)

Views and experiences were mixed regarding the help on offer through Jobcentre Plus. Reflecting the findings from the phase one research, advisers’ responses to parents’ requests for training frequently seemed to depend on the conditionality regime attendant on the particular benefit being claimed.\(^{28}\)

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\(^{28}\) As discussed in detail in the phase one report, how advisers engage their customers and the support they are able to offer is primarily determined by the different requirements and expectations regarding work depending on whether IS or JSA is being claimed. See Griffiths, R. (2011) Chapters 3 and 4.
Specialist LPAs were said to be sympathetic towards parents’ job aspirations but seemed to have limited expertise in training and career matters and could offer little in the way of practical help:

‘I was saying to them I’m thinking of re-training … but they couldn’t really advise me … They couldn’t answer any questions … about training or re-training that went off the track of their script.’

(Lone parent (IS), London)

Those parents wanting longer or expensive courses had typically been told they could not be helped through Jobcentre Plus but must make their own arrangements:

‘I’d already done quite a fair few courses … and I wanted to progress in that field which I knew was going to cost quite a lot of money … but they just wouldn’t recognise it … I had to go and do it myself.’

(Lone parent (IS), London)

Several lone parents had done so, and it was not uncommon for work entry to have been preceded by a sometimes lengthy period of education or training. Some had undertaken full National Vocational Qualifications (NVQs), others university degrees taking three or more years to complete, while claiming IS and so not required to look for work.

Reflecting the stricter Jobseeker’s Allowance (JSA) conditionality regime, mainstream advisers were said to be less supportive of parents’ career aspirations, encouraging them to take up available jobs immediately rather than undertake further education or training courses for work in the future:

‘I was hoping that if I did [a qualification] it would give me an even better chance of getting a job but … they weren’t interested…Their job is just to get you into work, no matter what the pay is or what the job is.’

(Lone parent (JSA), London)

Some parents were puzzled to be told that even courses arranged through Jobcentre Plus would have to be given up if a suitable job opportunity presented itself:

‘… the Jobcentre … said that even if you was on a course and a job come up, you’d have to leave the course and go to the job…’

(Former lone parent (IS), then main claimant (JSA), West Midlands)

Others were told that help with training was only available once they had started work:

‘I was asking to go on courses and I kept getting told that I’ve just got to have a job … I got told you can’t do courses unless you’re in a job.’

(Main claimant (JSA), London)

A few couple parents claiming JSA had taken part in short training courses, including health and hygiene, security and business start up courses. Those getting this help were grateful for the support which had enabled them to attend courses they could not have otherwise afforded, resulting in jobs they would not otherwise have had access to:

‘[My adviser] put me on this 13 week … course … to [be a] door supervisor…I got a job, and yes it did help … you need to find £250 just for the licence and £60 for the exam and another £100 for the course. So I wouldn’t have been able to do it [otherwise].

(Main claimant (JSA), West Midlands)
However, none of these parents were aware of having accessed any ND+fLP related training; all appeared to have been supported through mainstream Jobcentre Plus services and New Deal provision.

Several parents claiming JSA had been mandated to attend courses which they considered to be inappropriate. One couple parent with dyslexia agreed to attend what he had been told would be a basic skills course to help improve his reading and writing skills, only to find it was a course in English for Speakers of Other Languages (ESOL). Finding out from his partner that he would be eligible for IWC, he left benefits for work, although the job did not last and ended after two months. Two main claimant parents said they had been sanctioned when they refused to attend mandatory courses, although in one case, the family’s benefits were reinstated following an appeal:

‘They wanted me to go ... do a security course but I didn’t want this work ... and I don’t like travelling too far ... because I was on medication for anxiety ... They stopped [my benefits] ... and it took quite a while for them to sort the money back out again.’

(Main claimant (JSA), London)

Lone parents who were no longer eligible to claim IS and were now in receipt of JSA, also found it more difficult to undertake longer training and education courses. Some were told they could only do so if they signed off benefits. Others had received help but felt they had had to push hard to get the support they needed or wanted.

‘When I asked them at the Jobcentre they said they didn’t really know how to help me ... I had to really, really search and ask around and really hassle them to get me the support.’

(Lone parent (JSA), London)

Several lone parents remarked on a noticeable change of approach when they had moved from IS onto JSA. Not only was mainstream help geared towards rapid job entry, but their parental status seemed to them to have been largely ignored:

‘With my lone parent adviser, they seemed a lot more understanding than [mainstream adviser], they seemed to want to help you. But when you’re on JSA it’s completely different ... They want to get you in and get you out quick ... They’ve never asked about the kids or [my partner] or nothing.’

(Main claimant (JSA) (formerly claimed IS as a lone parent), West Midlands)

Part of the London Jobcentre Plus District from which lone parents were selected for interview operated an Employment Zone (EZ) which gave them the choice of participating in New Deal for Lone Parents (NDLP) or referral to an EZ provider. Some lone parents who had opted for an EZ provider said they had specifically been advised to make best use of the period of time on IS, during which they were not required to look for work, by improving their skills and qualifications. One lone parent was advised to enrol on a training course while doing a part-time job in the same field she expected to be employed in once qualified; another was encouraged to accept a low paid temporary job, for which she qualified for IWC, during the summer break from her degree course. These more nuanced strategies contrasted strongly with the work first approaches and more prescribed methods of Jobcentre Plus advisers, particularly those operating within the JSA regime.

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29 This supports findings reported in greater detail in the phase one report, Griffiths R. (2011) Chapter 3.
2.5 Jobsearch

Not unsurprisingly, given the degree of work motivation and readiness evident among the parents interviewed, most of the parents who had moved off benefits had been actively jobsearching in the period immediately prior to job entry. Most of these parents had found work themselves without the direct involvement of Jobcentre Plus, often hearing about vacancies and jobs through friends or family or as a result of their involvement in voluntary or community work. Others secured positions advertised on the internet, in the local press, through Jobcentre Plus jobpoints or on-line:

‘It was through my friend. I’ve never had a job through a Jobcentre, ever.’

(Lone parent (IS), London)

Several would have appreciated more help from Jobcentre Plus. Some lone parents said they had contacted their adviser for jobsearch help only to be told to come back when they had found a job:

‘I spoke to an adviser and she just said to me basically when you find a job come in and speak to me. So for months ... I didn’t really see her, I was finding a job.’

(Lone parent (IS), West Midlands)

There was little evidence that any parents had received more voluntary contact (MVC) in between their mandatory appointments:

‘There wasn’t enough contact ... or encouragement ... [It was fine] when I actually went down for an interview ... but in between the periods there wasn’t any contact ... I know they’re busy ... and I’m not the only single parent out there, but it would be nice just to have that bit more contact ... a bit more encouragement.’

(Lone parent (IS), London)

Several believed they might have found work sooner had they been offered more help between mandatory adviser appointments:

‘There wasn’t no help to get back into work, it was only me ... seeing leaflets ... and on the internet – it’s got a whole lone parent page. But ... there wasn’t no letter from the Jobcentre saying we can help you, because if there was I probably would have got back into work earlier.’

(Lone parent (JSA), West Midlands)

Nor was there much evidence from job seeking couple parents that the help was being delivered on a par with that available to lone parents, or in a more flexible way which explicitly took account of their parenting role, as the New Deal Plus for Lone Parents (ND+fLP) policy intended:

‘I don’t think ‘parent’ and ‘me’ came into the same sentence ... To them, I was just signing on.’

(Main claimant (JSA), West Midlands)

‘I think we should be seen as a couple, right from the start. If you both go down there you get more information don’t you? .. The Jobcentre needs to be more helpful and more understanding towards couples with kids.’

(Dependent partner (JSA), London)
One main claimant whose partner was also looking for work, requested a change to his signing on time so that they both could attend Jobcentre Plus. They were told they could not be accommodated and the request was declined:

‘The time they gave him [to sign on] was 3 o’clock, well ... One of us had to be here [for the kids] so ... we asked them for an earlier slot ... so we could both go ... and they said they couldn’t give us an earlier one, so I had to ... fetch the kids and he would go on his own.’

(Dependent partner (JSA), West Midlands)

Non-claiming partners who had attended Jobcentre Plus jointly with their partner felt they had been ignored or excluded from discussions with the claimant about work:

‘Sometimes I would go to the Jobcentre with him ... but they completely ignored me ... so there was no point in me going in with him.’

(Dependent partner (JSA), West Midlands)

‘[My partner] come down there once [with me] ... and got told to go away ... It was, “Can you leave now?” And it wasn’t very politely either.’

(Main claimant (JSA), London)

As reported in phase one, some partners who were actively job seeking had been told they were not eligible for help or discouraged from attending Jobcentre Plus with the main claimant. Others said they had been turned away from the Jobcentre or refused access to Jobpoints and so had sought help elsewhere:

‘Because he was signing on for me, I wasn’t entitled to [help]. I did say to them but ... I’ve been out of work exactly the same time as [my partner]. They said it didn’t matter ... that’s why I went to the neighbourhood resource centre ... I find it more helpful.’

(Dependent partner (JSA), London)

‘They don’t involve me at all ... I’m not even allowed in there! ... I thought that when you claimed together both of us should be invited to these meetings and stuff. But it’s not like that ... you get pushed out.’

(Dependent partner (JSA), West Midlands)

The Jobsearch help and support received by couple parents who had previously claimed benefits as a lone parent was considered better attuned to their parental role. This stood in stark contrast to the experience of claiming JSA, when part of a couple:

‘I’d been used to dealing with benefits myself ... [as a lone parent] ... but once it was all taken over into [my partner’s] name, I couldn’t even phone them up. I had no status ... I just found that really wrong.’

(Former lone parent (IS), now dependent partner (JSA), London)

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30 The lack of family focus and parent specific help reported by JSA claimants was a key finding from the phase one report.

31 More detailed discussion of this issue is included in Griffiths R. (2011) Section 4.2.
2.6 Losing eligibility for Income Support or Incapacity Benefits

The Lone Parent Obligations (LPO) regime which, at the time of the research, required lone parents to move from IS onto JSA once their youngest child reached the age of ten, had been an important factor of influence in the decisions of some lone parents to move off benefits. Some choose work in preference to claiming JSA:

‘The Jobcentre did keep on urging and … bombarding me with letters saying you must find yourself a job … your son’s nearly ten and … I will be receiving JSA … That pressure was taking its toll on me and that’s when I said OK I’ll try [working], see what it’s like, see what sort of support I get.’

(Lone parent (IS), London)

As reported in the LPO research, some lone parents were already working, but in jobs of less than 16 hours. Some had lost or were soon to lose their entitlement to IS and, following a Work Focused Interview (WFI) or Options and Choices event, chose to increase their hours of work rather than give up their job and claim JSA. A few approached their existing employer to request an increase in their hours, taking them above the IS threshold. Others secured new jobs of 16 hours per week or more.

Although lone parents with children younger than the threshold for receiving IS were not yet required to look for work, many had been made aware by their advisers of the pending changes to IS eligibility:

‘They start telling you the law is going to change, you have to work … I’m thankful that they have done that, because … they forced me to look at alternatives.’

(Lone parent (with six year old child) (IS), London)

Some took the decision to move off benefits well in advance of being affected by the changes:

‘They kind of said you had to get back into work, because they say that when your child’s seven … or they reach school age, you have to go back to work anyway, so you’ll no longer be entitled to IS.’

(Lone parent (with two year old child) (IS), London)

Losing eligibility for Incapacity Benefit (IB) was another ‘push’ factor which prompted some parents to start work. One main claimant parent lost eligibility for IB when he was reassessed for Employment Support Allowance (ESA), choosing to work part time rather than claim JSA and sign on.

2.7 Re-partnering

In a few cases, work entry had come about as a result of a lone parent re-partnering with an ex-partner or finding a new partner. One lone parent who became pregnant soon after losing eligibility for IS moved in with the unemployed father who subsequently moved off benefits and into part-time work. Two former lone parents also moved in together when one got a job. Another lone parent moved off benefits when her boyfriend moved in with her and they both started work.

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Some advisers partly attributed re-partnering to the effect of the LPO regime, with certain lone parents apparently choosing to form a couple rather than claim JSA as lone parents. Under the JSA conditionality regime for couples, becoming a dependent partner allowed them to remain at home full-time as the main carer, and did not require them look for work:

‘There’s quite a lot of, shall we say, partners in and out of [the house] … not with the majority of lone parents … but with a significant minority. You do see it … I used to do the LPO figures for the district. Four out of ten never went across to any other benefits, and we did find a significant number that re-partnered.’

(Manager, West Midlands)

‘We’re asked to do an awful lot of calculations, not based on ‘would I be better off working?’ but based on ‘would I be better off if I move in with my boyfriend?’ It’s quite a common occurrence.’

(Lone Parent adviser, West Midlands)

2.8 Type and hours of work

2.8.1 Lone parents

Most lone parents were employed part time, typically working in the service sector as retail assistants, cleaners, bar and catering staff, in which opportunities for progression and better pay were limited. Few of these jobs offered formal training or a career structure. A few lone parents had however moved into professional jobs or begun new careers, for example as social workers and teaching assistants, following a period of further education or training. Some were self-employed. Those in better paid jobs generally had further and higher level qualifications, although several had gained these as an adult and after having children. Generally speaking, the better paid the jobs were, the more likely it was that lone parents would be working full time.

At one extreme, earnings from work could be as low as £93 a week for 16 hours in a minimum wage job in London. At the other extreme, one lone parent had moved into a full-time job as a social worker on a starting salary of just under £30,000. Hourly rates of pay among sampled parents were mostly in the range of £6–£8, but minimum wage earnings were not uncommon, even in London. Lone parents who were working at the time of the interview were generally in receipt of Working Tax Credit (WTC) and Child Tax Credit (CTC) and many also got Housing Benefit (HB) and Council Tax Benefit (CTB). Indeed, many had been advised by an LPA or employment adviser to work part time in order to maximise their entitlement to benefits in work. A few higher paid parents and those working 30 hours or more expected their entitlement to tax credits benefits to subsequently reduce when eligibility was reassessed after a year of employment.

The type, hours and even location of work was generally determined by number and ages of children, and options for childcare. The specific job they did (and for some even the wage) was a secondary consideration compared to the number and distribution of hours worked in a week. The ideal work situation to which many of the lone parents aspired, was to be employed term time and during school hours, but only a few had managed to achieve this. Some typically worked a few hours each day of the week to fit around school times while others worked evenings and weekends.

Some of the lone parents had jobs they said they loved, offering them the possibility of a career. However, many of them were resigned to do any job as long as it fitted in with school hours and did not leave them worse off:

‘I’d try any work as long as it broke me even once the bills was paid.’

(Lone parent (IS), (former dependent partner) West Midlands)
These jobs were often routine and mundane – ‘it’s just a job,’ – although most lone parents nevertheless enjoyed going out to work since it got them ‘out of the house,’ and enabled them to make new friends and socialise:

‘Because I’m a single parent it’s better that I’m socialising and I’m getting out instead of sitting on benefits and sitting at home …’

(Lone parent (IS), West Midlands)

Few lone parents were doing jobs or working the days or hours they wanted. Because of the costs and logistical problems of getting to work and dropping off and collecting children from school or nursery, some would have preferred to work the same hours but over fewer days. Others were under-employed in jobs below their skill, qualification and capability levels:

‘My degree in 2008 … was in money, finance and banking … currently I’m doing 16 hours … as a receptionist.’

(Lone parent (IS), London)

Some took cleaning jobs and other low skilled work because it could be done part time or flexibly or was paid better than work they were qualified to do. In London, some lone parents were contemplating moving from jobs and work they enjoyed, to lower skilled work, because it paid more than their current earnings:

‘If I didn’t enjoy [my current job] I definitely would be tempted to give it up … Some cleaning jobs pay you like £10 an hour, so if … there’s a possibility for me to be fine in that job I think I would still sort of remain in [it] even if I didn’t like it.’

(Lone parent (IS), London)

A general paucity of well paid work which was flexible enough to fit around childcare responsibilities appeared to lie at the root of these employment patterns. However, the high cost of housing in London was another important factor. Several lone parents were working fewer hours than they would have liked in order to maximise their entitlement to Housing Benefit, which generally required them to work part time.

Some employers were flexible and understanding of parents needs but many were not. Start and finish times were usually fixed; if they did change this was usually to suit employers not their employees. It was not uncommon for low paying employers to advertise and offer jobs for specific days of the week and for a specified number of hours, only to increase or reduce them when the person started work. One lone parent accepted a full-time job advertised at 37 hours per week because it paid £7.50 an hour, allowing her to pay for childcare. However, soon after starting, the hours were reduced to 30, then 16, although she still required full-time childcare. She had also been off sick from work for three weeks and had received no pay.

Several employers expected their employees to work entirely flexibly, sometimes changing hours and patterns of work at short notice, and with no guaranteed number of monthly or even weekly hours:

‘The hours can [vary] like today I can do five, tomorrow only two. It all depends the work they will have the day before, I don’t have permanent hours like … from ten to two … So I had to put him in full-time [nursery] today, because I had to work five days, and my hours for the next day I would only know the day before. It all depends on the demands of work.’

(Lone parent (IS), London)

In addition to fluctuations in income, this often caused difficulties with childcare arrangements and disruption in the payment of HB.
2.8.2 Couple parents

In most couples, only one parent had moved into work, typically the father or male parent. Employment was generally full time and low paid, although a few worked part time. Weekly wages in the sample ranged from £92 per week to an annual salary of £16,000. To cover high housing costs, and because only one parent was working, some couple parents in London were working very long or unsociable hours:

‘I [work] seven days and I do like 12 hour days for like four days and then three nights, and then the next seven days are three days and four nights, ... It’s minimum wage [which] makes itself up because I do a lot of hours. I do ... 84 hours [a week] ... With travel it works out about 100 or so ... It’s not family friendly!’

(Main claimant (JSA), London)

Such jobs, including security and money collection work, were also generally of poor quality, offering minimum annual leave and no company sick pay or overtime payments. Advertised terms and conditions were also sometimes altered once recruits were working:

‘[My wife] broke her arm and I had the day off ... but they don’t pay you ... [they said] don’t come in but we’re not paying you ... There’s no sick pay and nothing.’

(Main claimant (JSA), West Midlands)

‘The job didn’t turn out did it the way that they’d described ... They told us it was 48 hours a week and anything over that we could either have time in lieu or overtime, and I was working minimum 60 hours a week ... but I never got no overtime for it, no time off ... just threatened ... that if you don’t meet your targets you was going to get the sack.’

(Main claimant (JSA), London)

Mothers in couples who worked tended to work part time. However, most mothers in couples did not work, instead remaining at home as the main carer. Some chose to stay at home; others became primary carers by default, either because the male partner found work first or, more commonly, because their lower earnings potential meant that their wages alone would be insufficient to support the whole family.

In only two couples interviewed did both parents work; in one case the male parent worked full time and the female part time; and in the other, both worked part-time in their own business. In several couples, only one parent was working and the work was part time. As with lone parents, jobs were often taken below skill and qualification levels because it entitled the family to financial help including HB and CTB and, in a few cases, IS. Continued receipt of IS was particularly important for parents with mortgages, since this entitled them to continue receiving help while working. One parent with a degree in microbiology was working 16 hours a week as a cleaner; more hours than this and the couple would have lost entitlement to IS. Another parent with high level secretarial skills was working 20 hours as a sales assistant because it entitled her to WTC and enabled her partner, who was caring full time for his elderly mother, to continue receiving IS:

‘I was looking for full-time work really ... but it’s probably easier for me if I stay doing 20 hours a week because doing more will just affect our [eligibility for] benefits. We will be worse off if I do more hours.’

(Independent partner (JSA), London)

Working part time also suited one couple parent who had health problems requiring regular hospital visits and treatment, which precluded full-time work.
There were a few examples of couples who had reversed roles. In the case above, both parents had been looking for work together, but when the mother found part-time work, the father remained at home as the primary carer. He also became the main carer for his mother, claiming Carer’s Allowance (CA) and Attendance Allowance (AA) following her diagnosis with dementia. The second case was a mother who started full-time work as a teaching assistant in the recognition that the father was much less likely to find a job, having been unemployed for more than five years.

2.8.3 Self-employment

Several of the lone and couple parents interviewed, who got IWC, were newly self-employed allowing them, they said, to juggle work and childcare, especially if they worked from home. Home working also allowed some minority ethnic women to earn an income which would have otherwise been culturally difficult for them to do. Some of the parents, including those with few formal qualifications, also viewed self-employment as a possible route to achieving higher earnings, although it was too soon to say with what degree of success.

2.9 Summary

- Most parents in this study were strongly motivated to work, were work-ready and had been actively job seeking prior to getting IWC.
- The few parents interviewed who had never worked or were not interested in work were all minority ethnic mothers in couples. Poor English language skills, together with cultural norms and expectations, seemed to be the main reasons for them not working.
- Factors other than eligibility for IWC were said by many parents to have been more influential in the decision to enter work including a child starting school, or them finishing a period of further education or training.
- Those parents who had undertaken further education or training did so to gain recognised qualifications in the hope and expectation of getting better paid work longer term.
- Regardless of whether they would be better off financially, lone parents interviewed wanted to work for reasons of self-respect and wanting to be a good role model for their children. Many also disliked being on benefits.
- The motivation to work among the couple parents, most of whom were single earner fathers, was more often expressed in terms of financial necessity; to provide for their families and ‘to keep a roof over their heads’. The perceived self-reliance that came from earning their own income rather than depending on benefits was also important.
- Most parents who moved off benefits said they had found their own jobs with limited involvement from Jobcentre Plus. Some would have liked more help with training and jobsearch.
- Losing eligibility for IS or IB was a key factor in encouraging some parents to move off benefits, although some lone parents did so by increasing their hours of work in a job they already had.
- Most of the lone parents were employed part time in the service sector. Few of these jobs offered formal training or a career structure. The type, hours and even location of work was generally determined by the number and ages of their children and their options for childcare. The specific job and, for some, even the wage, was a secondary consideration. This meant that many of them were under-employed both in terms of skills and hours worked.
- In most of the couples, only one parent had moved into work, typically the father or male parent who worked full time. Partnered mothers who did work tended to work part time. However, most mothers in couples did not work but stayed at home as the main carer.
- A few of the lone parents had become part of a household with a full-time working adult as a result of moving in with a new or former partner, or due to a partner having moved in with them.
3  Balancing work and childcare

This chapter examines how the lone and couple parents interviewed rationalised and negotiated decisions around work and childcare, including whether and what hours to work and how they decided on and managed childcare arrangements when working. It explores the extent to which childcare constraints featured in work-related decision making, together with of childcare attitudes and usage among working parents, and the factors underlying these. Whether advice and support available through Jobcentre Plus, In Work Credit (IWC), or any New Deal Plus for Lone Parents (ND+LP) measures, figured in any way in helping parents balance work and childcare, is also addressed.

3.1  Policy context

Helping parents balance work and childcare responsibilities through improving the availability, quality and affordability of formal childcare and offering childcare information and advice has been an important part of child poverty strategies and measures designed to enable parents to access employment. In addition to direct government investment in Sure Start nurseries and Children’s Centres in poorer areas, a key component of the strategy has been to target financial help and support for childcare on unemployed and low-income parents to enable one (in the case of lone parents) or both (in the case of couples) to enter work. Financial help includes the childcare element of Working Tax Credit (WTC) which, until recently, credited eligible working parents with up to 80 per cent of registered childcare costs to a maximum ceiling of eligible costs of £175 for one child and £300 for two or more children. Childcare information and advice to raise awareness of local childcare provision and to encourage take up, is also offered to all parent customers of Jobcentre Plus.

In ND+LP pilot areas, additional measures for parents include Childcare Assist which provides extra support intended to help eligible lone parents and partners to settle children into registered childcare in the week immediately before starting work. The provision of Up-front Childcare Costs (UFCC) to help New Deal for Lone Parents (NDLP) participants in London pay for deposits and registration costs with a registered childcare provider was also piloted among eligible lone parents between April 2008 and March 2010.

3.2  Childcare preferences

Regardless of whether they lived with a partner or alone, few of the mothers considered work possible or appropriate before children were attending, or eligible to attend pre-school nursery (three years plus). Even so, in practice, most of the mothers delayed starting work until the youngest child entered full-time compulsory schooling. As a consequence, consideration of childcare options, including the availability, quality and affordability of paid childcare, usually only arose once the decision to work had already been made.

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34 Eligible parents included lone parents working at least 16 hours per week and couple parents both working 16 hour per week or more. Childcare must be provided by a registered and Office for Standards in Education, Children’s Services and Skills (Ofsted)) approved provider. Recent government announcements indicate that from 2011, for couples with children, the adults will have to work at least 24 hours between them with one working at least 16 in order to be eligible for WTCs. The Childcare Element of WTCs is also being reduced to a maximum of 70 per cent of eligible costs. To be eligible, both adults have to be working over 16 hours.

35 This equates to a maximum tax credit of £140 for one child and £240 for two or more children.
Underlying the parents’ childcare choices was a complex set of beliefs and attitudes about how children should be cared for and how parenting could and should best be combined with paid work. For many of the mothers interviewed, caring for their children themselves was something they said they wanted and chose to do, particularly before their children started compulsory schooling:

‘I just prefer to be at home with the kids, when they’re so young anyway ... I just prefer to ... bring them up and be there.’

(Dependent partner (JSA), London)

Mothers did not look for childcare to fit in with work, rather they took on jobs with hours that allowed them to continue caring for children themselves:

‘I do try to mainly work around my children you know so it all fits in with them.’

(Lone parent (IS), London)

Mothers ‘being there’ for their children, especially in the early years, was generally believed to be good for the child’s emotional well-being and overall development:

‘I’ve been there since she was a baby, I’ve always been there for her ... She’s got a great character I think because of it ... She’s very secure and very happy, I’ve always been there at the school gates ... I’ve always dropped her off, and ... I’m glad that I’ve been able to do that. But that’s been a choice.’

(Lone parent (IS), London)

Among the parents interviewed, viewing caring as an alternative to paid work was common among non-working mothers in couples from certain minority ethnic communities, particularly those born overseas. Most of these mothers had never been in paid employment and were sometimes caring for older relatives as well as their own children. Some had poor English language skills and poor literacy skills even in their mother tongue, making paid employment in the mainstream labour market more difficult even if they wanted to work, which most of them did not. However, it would be an over simplification to view a preference for parental childcare solely in terms of gendered social and cultural norms. Similar attitudes were also evident among lone and couple mothers who worked, including some from minority ethnic groups, and among fathers. Taking personal responsibility for children’s care and upbringing was thus something most interviewees wanted and expected from parenthood, indeed was part of the very reason, many said, for becoming parents in the first place:

‘I didn’t have the children to lose them, I had the children because I love [them], I want to have some input in life. This is like my extensions, these are my children ... They [are] part of me.’

(Lone parent (IS), London)

Such beliefs, however, were not necessarily incompatible with mothers’ employment. Indeed, paid work was often seen as part of good parenting, particularly in lone parent households with no male worker. Equally, though, mothers (and fathers) wanted to fully involve themselves in their children’s upbringing and few believed they could do this if they (both) worked full time:

‘I have always worked ... but I class myself as ... a full-on mum. They’re my kids and I want to bring them up ... I’m really, really proud of ... my kids. I think I’m bringing them up with the right morals.’

(Lone parent (IS), London)
Even those with older children wanted jobs or forms of employment that enabled someone to be home when they arrived back from school. Some London parents were uneasy even allowing teenagers to make their own way home from school:

‘I take my children to school and bring them back ... and I don’t think I will rely on my son going to secondary school on his own as well, I will be driving him to school [because] ... I know whatever’s happens wrong is in the way going from home to school or coming back when he hangs around with the sort of people that I don’t want him to.’

(Lone parent (IS), London)

During the school holidays, too, most parents were reluctant to leave teenagers to fend for themselves in an empty house. Advisers confirmed the strong preference for parental care among both lone and coupled parents:

‘If ... there are younger children involved, then they’re not necessarily willing to leave their children with somebody other than their partner or maybe grannie ... they are not keen to use registered childcare ... With the older children, you’ve got the issue of that they want to be around because they ... might have a house full of children.’

(Adviser, West Midlands)

The flexibility of self-employment suited some mothers better than working fixed hours for an employer, particularly if it meant they were able to work from home. One couple had started a small enterprise together, sharing responsibility for childcare flexibly, as dictated by the day-to-day demands of the business.

Among minority ethnic mothers, self-employment, home working or working in a family business could also be a more culturally acceptable way of combining employment with caring responsibilities. One such mother who was widowed at a relatively young age was making a reasonable living as a self-employed tutor. Another worked part time in a family business, an arrangement which enabled her to work flexibly as allowed by her health and childcare responsibilities:

‘My husband [has the shop lease] but my nephew is the manager ... I’m not going to get the other job, because the health issue is main problem ... Here’s better ... if you want to do a little bit more hour ... if I can then I’ll do it ... this is only the flexible, that’s why it’s suiting me.’

(Dependent partner (JSA), London)

Another minority ethnic mother was considering the possibility of working for herself, from home:

‘I’ve never worked [outside the home] ... so I think it would be very difficult to go out into a work environment. Maybe it’s a start to start in the home, do baking from home ... because I bake with friends ... I’m thinking about it.’

(Dependent partner (IB), London)

Regardless of ethnicity or culture, however, many mothers saw themselves as parents first and wage earners second. As such, few perceived caring for children as a constraint which prevented them from taking up paid work. Rather, childcare was seen as their prime responsibility around which work, if and when appropriate, would be organised:

‘I’ve always worked ... but I have to go round [my husband] and the kids if you know what I mean, it would have to be something that I could fit around.’

(Dependent partner (JSA) West Midlands)
Many of the mothers believed it was right and proper that their own ambitions, together with any financial gain from working, be set aside if only temporarily, to give their children the best start in life. Having ‘someone else’ undertake this important role was, for some parents, not only undesirable but somehow improper:

‘It’s not right … leaving our girls with strange people every day.’

(Main claimant (JSA), West Midlands)

For practical reasons, juggling work and childcare was less problematic for couples than it was for lone parents. However, couple parents had not dissimilar attitudes and behaviours towards work as did lone parents. Few considered it possible or desirable for both parents to work full time, particularly if it meant children needed to be cared for outside of the home environment:

‘I’ve never been one to think that I’d like somebody else to look after my children … I’d rather do it myself or you know one of us, one parent being at home … I’ve just never thought I could leave my kids … I’d rather struggle for a couple of years and bring my own kids up.’

(Dependent partner (JSA), West Midlands)

Some partnered mothers worked part time; others chose instead to be full-time carers for their children. In fact, in none of the couples interviewed did both parents work full time. Indeed, one advantage of being in a couple, whether working or not, was the option it gave to female partners to stay at home for as long as they wished to care for their children, if that is what they wanted. Most who did so were willing to accept the loss of household income that might result, while being keen to point out that they, rather than their children, would suffer any consequences:

‘It’s my decision [to] stay at home and I know it’s one of the consequence if I no go to work … but I prefer no buy the clothes, I prefer no buy the shoes, I prefer no go on holiday, but I want look after my children … It’s my decision no go to work. The government … it can’t say me oh why you no go to work?’

(Dependent partner (JSA), London)

Staying home as the main carer also enabled some partnered mothers to take part in training or further education courses in preparation for going out to work in the future, when their children went to school or were considered old enough to leave alone at home and to go to and from school unaccompanied.

3.3 Re-partnering

Finding an arrangement which allowed one parent to go out to work while the other stayed at home caring for children had led some of the couples to re-partner.36 As noted previously, some Jobcentre Plus staff believed that an increase in re-partnering may have been due to the Lone Parent Obligations (LPO) regime. Our research also indicated that living as a couple could be a more sustainable and practical arrangement for combining work and childcare, particularly for those on low incomes and in receipt of means-tested benefits.

One couple who had recently moved in together comprised a former lone parent (the male) with four children who had previously been claiming Income Support (IS), and his childless partner.

36 By the same token, some parents who had previously been in work when part of a couple had, since separating, been obliged to give up work or reduce their hours because their partner was no longer available to look after the children when they went to work.
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(female) who had been working part time. The male lone parent had given up full-time work to care for his four children after his wife left the family home:

‘My wife [left me] and I had to pack in work and look after my kids ... I was working 12 hour shifts ... and obviously I couldn’t fit in 12 hour shifts and look after the four kids ...’

(Main claimant (JSA) (formerly claimed IS as a lone parent), West Midlands)

They had been together as a couple for several years, but said they could not previously afford to live together due to the loss of the father’s IS and other means-tested benefits if his working partner moved in:

‘We’ve been together four years, but we’ve only been living together [for] 12 months ... since I got the job.’

(Lone parent (IS) (male), West Midlands)

‘We wanted to move in with each other, but we couldn’t do it just on my wage ... the money I was earning, it wasn’t enough for us to live off.’

(Partner (non-claiming), West Midlands)

When the male partner found full-time work, this provided an opportunity for the couple to merge households. He moved off IS, and she, in turn, gave up work and her own flat, to look after the family’s four children:

‘When he got the job it was the perfect opportunity for me to move in and to look after the children while he went to work. Everything seemed to fit into place ... When [he] got a job, I left my job and then I moved in here, took on the four children and then he went to work.’

(Partner (non-claiming), West Midlands)

Neither had been able to work full time while living separately, but in joining households, the parent with the greater earning capacity was able to get a full-time job, leaving the other as the main carer. With only one parent in low paid work, the family was entitled to receive WTC and Housing Benefit (HB).

Another lone parent re-partnered with her children’s father who had been unemployed for several years and living separately. The ex-partner moved back in with the family after she was offered full-time work as a school support worker. He then stayed at home to look after their three children.

3.4 Role reversal

As shown in the example above, role reversal was another strategy which some couples had adopted to enable them to combine work with childcare. Even in the West Midlands, where advisers said the culture of the traditional male breadwinner remained strongly embedded, some couples acknowledged that a paucity of suitable ‘jobs for men’ on the one hand, and enhanced job opportunities and earning potential of women on the other, meant they would have to re-think their working patterns.

One couple in which the male partner had, prior to the recent recession, always worked full time, switched roles after the female partner completed a training course, finding work as a teaching assistant at her children’s school:
'She went back to work ... because I ain’t had no job for a certain period of time. I could only get labouring jobs or ... not really good jobs. So it just made sense for me to look after the kids because she was making more money than what I could make. And either one of us would have had to gone back to work, so it just made sense really.'

(Main claimant (JSA), West Midlands)

Jobs such as these were highly sought after among mothers, since the hours fitted in with the school day and term times, while offering a recognised structure for gaining qualifications, career progression and the possibility of future growth in earnings.

Another couple in the West Midlands in which the male claimant had been unemployed for almost two years, had come to the decision that the female partner would actively begin job seeking, given the increasing likelihood that she, rather than he, would find full-time work:

‘I think ... financially if there was no jobs for [husband] we’d have to switch [roles], because at the end of the day our priority is the house and the bills and keeping a roof over our heads ... If [he] doesn’t get a job, then I’d have to.’

(Dependent partner (JSA), West Midlands)

Among some couples, it was often simply a question of who found employment first that determined which parent went out to work and who stayed at home:

‘We were thinking that [he] would earn the money, but because it’s not happening ... I’ve actually applied for quite a few jobs in the last month ... I thought if I go back to full-time work, at least then maybe [he] can be a house husband sort of thing and I’ll go and get a full-time job.’

(Dependent partner (JSA), London)

One mother, on maternity leave with her fourth child, was planning to return to full-time work leaving her partner to care for the new baby, together with their five other children (three of which were hers, and two his, from previous relationships). This atypical arrangement reflected not only the large number of children in the household, but also the fact that she had a job to return to that paid more than her partner’s previous earnings:

‘When I go back to work [he] is going to be having the baby and be staying at home when I go back ... With six [children] ... I think we need somebody to be at home than both of us being out at work full-time, I don’t think that would work.’

(Dependent partner (JSA), West Midlands)

In another London couple, after 18 months of unsuccessful jobsearch, the male partner had taken on caring responsibility not only for their child, but also his elderly, disabled mother for whom he received Carer’s Allowance, an arrangement which allowed the couple to continue receiving mortgage interest help due to his ongoing eligibility for IS. His partner then moved into part-time work in a local retail outlet.

A few lone parents disclosed that non-resident fathers, both working and non-working, shared responsibility for childcare, enabling them to work evenings in one case, and week-end night shifts in another:

‘[My Mum] has them one day, then their Dad has them the next ... because I work on Sundays ... and I work every Saturday in [supermarket], 11 till 7 [in the morning].’

(Lone parent (IS), London)
Indeed, other research has indicated that in lone parent families in which the mother works, care provided by non-resident fathers and ex-partners is the second most common form of care arrangement, after caring by grandparents.37

3.5 Attitudes towards formal childcare

While a stated preference for parental childcare clearly underpinned the working arrangements of the lone and couple parents interviewed, views on the perceived feasibility of work and working hours were also shaped by strongly held beliefs regarding the desirability of formal childcare. Most parents voiced serious reservations about paid childcare, even though few of them had actually used it. Rather than a practical arrangement which enabled parents to work, formal childcare was frequently described in terms of surrendering control and influence over a child’s upbringing, of entrusting their care to ‘a stranger.’ Although previous experience of using, and in several cases, of providing, formal childcare had adversely influenced some parents, in the main it was media reporting, local anecdotes and general hearsay, rather than personal experience, that made many parents wary of accessing it:

‘I don’t trust [childcare] ... just from what you hear, from the media.’
(Main claimant (JSA), London)

‘The things I’ve heard about the local ... day care centres and crèches around here, I’m not happy with what I’ve heard off friends of mine who have had children in those places.’
(Dependent partner (JSA), West Midlands)

Reservations about the competence and trustworthiness of childminders, in particular, and concerns about levels of safety and cleanliness of the settings in which children were cared for, featured strongly:

‘What puts me off a childminder is ... because they have got the setting in their home, they have anybody and everybody there.’
(Lone parent (IS), London)

One lone parent who had herself been a childminder in the past, was nevertheless reluctant to use this form of care for her own children:

‘My children have never been to a childminder, but some childminders I’ve met along my professional way have not been good ... The way they treated the children wasn’t very nice.’
(Lone parent (IS), London)

37 In 15 per cent of cases, the care arrangement used by lone mothers working 16 plus hours per week was an ex-husband, partner or the child’s non-resident parent. Connolly, A., and Kerr, J. (2008) Families with children in Britain. Findings from the 2006 families and children study. DWP Research Report No. 486, p410. The important role of non-resident fathers in providing childcare for working mothers is also confirmed in Coleman N., and Lanceley L., (2011) Lone Parent Obligations: supporting the journey into work DWP Research Report No. 736.

38 Lone parents’ preferences with regard to formal and informal childcare are also covered in Coleman N., and Lanceley L (2011).
Child protection, however, rather than necessarily the type of setting, was the issue which most concerned parents. In this respect, the cost and affordability of childcare hardly figured in parents’ decisions not to use it:

‘[Childcare] I just don’t trust it ... you just don’t know who’s out there ... It's not the cost ... I just don’t trust them.’

(Main claimant (JSA), West Midlands)

Parents generally found the idea of larger settings such as nurseries and out of school clubs more acceptable due to their greater regulation, the presence of trained and qualified staff and greater opportunities for children’s social interaction.

‘I prefer the thought of paying for private nursery than I would a childminder ... [it’s] the larger settings ... the interaction and ... there’s numerous staff there.’

(Lone parent (IS), London)

Nevertheless, only a few of the parents currently used nurseries or had used them in the past. While the social and developmental benefits to children of attending nursery were generally acknowledged, most parents believed these could best be achieved in a school setting, given its more explicitly educational focus. Although most parents had taken up the offer of a free pre-school nursery place, many found the provision to be unsuitable in terms of enabling mothers to work, even part-time:

‘It was impossible [to work] when she was only going to [pre school] nursery ... You only got two and a half hours ... So I could only really think seriously about going back to work once she was at school.’

(Lone parent (IS), London)

School breakfast clubs and after school provision did enable a few lone parents to increase their hours of work. However, few parents used them because they had arranged their working hours in such a way as to preclude the need for them. A few lone parents had used local Children’s Centres, but this tended to be when their children were babies or toddlers and before they were working:

‘When I wasn’t working I used to take her to the [local Children’s Centre] ... They used to have like little classes for little kids and mothers and ... I used to take her there. But that was before I was working. Now I just have no time.’

(Lone parent (IS), West Midlands)

Use of crèches and playgroups also seemed to be more common when mothers were not working than when they were. Several lone parents had, for example, used college crèches during a period of training or education prior to work entry.

For most of the parents interviewed, ‘farming children out’ to childminders and private nurseries to enable them to work, was considered, at best, the option of last resort and at worst, poor parenting. Some took issue with government childcare policies which they believed encouraged parents to relinquish their parenting role in exchange for earnings and financial help to pay ‘strangers’ to do it for them:

‘At the end of the day they’d rather we pay for our kids to be with strangers ... [but] why shouldn’t someone be paid for looking after their [own] children, just because that isn’t their recognised job status?’

(Lone parent (IS), London)
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Taking issue with the policy of subsidising the cost of childcare to enable parents to take up low paid work, several questioned why parents could not be paid instead to stay home and look after their children themselves:

‘The government is giving me the money for pay the babysitter for me to go out and bring home ... maybe £100 a week ... and the government is giving the babysitter £150. Why is not giving the money to me?’

(Dependent partner (JSA), London)

In a similar vein, encouraging lone parents to train as childcare workers to enable them to look after other people’s children, rather than their own, seemed incomprehensible to some:

‘The [Jobcentre] actually [tried to send me] for a job in an after school club once ... I said ‘who’s going to look after my children while I [work] in an after school club? ... I found that annoying.

(Lone parent (JSA), London)

For some ethnic minority mothers, the whole idea of childcare which involved a financial transaction with a non-family member was culturally unacceptable. Some were confused and even offended by researcher’s questions relating to paid childcare whose use, to them, implied they would be willing to put personal or financial gain before the well-being of their children.

3.6 Informal childcare

For reasons of trust, appropriateness, flexibility and affordability, among working parents not able to care for children themselves, most chose to rely on close family and friends in preference to formal, registered childcare:

‘I’m very protective over them and I’d rather family look after them than strangers.’

(Dependent partner (JSA), West Midlands)

‘For childcare ... I had a friend [who] knew her from when she was born, so it was a close friend, so she actually knew my daughter, my daughter was very familiar with her and I could trust her with my child.’

(Lone parent (IS), London)

Informal care was not only considered more trustworthy than formal childcare, but family members were seen to be acting more genuinely ‘in loco parentis,’ providing care in the best interests of the children, while also frequently having a shared understanding with parents over matters of discipline and upbringing:

‘I know if he’s with my sister he’s alright ... if anything happened, I mean he wasn’t well once and she took him straight to the doctor’s and looked after him, so I know that she’s got a genuine interest in looking after him as opposed to being in a nursery.’

(Dependent partner (JSA), London)

Although informal care was often free if provided by grandparents or immediate family, for many parents, often the issue of cost and affordability of childcare was not the overriding factor. In fact, it was not unusual for parents to pay family members and friends for the care they provided. Furthermore, because informal care is not eligible for financial help, and payments are not tax
free, for low paid parents, informal arrangements could be more costly than paying for registered childcare for which they might otherwise be eligible for help:

‘I took them to a child carer who was not registered, because she was my friend. But I had to pay that, because although the government they offer you to pay part of the childcare when you are going to work, I didn’t take that because she was not registered ... I was paying her less than a normal child carer, but it still, it was a lot.’

(Lone parent (IS), London)

For parents with strong religious or moral beliefs and those from minority ethnic groups, childcare appropriate to their culture and religion, rather than cost or eligibility for financial help, was often the overriding issue. One self-employed mother preferred to pay a non-registered childminder from her taxed earnings because she was a trusted friend and also a Muslim:

‘I felt guilty to leave my children with a complete stranger, this is number one. Number two, I’m Muslim, and I want my children to be brought up my way ... I’m really very concerned about cleanliness, about food, Halal and hygiene, so I want to take them to somewhere, someone who has nearly my way of life, of living ... I even cook their food every day, I didn’t even let the childminder give them food.’

(Lone parent (IS), London)

The responsiveness of informal care, able to fit in with flexible working and changes at short notice to hours and shifts, as well as children’s illnesses and unexpected events, was another reason for its popularity. Evening and week-end working, even night shifts, were not uncommon among the lone parents interviewed; work which they would not have been able to do were it not for the help provided by family and friends:

‘I work half ten till half two, two days a week, and then I work five till 11, two nights a week, one on a weekend and one a night in the week ... My mum starts work at five in the morning ... so my sister will come up and have them till 11 ... Then my mum will come up till she comes back, because she don’t finish work till five and I have to be at work for half four ... If I didn’t have my mum I wouldn’t be able to get a job.’

(Lone parent (IS), London)

One mother had formerly worked night shifts when part of a couple but, on separating from her partner, had to exchange her full-time job for lower paid part-time work because she could not leave her teenage children on their own overnight. No less problematic for another lone parent was finding registered childcare that would allow her change to a new shift pattern involving early starts and late finishes:

‘It’s going to be very difficult for me ... because childminders are the only people I could really leave my daughter with to get the OFSTED registered thing and to have it funded, but you can’t leave your child with someone at six o’clock in the morning.’

(Lone parent (IS), London)

Informal arrangements also suited parents who were self-employed, helping them to manage peaks and troughs in work demands, while also responding to children’s different personalities and day-to-day needs:
Because the appointments seem to differ like next week [my partner’s] not so busy so he probably won’t need me but when he [does] ... I just phone my Nan, “Nan can you have [the kids] tomorrow?” I wouldn’t have been able to ... [get involved] otherwise ... [My daughter’s] that clingy ... if I’d got to go out to a job ... I don’t know whether I’d get there on time ... And ... she’s been really poorly ... so I was off work last week ... because I couldn’t leave her.’

(Dependent partner (JSA), West Midlands)

‘When I became self-employed ... it was fine, because working for myself, I could work around [my daughter] and I could do the hours that really fitted in. And if I ever did any corporate work ... I could ask my mum or my sister to come and have her those days after school.’

(Lone parent (IS), London)

Using family enabled some lone parents to work extra hours when offered, without incurring additional costs and losing the extra income earned in childcare costs:

‘This week my mum said she’ll look after my son so I’ll only do a bit of extra hours, get a little bit more, do you know what I mean? So that gives you a bit of flexibility as well.’

(Lone parent (JSA), London)

Informal arrangements also minimised the disruption, cost and time of transporting children to a specific childcare setting, while allowing them to remain in the comfort and familiarity of their own homes.

3.7 Cost and perceived affordability of formal childcare

Strong beliefs and stated preferences for parental or informal childcare meant many parents were disinclined to use paid childcare. Underlying many of these parent’s employment and childcare decisions were more practical considerations of cost and affordability. Regardless of whether they used it or not, registered childcare was commonly held to be expensive and mostly unaffordable. Particularly in London, where childcare costs were typically double those charged in the West Midlands, regardless of any help to which parents may have been entitled, the cost of childcare relative to earning capacity was a key issue.

Due to the relative affluence of the borough in which many of the London interviewees lived, a full-time nursery place could cost up to £300 per week and childminders up to £10 per hour. Set against typical wage rates of between £6 and £8 per hour, irrespective of any financial help to which they may have been eligible, many mothers saw little benefit in working full-time, or indeed at all, in the case of some partnered mothers, if most or all of their wages, as they saw it, would need to be spent on childcare:

‘I go clean the house, or even look after the children which is giving me £5 [an hour] ... For me it’s not really ... [worth it].’

(Dependent partner, (JSA) London)

‘It wouldn’t have been worthwhile me going to work, because all my wages would have gone on childcare.’

(Main claimant, (JSA) West Midlands)

Poor knowledge and information about available help with childcare costs did not appear to be the reason for perceptions of unaffordability. Lone parents in particular had high levels of knowledge and awareness about sources of childcare help, often due to the input and expertise of specialist
advisers. But even with a detailed understanding of the financial help they would be entitled to, most lone parents rejected registered childcare in favour of using family or friends:

‘I know that I’d get help if I went back to work full-time ... I know they pay 80 per cent ... but ... I’d want friends to do it ... or my mum and dad, but they ... don’t get the money because they’re not registered.’

(Lone parent (IS), London)

Couple parents interviewed (though on average considerably less well informed than lone parents about sources of help) tended to have limited need for childcare, whether formal or informal. A few of the couple parents did, however, speculate that, had they known more about the financial help available, they might have organised work and childcare arrangements differently.

Perceptions of childcare costs and affordability were often viewed in the context of low paid work and eligibility for means-tested benefits. While many parents were aware that financial help was available, a recurrent worry was the impact that this might have on eligibility for or receipt of tax credits or Housing Benefit:

‘Childcare is really expensive isn’t it? ... I did have a look at ... childcare costs at one point, but it was just far too expensive, although if you’re both earning, you might be entitled to some [help] towards childcare ... But it’s taken off your WTC or something.”

(Dependent partner (JSA), London)

Some understood that help with childcare costs did not count as income for the purposes of assessing in-work benefits, but knew that working full time or longer hours, which might engender the need for paid childcare, did. As such, they could be reluctant to use it.

Low earnings also brought into sharp focus the trade-off between work and time spent with children. Quite simply, working extra hours usually came at the cost of spending less time with children. This trade-off was all the more stark in London due to the high cost of childcare compared with elsewhere, but where earnings for those on low or minimum wages were typically no higher.

Perceptions of affordability were not only closely linked to low prospective earnings, but also the age and number of children. For low paid parents in London with two or more children, financial help available through tax credits was generally insufficient to bridge the gap between the maximum amount payable and the cost of childcare, unless they were earning significantly above minimum wage rates:

‘With having three children ... it makes sense to have a wage that is obviously more like based on £7 at least an hour ... because it doesn’t make no sense working for £5.36 or something an hour ... so it’s not really worth it.’

(Lone parent, (IS) London)

Even when asked hypothetically if they would use free childcare to enable one or both of the parents to work full time, most responded in the negative. Given the option of working longer hours or spending time with their children, most of the parents emphatically chose the latter:

39 This perception about eligibility for tax credits, as illustrated in the quote, is in fact incorrect. The childcare element of WTC is added to the basic element and any other elements of WTC the claimant is entitled to.
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‘[What] it boils down to really is the time that I’m having with the children, rather than the money ... Money is obviously a factor, but ... I would prefer to have the time with them than to leave them for an extra couple of hours.’

(Lone parent (IS), London)

3.8 Experience of using formal childcare

Among the small number of lone parents with specific experience of using formal, registered childcare, most were generally positive about the experience, having first ensured they were happy with the quality of care provided:

‘I’m quite happy putting her in the nursery, but you have to pick the right [one], you know have to look at every single nursery to see which is the best quality, the best standard.’

(Lone parent (IS), West Midlands)

However, very few parents using paid childcare did so from choice, but rather due to a lack of workable alternatives:

‘Even though I’ve left her with [a childminder] and I’m paying, I still don’t feel 100 per cent comfortable.’

(Lone parent (IS), London)

Lone parents who used paid childcare mainly did so because they had limited access to family and social networks, or because mothers, sisters, or ex-partners who generally provided informal care were themselves working. Without financial help with paying for childcare, and for some in London, without IWC on top, several believed they would not otherwise be working.

Although financial help with childcare costs could often make the difference between working and not working, lone parents getting help tended to work part time, not full time. Furthermore, although childcare was essential in allowing these lone parents to work, use of registered childcare was not without its own set of difficulties. In particular, issues of affordability, accessibility and flexibility often rankled. In London especially, given the high cost of childcare and the frequently greater distances between home, work and childcare settings, some of the lone parents struggled to co-ordinate childcare arrangements with travelling to and from home and work. Some had tried using public transport but found it to be impractical. Several had moved house since starting work but wanted to keep their children in the same school or nursery so were travelling further each day. Others had chosen to send their children to schools some distance away from where they lived or worked. Without a car, some said they would have been unable to juggle work and childcare.

One lone parent in London wanted to continue using a Sure Start nursery which her son had attended while she was studying, because of the high quality and continuity of care it offered. The fees were also much lower than what she would have been charged at a private nursery, which, she said, would have been unaffordable:

‘The nursery that he goes to isn’t particularly close, but ... because he’s not at a private nursery, the rate is really cheap, it’s £40 a day where it’s usually £60 plus ... If I had to go to another nursery I wouldn’t be able to go to work.’

(Lone parent (IS), London)

Having since moved, the nursery was now located some distance away from where she lived and in the opposite direction to her place of work. Prior to starting work, she arranged to take out a loan to purchase a car, public transport having proved impractical:
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Before I had my car ... it was such a struggle, because ... I had to leave home an extra hour early to be able to get him [to nursery], then by the time I pick him up at six o'clock ... it used to be like eight o'clock before getting ... home and then I've got to cook, and it was just horrific. So ... I need a car. Working would be pretty impossible [without a car].

(Lone parent (IS), London)

The loan repayments, however, together with the cost of running and maintaining the vehicle, was proving to be a significant drain on her minimum rate part-time wages; costs, moreover, which had not been anticipated or factored into her better off calculation (BOC). Also, in common with a number of other lone parents, though working part time, she had to pay for a full-time nursery place because her flexible hours of work frequently straddled a morning and afternoon childcare session:

‘He needs to go to nursery every day, that’s another dilemma. I’ve got to still pay for nursery every day because I work about four hours each day ... but right in the middle of the day ... because nursery works on a eight till one or one till six, so ... I have to pay for a full day.’

(Lone parent (IS), London)

Indeed, in London, due to the additional travel time associated with getting to and from work and childcare settings, most lone parents were having to pay for full-time childcare even though they were working part time. As such, without IWC of £60, some lone parents would have struggled to pay their contribution.

Several lone parents would have preferred to work the same weekly hours but over fewer days, but negotiating flexible working with employers was not something many felt confident doing, particularly in the prevailing economic climate:

‘I need to [get] all my hours into less days ... because spreading it out just isn't working for me financially. I haven’t spoken to [my employer] about it ... she’s really nice, but I don’t want to rock the boat.’

(Lone parent (IS), London)

Others would have liked to work full time but felt they did not earn enough to afford the additional contribution they would need to make in moving from part-time sessional care to full-time childcare:

‘It’s really hard working part-time ... because all my wages basically are going to the nursery ... I would go full-time, if I could get free childcare, but you can’t ... I would love to go full-time ... put her in nursery [full-time] ... but financially it’s very hard.’

(Lone parent (IS), West Midlands)

Childcare arrangements for lone parents with two or more children attending different settings could be difficult, if not impossible, to co-ordinate without additional help and sometimes a car:

‘I send my son to a private nursery, I can pick him up at 6.30, but the girls, if they go to after school, they have to be picked up at five o’clock ... but I’ve got a job that finishes at five o’clock ... so it is really quite complicated ... and I have to try and make extra arrangements.’

(Lone parent (IS), London)

Two or more children requiring paid childcare also raised issues of affordability, even among parents eligible for maximum tax credit help40 and getting IWC. One lone parent in London had two children

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40 The maximum Childcare Tax Credit payable for two or more children at the time of the research was £240 per week.
attending a private nursery costing £300 per week per child. Unable to earn the additional £1,000 or so per month she needed to make up the difference between childcare fees and the maximum entitlement for tax credits, she had given up working full time:

‘They was in nursery which is £1,200 for each child [every month], so I was paying like almost £2,500, but because I have two kids they wouldn’t pay for the other one, they would only pay for one. They say you get 80 percent help [but] ... they only pay up to a maximum amount ... Childcare is very very expensive.’

(Lone parent (IS), London)

Another lone parent, finding her contribution was unaffordable, had also reduced her hours of work, and was managing more effectively to juggle part-time work with informal childcare:

‘I just like ask family members to stay with them ... I find it better than paying the 20 per cent, I can’t afford that.’

(Lone parent (IS), London)

Parents also found it difficult to distinguish between different elements of tax credits, as they are paid together. As a result, some did not know the actual monetary value of the childcare element they were getting or the amount of the financial contribution they needed to make:

‘They’re supposed to give me 80 per cent of the nursery fees but I don’t think I’m getting 80 per cent! ... They’re giving me I think it’s £184 or something like that, and that’s supposed to be WTC and her nursery together ... like a payment for her and a payment for me [but] it’s not really enough somehow.’

(Lone parent (IS), London)

Because weekly or monthly childcare fees were often not dissimilar to earnings, it felt to some parents as though most or all of their wages was being spent on childcare, even though the tax credit award may have been quite high and their own contribution quite low:

‘I’m paying £115 a week and like the full nursery are £165, but ... I’m paying still a lot because all my wages basically are going to the nursery ... So everything that is coming as income, it goes straight back out again!’

(Lone parent (IS), West Midlands)

In the West Midlands, advisers were keen to explain to lone parents that those working part time and eligible for maximum help with WTC would generally pay less than £20 a week towards their childcare costs, although this message, they conceded, was often difficult to get across. On the other hand, due to the ceiling on the maximum amount of eligible costs, as the previous example from London illustrates, for parents in London and those with two or more children, their contribution could, in fact, be much higher than 20 per cent, something which neither they, nor many advisers, seemed fully aware of.

Tax credit help with childcare costs had, in a few instances, also led to errors in the calculation and payment of in-work benefits, resulting in rent arrears and debt. One lone parent was grateful to receive financial help with childcare costs following a promotion which increased her hours from part time to full time. During a subsequent period of part-time employment which did not require

Footnote: 41 For example, a parent with one child in full-time childcare costing £200 per week and eligible for maximum tax credit help would be required to pay £60 per week towards their childcare costs (£200 less the maximum tax credit of £140), representing a 30 per cent contribution.
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paid childcare, she was overpaid tax credits in error, as though she was still using it. Not only did she have to repay the amount she had been overpaid, but a proportion of her rent paid for by HB was also being re-claimed for the period of time her income had increased:

‘H & M Custom they actually messed that up … When I activated my claim for going back to work, their system automatically indicates that I am getting childcare, because when I was working full-time … I was [getting] childcare … For some reason the system … gave me childcare money which I didn’t know anything about … until [the] Council notified me and now they want their money back.’

(Lone parent (JSA), London)

At the time of the interview, she had reduced her working hours to 16 hours and was struggling to repay rent arrears and tax credits overpayment amounting to more than £1,500, out of minimum wage earnings of less than £100 per week. The whole episode had made her wary of working full-time or using registered childcare again.

Some other lone parents were reluctant to claim financial help with childcare costs due to the bureaucracy of claiming, together with fears over any disruption to or loss of eligibility for HB. One lone parent chose to use part of her IWC to pay for the additional cost of childcare caused by occasional increases in her hours of work, rather than claim through tax credits and risk disruption to her HB:

‘The nursery … that’s still an extra cost … that I’ve got to pay out of my own pocket, but that’s just for me to work a couple of extra hours more.’

(Lone parent (IS), London)

Others juggled parental, formal and informal care in different combinations and at different times, to take account of fluctuating earnings, their own and relatives’ working hours and available financial help. One lone parent had combined formal childcare, for which they received financial help, with informal care, which they did not, but found the arrangement impractical and too costly to sustain:

‘She was at [private nursery] before … but [this nursery] finished at six, so I had to get my auntie to pick her up and … I had to pay my auntie as well for getting her and having her that extra hour and a half.’

(Lone parent, London)

Having switched to using a registered childminder, this lone parent was earning £2.50 an hour less than her childminder was charging her. She was just managing to pay her, through a combination of tax credit help and IWC but was concerned about what would happen once her IWC stopped.

3.9 Jobcentre Plus childcare-related advice and help

In neither case study area was there any evidence that extending childcare-related support and measures to couple parents had exerted any material influence over these parents’ attitudes towards childcare, or on the decision of one or both of the parents to enter work. Among the couple parents interviewed, specific discussion of childcare issues and constraints appeared to be rare, particularly if their adviser at Jobcentre Plus was a mainstream adviser. Where discussions had taken place, these had generally been at the instigation of parents. Even then, parents often found the information and signposting to be poor. Several couples believed that they both may have been working, rather than only one, had advice and support from advisers been more forthcoming:
'We didn’t think about childcare to tell you the truth ... because we weren’t told about it to start off with ... but if we knew ... the Jobcentre did offer services involving like childcare, then more than likely she probably would have gone out and got a job you know. The way I see it, with two people working, bringing in a wage a month, we would have been well better off, we would, better than one person working.’

(Main claimant (JSA), London)

In the West Midlands, where Work Focused Interviews for Partners (WFIPs) were mainly conducted by specialist Lone Parent advisers (LPAs), childcare matters were generally raised during a partner’s WFIP. By contrast, in London there appeared to be a greater reluctance or inability on the part of mainstream advisers to engage with customers as parents. However, even in the West Midlands, LPAs did not appear to consider it part of their role to be seeking to change partners’ attitudes towards using childcare, or indeed working. Because so few partners were said to want to work, efforts to change attitudes were considered to be of limited effect. Moreover, partners, advisers pointed out, were at liberty under the current WFIP conditionality regime to remain as full-time carers for as long as they wanted, even if the main claimant did not work. As such, there was no requirement for them to look for work:

‘If there is a couple ... there's no expectation that the [partner] is looking for work; it’s completely voluntary because they are seen as the main carer ... there’s no expectation for them to actually be looking for work.’

(Adviser, West Midlands)

Nor did most advisers feel comfortable or consider it appropriate to be challenging personal preferences or cultural beliefs about whether and when partnered mothers should work or how children should be cared for. All this appears to have restricted the scope and content of childcare discussions. Childcare constraints tended therefore to be discussed during WFIPs only if partners raised the matter themselves, which very few of them apparently did:

‘With couple parents, it’s quite normal for the partner to be at home, so the issue of childcare doesn’t crop up very often at all ... The only time it becomes an area of conversation is probably if it’s raised by them as an issue or a barrier to returning to work.’

(Adviser Services Manager, West Midlands)

Few couple parents, moreover, were said to qualify for the childcare element of WTC since, at the time of the fieldwork, both parents needed to work more than 16 hours and joint earnings would often take them over the eligibility threshold. As such, many advisers felt there was little they could offer them:

‘The childcare element of [WTC] ... if it’s a couple’s claim, it’s difficult because ... if there’s someone at home they can’t claim ... and a couple could be earning more than what is allowed. It might take them over the threshold.’

(Adviser, West Midlands)

LPAs seemed more at ease persuading lone parents resistant to using childcare into reconsidering their views. However, although advisers generally found lone parents to be more amenable than partners to the idea of using registered childcare, most lone parents chose to work part time or used informal childcare, so had no need for it. The introduction of new flexibilities allowing lone parents claiming JSA to restrict working hours to fit in with school hours and term times, was also believed by some advisers to have reduced the need and demand for childcare, as well as being somewhat at odds, some thought, with previous attempts to encourage childcare take-up:
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‘Part of what we do is always promote the childcare provision in the local area ... to try and get people [to] ... take on the idea of using formal care to help them back into work ... [but] the recent flexibilities means that ... they haven’t got to do any of that ... Why introduce a set of rules if there’s then going to be another set of rules which pretty much makes a mockery of it?’

(Adviser, West Midlands)

In the London district, for local operational reasons, the prominence of childcare issues also appeared to have diminished since the first phase of research. Childcare Partnership Managers were now called Partnership Managers, and their role had been broadened out to encompass all Jobcentre Plus strategic liaison work with external partner organisations undertaken at a district level.

### 3.10 Childcare Assist

Childcare Assist entitles parents participating in NDLP and New Deal for Partners (NDP) to receive help with registered childcare costs in the week prior to starting work. It has been available nationally to lone parents since April 2005 and was extended to couple parents in London and in ND+fLP pilot areas in April 2008.

None of the parents we interviewed had accessed this help, and none of the advisers consulted during either phase of research had any experience of using it, even with lone parents. As reported in phase one, mainstream advisers had very little knowledge of Childcare Assist. Among the few that had heard of it, most assumed that only lone parents were eligible for help; none were aware that the measure had been extended to partners. LPAs, for their part, were generally quite dismissive of the efficacy of Childcare Assist because they felt the eligibility criteria and conditions attached to using it were too restrictive. Most preferred the Advisory Discretion Fund (ADF) which could be used more flexibly and not just in the week prior to parents’ starting work. \(^{42}\)

When told about Childcare Assist, none of the parents interviewed in phase two believed this help was relevant to them or said they would have taken it up, had they known about it previously. Most had no need for paid childcare since they looked after their children themselves. A few lone parents who used paid childcare said it might have been useful but they had often started work at too short notice to benefit. Others considered it more important to spend time with their child or children in the week prior to starting work. Regardless of whether they would have used the help or not, a week was considered by many parents to be too short a period of time for a child to become accustomed to attending nursery.

Among the sample of parents interviewed, one lone parent had made arrangements to settle her child into nursery before she started work. However, she had identified and paid for the nursery herself while claiming benefits, without any input or involvement from Jobcentre Plus, and was not aware of Childcare Assist. The child had begun attending nursery several months before she moved off benefits, while she was looking for work. A week, she believed, was insufficient time for a child to settle in.

### 3.11 Up-front childcare costs

UFCC were piloted across London districts between April 2008 and March 2010. The aim was to help NDLP participants in London who were moving into work to pay for childcare registration fees, deposits and advance payments. Lone parents participating in NDLP were already entitled to financial help with childcare, including access to the ADF to fund up-front childcare costs for the

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\(^{42}\) See Section 5.3 of the phase one report for further information.
first two weeks of working. Those in low paid work are also entitled to tax credit help with paying for childcare. However, even with this package of support, there was a perception that lone parents could face additional difficulties meeting the up-front costs that most providers require to secure a place. The high level of registration fees, deposits and advance payments in London, in particular, were believed to act as a barrier to work for some lone parents.

As reported in phase one, take up of UFCC had been very low across London and was especially low in the London case study district. Advisers interviewed at that time were of the opinion that this was low due to low demand generally for registered childcare among lone parents, itself partly a result of the high cost of childcare in London. Some advisers were also reluctant to use UFCC as they believed some childcare providers had increased their charges for up-front fees and deposits having become aware that dedicated financial help was available through Jobcentre Plus. Where help with up-front childcare costs was needed, many preferred to use ADF which enabled them to provide targeted help on a flexible, case-by-case basis. Advisers in the West Midlands where UFCC was not available also used ADF in this way. As there were no interviews held with advisers in London in phase two, there was no further evidence available to add to these findings.

Due to the very low take up of UFCC, only one lone parent was interviewed in the London case study area in phase two who had accessed this help. A further three lone parents using paid childcare had been required to pay deposits and up-front registration costs, but had not received any help from Jobcentre Plus.

The lone parent who got UFCC received £300 as part of a package of support she received on moving into work including a Job Grant of £250, financial help with work clothes and IWC. The £300 represented an advance payment for two weeks childcare before her WTC payment came through. It was not clear why this lone parent had received UFCC and the others had not, since they all appeared to be eligible for the help, having also received IWC. Nor was it possible to clarify this issue with advisers as no interviews were held with London advisers in phase two.

Two of the three lone parents who did not receive UFCC borrowed the money from their mothers; £50 in one instance, which was re-paid within three months and £250 in the other, a large proportion of which remained outstanding, the loan being re-paid as and when she could afford it. This lone parent also lost out on receiving a Job Grant and ‘a clothing grant’ because she had had to start work immediately after the job offer. A third lone parent received financial help arranged by an Employment Zone (EZ) adviser to pay for a childminder for the first three weeks of part-time employment. In all three cases, the ability to access additional financial help pay for up-front fees and deposits had been instrumental in enabling these lone parents to start work.

3.12 Summary

• Having a job was seen as part of good mothering, but work for mothers was generally considered secondary to the well-being of the child. Whether they were lone parents or lived with a partner, the mothers interviewed in this study therefore took on jobs with hours that allowed them to continue caring for children themselves. This often meant that they started working only after their children were settled into school.

• Couple parents generally found it easier than lone parents did to juggle work and childcare arrangements such that one adult was able to work full time.

43 Discussion of UFCC is covered in Section 5.3 of the phase one report.
• Some advisers did not consider it to be appropriate or part of their role to be seeking to change partners’ attitudes towards using registered childcare, since these parents were not required to look for work as a condition of benefit entitlement.

• A distrust of and disinclination to use formal, registered childcare was pervasive among virtually all parents interviewed. Parents needing childcare preferred to rely on close family and friends. As a consequence, few parents interviewed had experience of using registered childcare.

• Even with financial help, registered childcare was not without its own set of difficulties, being frequently seen by the few parents using it as inflexible and expensive, particularly in London.

• Among the small number of lone parents using registered childcare, few did so from choice but rather as a result of a lack of alternatives, typically because they had limited access to family and social networks.

• Take up of the specific childcare measures under consideration, including Childcare Assist and UFCC, was very low among the parents interviewed. None had taken up Childcare Assist and only one lone parent had taken up UFCC.

• Very few lone parents said they needed financial help to pay for up-front childcare fees and deposits in order to start work. However, among the small number that did, financial help accessed through UFCC and from other sources, had been extremely useful.

• Lone parents using registered childcare generally worked part time but they frequently required a full-time nursery place because of the way in which their hours of work were distributed throughout the working week.

• IWC was being used by some lone parents to pay the residual cost of childcare that remained after tax credit support. Without maximum tax credit help topped up by IWC, some lone parents would not otherwise have been able to move off benefits.
4 In Work Credit and the decision to move off benefits

This chapter explores the role In Work Credit (IWC) played in work-related decision making among lone parents in London and couple parents in London and the West Midlands, in particular whether, and if so how, eligibility for IWC influenced, encouraged or supported the decision to move off benefits or start work. Specifically, it explores whether IWC may have incentivised some parents to start work or move off benefits who, in the absence of IWC, may not have otherwise done so.

4.1 Awareness of In Work Credit

Eligibility for IWC was not considered by many parents to be an important factor in their decision to start work, a finding also reflected in other qualitative IWC research. As outlined in the previous chapter, most were strongly motivated to work, had a history of employment (albeit intermittent in some cases), and had been actively job seeking largely under their own steam in the period prior to getting IWC. Although happy to get IWC, most said they would have started their job even if they had not been eligible for it:

‘I wanted to go back to work. Of course the £60 was extra credit, I was happy to have it, but I would have gone back to work.’

(Lone parent (IS), London)

‘I would have got the job no matter what. There wasn’t something going ‘ooh I’m going to get a job because I’m going to get £60 a week as well’, no.’

(Dependent partner (JSA), London)

Knowing that the payment was of fixed duration tended to diminish the potential incentive effect of IWC:

‘[IWC] it’s always a help, but it didn’t change whether I was going to go back to work because it’s only [for] a year, it’s not for the rest of your life ... It’s like having the IS ... for a year, but you know it will be gone.’

(Lone parent (IS), London)

Those who said they would have gone back to work regardless of IWC, viewed it more as a bonus and welcome boost to the household finances, than an incentive:

‘I would have gone back to work whether I’d have got the extra £40 a week or not anyway, but it did and still does, come in handy, you know £40 a week it did, it really helped, it did ... but it was more of a bonus ... an extra £40 a week for going back to work.’

(Dependent partner (JSA), West Midlands)

That virtually all couple parents and many lone parents only had their eligibility for IWC confirmed during a Better Off Calculation (BOC) and after they had a job offer – indeed, several had already started work – would seem to support the assertions of many parents that they would have moved into work anyway.

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44 See Casebourne et al. 2010.
‘It was only when I got the job if I remember, that she told me about [IWC] to be honest, I can’t remember her telling me about it before.’

(Lone parent (IS), London)

When prompted, several lone parents did recall being told about IWC prior to starting work, but they had paid little attention to it at the time:

‘They probably said something about [IWC] ... but ... it just goes in one ear and out the other to be honest with you!’

(Lone parent (IS), London)

Respondents said it was not until they genuinely wanted and felt able to work that they became responsive to offers of help and better off messages, including eligibility for IWC. Even when they knew about IWC in advance of work, few parents said being eligible for this help was the deciding factor in them starting work; parenting and child-care related issues were generally more important triggers, such as the youngest child starting school:

‘I never really thought about [IWC] ... it wasn’t the right time for me to [go to work] until [the children] were both at school.’

(Dependent partner (JSA), London)

A small number of the lone parents had however accessed IWC on more than one occasion and one admitted she had delayed moving off benefits in order to become eligible for this help.

Compared with lone parents, couple parents were much less likely to be aware of or told about IWC in advance of getting work. Indeed two of the couple parents interviewed had started jobs without getting it at all. Because of the generally shorter period claiming benefits, and the greater likelihood they had been disallowed benefits or sanctioned, couple parents claiming JSA were more likely than lone parents on IS to be ineligible for IWC, as well as other forms of help in the transition to work.45

As highlighted in the phase one report, main claimants were also much less likely to have been made aware of their eligibility for IWC by an adviser.46 A couple in which the claimant had been unemployed and claiming benefits continuously for almost two years (and with apparently no break in the claim or sanctions) had still not been told about IWC when re-interviewed at phase two.

Unlike Lone Parent advisers (LPAs), mainstream advisers did not routinely inform customers about IWC in advance of work, using different strategies and rationale for when to tell Jobseeker’s Allowance (JSA) claimants and partners about possible eligibility. Some were keen to raise awareness of IWC eligibility conditions early on so customers would understand the implications of a break in the claim:

‘Unless you explain to somebody up-front the implications of what happens if they do break their claim ... because they’ve been sanctioned [or] failed to attend ... they [won’t] understand the implications ... further down the line.’

(Adviser Services Manager, West Midlands)

45 The greater prevalence of sanctioning among main claimant parents is due to the stricter conditionality regime for claiming JSA. At the time of the research, any disallowance or sanction meant the claim had to be restarted, affecting eligibility for IWC. This issue is covered in more detail in Section 3.2 of the phase one report.

Others, anxious not to encourage claimants to delay returning into work, did not mention IWC until they were nearing the point of eligibility:

‘We don’t like to promote [IWC] any earlier because it may encourage people to remain in receipt of benefits until 52 weeks, and the idea is that we help them into work before they get to that stage.’

(Adviser, West Midlands)

Several pointed out that by the time JSA customers became eligible for IWC, advisers would typically have lost contact with them, most having been referred to an external provider:

‘With flexible New Deal, a lot of our customers have gone by the time they get to [be] eligible for IWC, so it’s not necessarily the advisers in the Jobcentre who are seeing the customers, it would be the advisers at the providers and just the front line staff when they come in to sign.’

(Adviser, West Midlands)

Couple parents who did get IWC mostly found out about it from their partner and after approaching Jobcentre Plus for advice following a job offer. One partner had remembered it being mentioned during her six monthly WFIP and thought her husband may be eligible for it when he moved into work:

‘I should have been informed [about IWC] but I wasn’t ... It was [my partner who] was informed separately ... When I started work, [my partner] reminded me that I should ask about [IWC] because my adviser at the Jobcentre didn’t tell me about it.’

(Main claimant (JSA), London)

With little confidence in his own mainstream adviser, he spoke to an LPA to query whether he would be eligible for IWC:

‘I went down to the lone parent section and said “can I apply for this [In Work Credit]?” and the young lady ... she went, “have you got a child under 16? Yeah, you’re a partner, yeah. Fine.”’

(Main claimant (JSA), London)

Another couple parent also recalled being told about IWC by her LPA during a Work Focused Interview (WFI) while claiming IS as a lone parent, and mentioned it to her partner. Her partner was sceptical of his eligibility, however, and did not act on the information until he was working:

‘It didn’t affect my decision [to work] ... because I wasn’t sure if I could get it or not, because I hadn’t actually looked into it. [My partner] mentioned it to me because it was mentioned to her, but I didn’t look into it until I actually started work.’

(Main claimant (JSA), London)

The remaining couple parents who got IWC were told about it by a business start up provider during a period of enterprise training and support prior to them becoming self-employed.

Main claimant parents who did get IWC were often surprised to find out they were eligible, believing help of this kind was restricted to lone parents, or mothers:

‘Men are entitled to it! You think oh lone parent, a 19 year old girl with a baby in a buggy ... they ... get some part-time [work] and a little bit of help. I never thought in a million years that I would be entitled to it.’

(Main claimant (JSA), London)

Not getting IWC would not have stopped these couple parents from moving into work, but most were naturally pleased to find out they qualified for help.
4.2 IWC and Better Off Calculations

For most parents, eligibility for IWC, together with other forms of financial assistance, was confirmed in the context of a BOC. BOCs were generally routine for lone parents once they had an offer of work, but frequently were also done in advance of them getting or looking for work to illustrate the effect of jobs of different pay and hours. BOCs were much less common for main claimant and partner parents. Even those with a job offer frequently said they had started work without one.

BOCs did not appear to persuade many parents to start work who would not have otherwise done so. They did however help to reassure those moving off benefits that they would be better off, or at least no worse off, in work:

‘I already said yes to the job, but I just wanted to find out ... how I would be better off ... I wanted to know ... whether it was going to be worth my while working or not, being only 16 hours a week.’

(Lone parent (IS), London)

On the other hand, particularly for couples with three or more children, BOCs could entrench the decision not to work, since those only able to access minimum wage jobs could find themselves little better off, or even worse off:

‘The last time I went for a [BOC] ... they worked out I wouldn’t be any better off ... it was zero ... the bit at the bottom saying how much you’d be better off was zero! ... Even the person that worked there said ‘I wouldn’t bother ... it wouldn’t be worth working. I wouldn’t even bother.’

(Main claimant (JSA), West Midlands)

‘The more children they’ve got, it gets to the stage where they’re actually better off on benefits.’

(Lone Parent adviser, West Midlands)

Establishing their eligibility for in-work financial support appeared to be more important for parents than IWC. Of specific concern was that housing costs – whether rent or a mortgage – would be paid in the transition from benefits to work, and could be afforded longer term. In this respect, Housing Benefit Run On, together with continued eligibility for Housing Benefit (HB) in work, was generally more important than eligibility for IWC:

‘What concerned me more [than getting IWC] was the housing side of things, because with [Housing Association] ... if you go a month behind, you’re out, you’re evicted.’

(Main claimant (JSA), London)

‘I wanted to know if I would get help with the rent ... and if I was going to [get] tax credits ... and be better off.’

(Lone parent (IS), West Midlands)

In fact, BOCs appeared to exclude IWC, with parents generally being told about their eligibility for it after the calculation had been done. As such, IWC was marketed, and therefore often viewed, as a bonus on top of wages, but not essential to them being better off. Indeed, for some lone parents, IWC appeared to have been presented to them more as an entitlement than an incentive, as one element in a package of financial support which they were told they would get upon moving into work.
One lone parent was unusual in saying she knew about IWC long in advance of applying for, and getting, a job. She did in fact admit to delaying starting work by a week in order to qualify for financial help, including IWC, during the transition from benefits to work:

‘I’d only just been on benefits [for] a year, so I only just qualified to get [IWC]. I postponed my start date for a week so that I could get it … otherwise I’d never survive … This council’s quite quick at sending you notices to seek possession … threatening letters and I don’t like those letters … So I did actually postpone starting … for a week.’

(Lone parent (IS), London)

Views on the usefulness and accuracy of BOCs were mixed. Lone parents living in London, and especially in privately-rented accommodation, were grateful for the advice some were given to look for part-time rather than full-time jobs. If they were in low paid work, this generally meant they would be eligible to receive some HB towards their rent:

‘They give you a rough idea what you’re going to be better off, and she did say to me at the time, she said the situation you are, it’s not worth you going full time, because by the time you pay your extra rent and extra Council Tax and everything else, she said stay part time for now.’

(Lone parent (IS), London)

Some receiving help from an Employment Zone provider had specifically been advised that full-time work would need to pay at least £8 an hour, otherwise it would leave them no better off. This more detailed and nuanced advice seemed to be more useful than the ‘broad brush’ illustrations of BOC which some found too simplistic:

‘It’s a very crude tool, it doesn’t take into account everything.’

(Main claimant (JSA), London)

Some lone parents said the BOC accurately reflected the experience of working, taking into account all relevant income and important outgoings:

‘She calculated how much better off I would be by working 16 hours … [it was] spot on … She included everything and even paying for, you know, council tax and stuff like that.’

(Dependent partner (JSA), West Midlands)

However, in several instances the experience of work did not match up to projections. Although they were generally better off in work, the amount was frequently said to be less than had been indicated by the BOC:

‘When I got the job, their calculations did not match up with our ones. It was totally different … The way they did it, it was as though, it seems like much money, but then when I got the job it was a lot less!’

(Main claimant (JSA), London)

‘The figures that they actually done for me was completely wrong … Nowhere near it! Nowhere what I expected!’

(Lone parent (JSA), London)
Some thought that the additional cost of going out to work had been underestimated, especially in London and if parents needed a car to get to work and drop children off at school:

‘They never took into account all my living expenses … so I would never have been better off.’

(Lone parent (JSA), London)

BOCs and eligibility for in-work help, moreover, were calculated on the basis of earnings and income at the point of moving off benefits and into a job. Few parents said they had been informed in advance or in sufficient detail of the consequences that increased earnings would have on their eligibility for means-tested benefits, due to the way in which financial help is tapered as income rises:

‘They do the BOCs and they say right ‘you’ll have this much wages and WTC’ … but they don’t tell you about the WTC changing … [each] year … they just tell you this is what you’re going to get … Then they give you a rough estimate on HB, but not … an accurate [amount] … What they don’t tell you [is what] they give you with one hand, they’re taking back with another.’

(Dependent partner (JSA), London)

‘The [BOC] … was absolutely … wrong. They were bombarding people with such positive attitudes, you can get a job on a low wage, we will help you … but they don’t think of the consequences afterwards … the effects that working will have such as on your rent, your council tax.’

(Lone parent (IS), London)

Many would have appreciated knowing in advance the impact that moving from part-time to full-time work, increasing their hours, or moving to better paid work would have on their eligibility for HB or tax credits. But only a few had been told that by earning more their entitlement would reduce, by how much, or when:

‘I can’t work 39.5 hours a week like I want to because of where I live … it just [messes] up my Housing Benefit … These people don’t tell you all these disadvantages before you do actually … go back to work.’

(Lone parent (IS), London)

Although some of the lone parents had been advised against working full time, others had only found out through trial and error that by working exactly 16 hours they would be eligible for the maximum tax credit and Housing Benefit help. Others still had been advised to reduce their weekly hours of work by a debt counsellor:

‘I found a loophole for myself that benefits me! If I did 16 hours and I was a on low paid job, then I know the Working Tax Credits will boost me up and I know that [the] Council will help me with my Housing Benefit and … council tax … [I found that out] by going to the CAB [Citizens’ Advice Bureau].’

(Lone parent (JSA), London)

4.3 Tipping the balance

Although many of these parents believed they would have started work regardless of IWC, there was a significant group for whom getting IWC was an important or even decisive factor in the decision to move off benefits. For these parents, the prospect of getting an extra £40 or £60 per week for up to a year helped to reassure them that work would pay and that the move off benefits would be worth the risk. Included in this group were parents in London working part time in especially low paid jobs and lone parents who had lost, or were soon to lose, eligibility for IS.
For low paid parents in London typically earning less than £100 per week, a tax free payment of £60 represented a large proportion of, and significant boost to, potential earnings. As such, eligibility for IWC had been the deciding factor in encouraging some to move off benefits or take low paid or part-time work, who, in the absence of IWC, may not have otherwise done so:

‘It was [a] very low [wage] … just under £6 an hour … not a great job … and part time … but because of the tax credits and … the £60 from the Jobcentre … it’s helping me.’

(Lone parent (JSA), London)

Knowing that they would get IWC in the transition from benefits to work, before receiving their first monthly pay cheque, was an important factor for some:

‘I was actually quite pleased about it, I thought it would help out a lot … because … with the job … you don’t get paid for a month.’

(Main claimant (JSA), West Midlands)

Several parents had been persuaded to accept jobs which were temporary or paid the minimum wage, as a result of their eligibility for IWC. Without it, some said they would not have taken the job that they did, when they did:

‘If I didn’t get that In Work Credit I wouldn’t be in this job … because I wouldn’t have been able to cope on just that money.’

(Lone parent (IS), London)

IWC also helped to persuade some lone parents about to lose their eligibility for IS that entering work would be preferable to claiming JSA. In these instances, IWC was seen as effectively replacing the amount of IS that they would lose. Among those who were already working for a few hours whilst claiming IS, IWC helped to convince them that it would be worth their while to increase their hours from below 16 per week to 16 or above:

‘She said to me if I up my hours – they done a Better Off Calculation and she told me that I’d be entitled to [IWC] … I’ve [increased] from two shifts to three shifts … It has made a difference because I get the £60.’

(Lone parent (IS), London)

Another group of parents for whom getting IWC was a decisive factor in their decision to move off benefits were those becoming self-employed. Eligibility for IWC was especially important for those moving out of the six-month period of test trading when the decision had to be made whether to move off benefits or not. Knowing that they would have a regular income of £40 or £60 per week for a year gave some the reassurance they needed to leave the security of benefits. Without it, some of those who became self-employed said they would not have otherwise done so:

‘I was petrified at the beginning … throwing all the crutches away … I’d had the support of the Income Support and Housing Benefit, but I was so frightened of coming off it … but I had In Work Credit for the first year of self-employment, £60 a week … I thought that’s really good support … to get a new business off the ground.’

(Lone parent (IS), London)

‘The £40 … that’s what makes the difference.’

(Dependent partner (JSA), West Midlands)
4.4 Summary

- Eligibility for IWC was not considered by many parents to be an important factor in their decision to start work; many said they would have gone back to work regardless of getting IWC.

- Many lone parents only had their eligibility for IWC confirmed during a BOC, usually after they had a job offer, while some had already started work or had a job.

- Compared with lone parents, couple parents were much less likely to be aware of or told about their eligibility for IWC in advance of getting work; many had already started work when they found out.

- Even when they knew about IWC in advance of work, few lone parents said that being eligible for this help was the deciding factor in them starting work. Other factors, such as the youngest child starting school, were generally more important triggers.

- A small number of lone parents had accessed IWC on more than one occasion and had delayed moving off benefits in order to become eligible for this help.

- Establishing their eligibility for tax credits and Housing Benefit when in work appeared to be more important for parents than eligibility for IWC. However, few parents said they had been informed in advance or in sufficient detail of the financial consequences that increasing their hours of work would have on any subsequent eligibility for means-tested benefits.

- IWC was generally marketed by advisers as a bonus on top of wages, but not essential to being better off.

- For a small number of parents, eligibility for IWC was a decisive factor in the decision to move off benefits. Included in this group were lone parents in London working part time in especially low paid jobs and those who had lost or were soon to lose eligibility for IS.

- IWC helped to persuade some lone parents about to lose their eligibility for IS that entering work would be preferable to claiming JSA.

- Among lone parents on IS who were already working a few hours, getting IWC helped to convince them that it would be worth their while to increase their hours of work from below 16 to 16 or above.

- Eligibility for IWC was also a decisive factor in encouraging some parents to move off benefits into self-employment.
5 The transition from benefits into work

This chapter describes the various difficulties and constraints lone parents and couple parents experienced during the transition from benefits into work and the role of In Work Credit (IWC), and other forms of Jobcentre Plus support, in helping to ease this transition. Also explored are the various uses to which IWC was put once recipients were settled into work.

5.1 Jobcentre Plus help at work entry

Help provided by Jobcentre Plus during the immediate transition from benefits into work was reported as being more useful, and advisers generally more responsive, than the support offered to parents when they were preparing or looking for work:

‘When I was looking for work there was not really much [help]. It’s only when you actually find a job and say to the adviser look I’ve found a job, then she’ll help you with the paperwork, she’ll give you £250 grant, she does the sums.’

(Dependent partner (JSA), West Midlands)

Lone Parent advisers, in particular, seemed to ‘jump into gear’ as soon as the prospect of work or work entry was imminent. In addition to qualifying for IWC, many lone parents received a comprehensive package of financial support including a Job Grant and help towards work clothes and travel-to-work costs, together with benefit run on:

‘It all seemed to happen really quick. I found out on the Friday dinner time that I’d got the job to start Monday. So I had to phone my adviser up, and I went down … on the Friday afternoon she set up to carry on my … Housing Benefit for another four weeks, set up the £250 bonus, the IWC and the £100 … for some new trousers, shirt and tie.’

(Lone parent (IS), then main claimant (JSA), West Midlands)

In London, however, appointments were not always immediately available when customers were offered jobs and some advisers had been slow to respond. Several lone parents lost out financially as a result:

‘I contacted the Jobcentre to tell them that I wanted to come off of benefit and that I had a start date for my job. They said oh we haven’t got an appointment … So I had to take time off of work … then they said … we just thought you wanted a benefits calculation, so I missed out on getting … the clothes money, they said I wasn’t entitled to that.’

(Lone parent (IS), London)

Others missed out on financial help for which they were eligible because employers expected recruits to begin work immediately, or due to the form filling required or the time taken to process applications:

‘Because I have to get straight back to work, I couldn’t wait, and the whole process of waiting and waiting … and waiting for the paperwork, it’s just too much … I didn’t have the time, I had to do it all so quick.’

(Lone parent (IS), London)
Financial help for couple parents moving into work, including IWC, was less systematic and generally less forthcoming. Help for couple parents was also typically more modest. Couple parents sometimes got an Adviser Discretion Fund (ADF) payment, a Job Grant or IWC, but rarely did they say they had been offered, and few seemed to have received, the full package of support which most lone parents got. This appeared to be due to a combination of limited adviser contact both during the period claiming benefits and at the point of work entry, together with possible eligibility issues around entitlement to financial help:

‘I’ve since found out that … any back to work bonus that you’re entitled to … if you don’t tick that box, they won’t pay it … If you’re a couple with a child, that’s £250, that will help you for the first month or so, for your travel or whatever. But I never knew that.’

(Main claimant (JSA), London)

One main claimant missed out on getting Housing Benefit (HB) Run On, for example, because he had started work two days short of becoming eligible for help:

‘They told us if he went back to work he’d get four weeks free rent and … other help … They said you have to stop on the JSA for so long, but we’d missed it by two days. So I had to find £300 rent to pay … All they said was ‘oh it’s two days out.’ So he had to pay a lot of rent … It was crippling … There’s a lot of things they don’t tell you, and there’s a lot of things they don’t help you with.’

(Dependent partner (JSA), West Midlands)

5.2 In Work Credit processing

For most parents getting IWC, both the initial process of claiming it and its subsequent payment was said to have been relatively straightforward, efficiently administered, and generally hassle free. Any administrative issues for parents were considerably eased by the fact that IWC was tax free, non means tested and, therefore, did not affect eligibility or interfere with the payment of other in-work benefits:

‘The best bit about the IWC is that you don’t have to tell the housing or anything like that, it’s completely separate, it doesn’t count as part of your income.’

(Main claimant (JSA), London)

Initial form filling had, in most cases, been completed by advisers during a meeting prior to parents moving off benefits. Some forms were, however, completed after they had started work and at the same time as providing evidence of the number of hours worked. Initial IWC payments came through quickly, for which recipients were grateful, since wages were not typically received until at least a month after starting work:

‘[My adviser] done everything. We just had a letter come through from the IWC team saying that they’d received our claim and we’d hear shortly, and it got backdated until when I’d started work … It only took a few weeks to come through.’

(Dependent partner (JSA), West Midlands)

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Thereafter, some parents received occasional requests for payslips as proof of continued employment, but most did not, and £40 or £60 was deposited with dependable regularity into bank accounts each week without the need for further paperwork:

‘Every now and then I send a wage slip off to prove that I was in work still, but apart from that, that’s all I’ve had to do.’

(Lone parent (IS), London)

The only reported glitch in the IWC claiming process was among parents who became self-employed. Some experienced initial difficulties in providing proof of the number of hours worked and evidence that they were self-employed, although these issues were soon resolved. Several parents did also question whether it was strictly necessary to send a confirmation letter every week to say the IWC payment had been made.

5.3 In Work Credit in the transition to work

IWC was crucial in the immediate period of transition to work, helping to bridge the gap between benefits stopping and wages starting. Most parents had to wait a month before getting paid; others, including those who started work mid month, could wait up to two months before receiving their wages:

‘Most jobs now are monthly paid ... so you just worry about paying the rent for a month, well it’s eight weeks isn’t it if you pay in advance? ... That’s the scary bit about it ... paying the rent and council tax ... The £60 was a really good help ... at the time.’

(Main claimant (JSA), London)

Some relied entirely on IWC, tax credits and Child Benefit payments to pay utility bills and important items of household expenditure during this period:

‘I didn’t get paid from [supermarket] until I’d been there two months ... It is very stressful ... so I was literally living off that IWC and [tax credits].’

(Lone parent (IS), London)

‘The job that I was in, it was monthly pay ... so as you’re trying to wait for your first wage, you’re relying on that £40.’

(Main claimant (JSA), West Midlands)

IWC had also been very useful in helping to fund expenditure associated with initial work entry including travel passes, car insurance, fuel and work clothes. Many lone parents had received help to pay for such items, but most couple parents had not, and, unlike most lone parents, were not generally eligible for crisis loans.

Waiting to get paid had been a stressful time for many parents, particularly those now responsible for paying all or part of their rent or mortgage. Although benefit run on is intended to ease financial difficulties during the initial period of transition, not all parents were entitled to this help. Even when eligible, the process did not always run smoothly. Applying for HB once in employment could also be bureaucratic and time consuming. Administrative errors and delays in the payment of HB appeared to be frequent and widespread. Disagreements were often complex and protracted to resolve.

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48 These letters are no longer issued by Jobcentre Plus. Customers now receive one notification letter at the beginning of an award.
Advisers were aware of problems with HB but said they could offer little in the way of practical help:

‘Housing Benefit is always a bugbear! ... I don’t really get involved too much in it, but I know that the people that I’ve seen always seem to be in a mess with their Housing Benefit ... It’s very common ... but we just had to obviously leave it with the customer.’

(Lone Parent adviser, West Midlands)

With no one to help them, some parents had to take time off work to get claims submitted and processed. Any delay in getting HB forms submitted could have serious financial consequences, something parents were not always initially aware of. Delays of up to six weeks were not uncommon before HB payments were revised and reinstated following a move into work. During this transition period, several parents received threats of court action and eviction from landlords, adding to the stress of moving off benefit and starting work:

‘It is daunting when you’re coming off of Income Support and start work ... because you know that you don’t earn enough to pay your full rent, so you pay as much as you can, and then you start getting ... abusive letters ... saying you’ve got to pay your rent otherwise you’re going to be taken to court ... That just adds to the pressure.’

(Lone parent (IS), London)

Parents in London living in private rented accommodation (where monthly rents in excess of £1,000 were not unusual) could find themselves in serious rent arrears within a relatively short period of time. The transition into work was, therefore, often associated with parents getting into debt or becoming more indebted. In such instances, IWC had proved an invaluable source of income before administrative delays with HB were resolved, errors corrected and rent arrears cleared.

5.4 Summary

• Help provided by Jobcentre Plus once parents had been offered jobs, and in the immediate transition from benefits to work, was reported as being generally more forthcoming, and advisers frequently more responsive, than when parents were preparing for work or looking for jobs.

• In London, appointments were not always immediately available when customers were offered jobs and some advisers had been slow to respond. Several parents lost out financially as a result.

• Both the initial process of claiming IWC and its subsequent payment had been relatively straightforward, efficiently administered, and generally hassle free.

• IWC was crucial in the immediate transition to work, helping to bridge the gap between benefits stopping and wages starting. Some parents relied entirely on IWC, tax credits and Child Benefit payments to pay utility bills and important items of household expenditure during this period.

• IWC had also been very useful in helping to fund expenditure associated with initial work entry, including travel passes, car insurance, fuel and work clothes.

• Especially in London, the transition into work was often associated with parents falling into rent arrears due to the reassessment of HB and connected administrative errors. In these instances, IWC of £60 or £40 had proved an invaluable source of income before HB administrative difficulties were resolved.
6 The experience of working

This chapter considers how lone and couple parents who got In Work Credit (IWC) (and those who did not) found the experience of working, how they managed financially and the specific role of IWC following the initial transition into work. Also covered is the extent to which Jobcentre Plus help was accessed when parents were in work.

6.1 In Work Credit uses in work

Once they were beyond the initial transition off benefits and into work, IWC recipients had often been advised by Jobcentre Plus advisers to save the payment, ‘to think of it as a bonus’, to use it for treats and luxuries, or at least to set it to one side, to avoid them becoming dependent on it. Once settled into work, few parents had been able to heed this advice. Mostly this was because once wages and in work benefits and credits had become regularised, IWC remained an integral part of household income, used for weekly living expenses and important bills. As such, it played an important role in parents’ ability to manage financially when working:

‘I have to spend it, I’ve tried to [save] it ... but it just doesn’t work like that ... It’s £3,000 in the whole year ... but you need to buy clothes ... gas, electric, rent every week ... you just end up having it in your life.’

(Lone parent (IS), London)

Typical items of household expenditure to which IWC had been put included food, utility bills and children’s clothes:

‘It does help a great deal ... £60 a week, that is quite a lot of money ... that’s food, electricity, gas ...

’

(Lone parent (Income Support (IS)), London)

Indeed, for many parents, the IWC represented a week’s basic food shopping:

‘The £60... we use it for food, on shopping.’

(Main claimant (Jobseeker’s Allowance (JSA)), London)

The fact that IWC was paid weekly contributed to many parents’ reliance on it. In households with only one adult working and for those in low paid jobs, £60 or £40 was a lot of money and a significant boost to household income.

IWC was also used to help contribute towards the cost of rent, Council Tax and mortgages; expenditure which for many had not been payable while claiming benefits. Although many parents who had moved into work remained eligible for Housing Benefit (HB) and Council tax benefit (CTB), most were required to make an additional contribution over and above their entitlement as a result of increased earnings from employment. Home owners who had previously received mortgage interest help while on benefits were not, however, entitled to any help once in work.\(^49\) In both these cases, IWC proved extremely valuable, particularly in London, where housing costs were much higher than elsewhere:

\(^{49}\) The one exception was a main claimant who remained entitled to IS when his partner started part-time work. This was because he received Carer’s Allowance as his mother’s main carer.
The experience of working

'I have to pay £30 a week [towards the rent] and ... I pay £10 a week Council Tax ... so the £60 In Work Credit ... pays for that.'

(Lone parent (IS), London)

The ongoing costs associated with working, including travel passes, train fares, lunches and work clothes, were other important items of expenditure which IWC was used to pay for. In London, because of the distances and logistics involved in juggling work and childcare, travel and transport costs were typically much higher than outside the capital. Many lone parents needed a car to get to and from home and work and to drop off and collect children from school. IWC of £60 helped by contributing towards the cost of fuel, car finance, car insurance, road tax and repairs.

IWC also contributed towards some parents’ credit card bills, mortgage repayments and business loans. Some used the extra £40 or £60 to fund expenditure which had not been payable when parents were out of work and claiming benefits, including prescriptions charges, school lunches, uniform and trips. Others used it to help repay rent arrears which had accumulated when they were on benefits but which had only become payable in work.

With jobs mostly being newly started and frequently of low quality, few parents qualified for sick pay or parental leave. IWC was therefore used to substitute for wages lost when parents took time off because they, their children, or a family member was sick. It also helped to replace lost earnings when hours of work or pay rates were reduced by employers.

IWC had also been used to make up the difference between what lone parents using registered childcare received in the form of tax credit help, and the cost of nursery, childminder fees or out-of-school provision. For low paid lone parents in London who were working part time, these contributions could be quite large relative to earnings, particularly if they had to pay for full-time childcare as many did, or needed more than one child looking after.

A few recipients had managed to save IWC, as advised. Lump sums they had accumulated had been used during the year to pay for one-off and unexpected expenses and events such as car repairs or moving house:

'I recently moved, so I mean you’ve got to rent a van, you’ve got to pay the petrol charges ... something goes wrong with your car, you’ve got to pay £200 for that ... so I used the savings.'

(Lone parent (IS), London)

One main claimant who set aside his IWC used these savings when made redundant six months after starting work. With no entitlement to redundancy pay, IWC was used to pay utility bills before his new claim for JSA was processed:

'We only touched IWC twice, because it was just building up as savings. So when I got made redundant I had something to fall back on ... that was used like to basically pay off all outstanding bills and [to] see us through until we got ourselves ... [back on] JSA.'

(Main claimant (JSA), London)

Several of the parents did use their IWC for non-essential items including treats for the children or personal expenditure, as many had been advised:

'I used to [get] In Work Credit ... that was £60 a week, and that was excellent, but it's only for a year. So that was like my train fares, my tobacco, a beer on the way home ... that was my pocket money.'

(Main claimant (JSA), London)
'I never used to spend it, I just used to leave it there and let it build up ... I just left it for when I actually need it, to take my son out ... like going out to cinemas or take him ... swimming, gym, the big toys...'

(Lone parent (IS), London)

There was less reliance on IWC when parents were paid significantly above the minimum wage, had lower than average housing costs (those living in social housing outside London, for example) or, more unusually, had other sources of income. For example, two couples owned their own homes outright and had no mortgage to pay. Another couple who saved their IWC received rental income from a property which the mother owned and had lived in prior to moving in with her partner.

6.2 In Work Credit and being better off in work

Whether parents considered themselves to be better or worse off in work, and by how much, varied considerably depending on earned income, hours worked, previous levels of benefits (which, in turn, reflected the number and ages of children and the health status of household members), if they lived in London, the level of rent and their housing tenure. Stating that they were better off or worse off in work also often depended on whether or not they were still getting IWC. While still getting it, parents were always better off than being on benefits, but some said they would be no better off and some expected to be worse off, when IWC stopped:

'I'm only slightly better off now, I'll be much worse off next year when the IWC stops and everything else.'

(Lone parent (IS), London)

For low paid parents living in London and parents working part time (most of whom were lone parents), getting IWC was crucial not only to the sense, but sometimes also to the actuality, of being better off:

'I was working 40 hours a week, but ... all my wages was going on my rent ... I was probably like worse off, because I was struggling to pay the rent ... struggling to pay my council tax ... That £60 a week you get for a year helps but then afterwards you don't get anything.'

(Lone parent (IS), London)

Some lone parents who had used IWC to help pay towards their rent during their first year of full-time employment were subsequently obliged to reduce their hours of work. One lone parent moved off benefits into work of 40 hours per week but later reduced them to 12 when she found herself unable to afford to pay both her rent and top up her childcare costs after her IWC ended:

'My first [job] was full time, but I couldn’t afford my rent here, because housing wasn’t paying me that much. That’s the problem with private renting ... I’ve been waiting now seven years for a council flat ... It was too expensive here, so I had to move jobs to lower my hours ... I [used to] work 40 hours a week but now I only do 12.5 hours a week.'

(Lone parent (IS), London)

Another group of parents made better off specifically as a result of getting IWC were lone parents previously claiming IS and working in ‘mini-jobs’ (jobs of less than 16 hours per week). By increasing their hours to 16 or above they qualified for Working Tax Credit (WTC) and IWC of £60 substituted for the benefits they had lost. However, unlike other benefits, they only got IWC for a year and once it stopped, some believed they would be worse off than being on benefits:
The experience of working

‘But when I came off [Income Support] ... I wasn’t getting the money towards the mortgage ... free school meals for the kids has stopped as well, so I have to pay for those. So basically, the money you get in one hand, it’s going out in the other hand. I’d say I am a bit better off than I was before ... because I’m getting the IWC now as well ... but [once] that stops ... I’ll probably be worse off.’

(Lone parent (IS), London)

The greater the proportion of household income that IWC represented, the more important it was to making parents better off, the more dependent on it they were to make work pay:

‘I’m [getting about] £75 a week at the moment [for] an average of 16 hours ... It is very low ... It’s not a great job but it’s part time ... so the WTC it’s helping me and ... I’m getting £60 from the Jobcentre ... [IWC] is very important, very important, that’s why I’m not happy [with] the fact that that gets cut off completely after a year.’

(Lone parent (IS), London)

As such, getting IWC was key to some parents’ ability to retain low paid work. Were it not for IWC, some said they may not have stayed in their jobs and may have otherwise returned to benefits:

‘If I didn’t get that In Work Credit I wouldn’t still be in this job ... because I wouldn’t have been able to cope on just that money.’

(Lone parent (IS), London)

Even parents working full time sometimes depended on their IWC to make work pay:

‘[Without IWC] I would have got my job, but I don’t know if I’d been able to stay in it, because I was quite blasé thinking well I’ve done my degree, I’m going to work, but I wasn’t really thinking of the financial implications ...’

(Lone parent (IS), London)

In addition to having to pay their rent or mortgage and Council Tax in full, those working full time frequently had to pay for prescriptions and dental care, adding to the cost of being in work:

‘We’ve lost the interest [on] the mortgage ... We’ve lost dental care, prescriptions and ... Council Tax which is £140 a month, which we have to pay. So when you add them all up you are quite a bit down. My earnings near enough do cover, [but] there’s not any money left.’

(Main claimant (JSA), West Midlands)

Outside London, too, if work was part time or wages were very low, IWC could make the difference between being better off and being worse off:

‘It’s only £40 but when you ain’t got nothing, £40 is a lot of money.’

(Main claimant (JSA), West Midlands)
6.3 Managing finances in work

There was no evidence that parents who said they were better off in work were managing their finances any more effectively than those who were worse off. Nor did those struggling financially appear to have more lavish spending habits or poor budgeting skills. Indeed, with frequently multiple sources of household income paid at different times, and sometimes in varying amounts, most parents were adept at juggling complex packages of benefits and income to make ends meet:

'I have my wages, Child Tax Credits, Child Benefit, then I have my Working Tax Credits, then obviously the £60 In Work Credit, that’s it, so there’s five different forms of income. Oh and then [money] towards my rent and council tax ... and [I used to get] help with childcare.'

(Lone parent (IS), London)

Making ends meet through careful budgeting and without getting into debt was something most parents aimed at, although not all had managed to achieve:

'It is really hard at the end of the month, because I’m left with like £3, £4 for the week. But ... I’ve sort of learnt to budget ... I can do accounting ... I budget it all out ... But it is really hard!'

(Lone parent (IS), West Midlands)

The difficulties of managing financially were often compounded by working hours and earnings that fluctuated month to month or even week to week, which not only affected income but also eligibility for means-tested benefits. The complex rules governing HB, in combination with high housing costs in London, were a common source of parents’ financial difficulties in work:

'One of the biggest issues is private rents ... Some of the rents that are being charged are absolutely extortionate in the private sector ... If they are getting Housing Benefit ... it can cause real problems.'

(Partnership manager, West Midlands)

A key issue was the effect on HB eligibility of a ‘change of circumstances’. Unlike the annual system for calculating eligibility for tax credits, eligibility for HB is re-assessed with every increase or decrease in household income. If income increases, the claim is suspended until reassessed, which could mean delays to payments and rent arrears.

Several parents who were initially unaware of the rules or fell foul of the regulations, found themselves in rent arrears. With proof of earnings needing to be provided with each change of income, and for every household member, some parents were having to make weekly visits to local authority HB offices with their own, and in some cases, their older children’s wage slips. Had it not been for the fact that they worked part time, some said they would have found it difficult to meet these requirements:

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50 In addition to earnings and IWC, most parents were getting WTC, Child Tax Credit, HB, CTB and Child Benefit. A few lone parents said they were also getting child maintenance from a child’s father, but the amount often varied and could not be relied on.

51 Income increases up to £25,000 are disregarded for the purposes of the current year’s WTC entitlement.

52 HB eligibility is assessed on household, rather than individual income and takes into account the earnings and income of all household members.
The experience of working

'I only do three days, it's like a juggling act, I can still claim some Housing Benefit, some Council Tax relief, but ... I have to take my pay slips up every month ... My daughter still lives here, her payslips vary, so it's a constant juggling act.'

(Main claimant (JSA), London)

Parents whose income levels were unpredictable and fluctuated during test trading and the early months of self-employment seemed particularly badly affected by the rules:

'Some months I've earned slightly more than others, but I've still not been earning enough to ... pay my rent out of what I'm earning ... And yet every couple of weeks they've been reassessing my Housing Benefit and Council Tax ... They're saying I now owe them hundreds of pounds ... It's been really hard ... becoming self-employed ... I thought they'd assess me once every six months, but no, they've reassessed me every few weeks.'

(Lone parent (IS), London)

Another issue was that any HB overpayments or rent arrears accrued in the past, when parents were out of work, would often become payable when they started work, sometimes leaving them worse off:

'Once they go back into work ... they start chasing up [for] ... overpayments from years before ... They go back to work, and then they suddenly get a letter through to say that they owe so much money!'

(Adviser Services Manager, West Midlands)

As well as providing additional income to top up low earnings, a regular and reliable weekly payment of £40 or £60 helped parents manage these competing demands for money. Nevertheless, in London especially, many parents found themselves in debt even though they got IWC of £60 and qualified for maximum tax credit help:

'Even though In Work Credit and the Working Tax Credit was there to help me ... it wasn't enough to somehow support myself and my son. The majority of the time I was applying for credit cards and loans and that's where it all went pear shaped because ... you need to buy food and ... I had to get money ... somehow to fix the car.'

(Lone parent (IS), London)

Paying for one-off household items and making up temporary shortfalls in income could also be costly. Once working, many parents lost entitlement to the cheap loans they previously accessed when on benefits, and had to resort to using more expensive sources of credit, including ‘door step’ and ‘pay day’ loans to tide them over until wages were paid:

'When you’re not working you can get like community care grants or budgeting loans. I’m making myself in debt which ... is not really fair ... I don’t understand why you can get that when you’re not working, but when you are working and you need that little help you can’t get nothing.'

(Lone parent (IS), West Midlands)

Although IWC crucially helped these parents to manage financially during the period they got it for, when it ended, some found themselves worse off and in more debt than when they were claiming benefits:

'Within a year of starting work, I had accumulated three and a half grand of debt, and that was excluding my rent arrears.'
Researcher: And previous to that you’d been claiming benefits?
Yes.

Researcher: And did you get into debt when you were on benefits?
No, not at all, not a penny to anybody! No!

(Lone parent (IS), London)

6.4 In-work employment advice and support

Lone parents and couple parents in New Deal Plus for Lone Parents pilot areas moving from benefits into work are entitled to receive adviser help and support for up to six months after they enter work. Lone parents and partners who had received help and support from a specialist lone parent adviser recalled being told they could return for help once in work. However, few had done so. Many said they did not need any further help:

‘She was there for me, I could speak to her any time up until six months I think I’d got. She was my personal [adviser], if I needed to speak to her about anything, but everything went well and I didn’t really have to contact her about anything.’

(Dependent partner (JSA), West Midlands)

Others were simply too busy; once working, parents found it difficult to access help through lack of time:

‘She said to me at the time, ‘pop in, come and see me … let me know how you’re doing,’ but you don’t get time do you … and you don’t want to go the [the Jobcentre] on your day off, do you?’

(Lone parent (IS), London)

Parents claiming JSA were less likely to recall being told they could return for help after starting work, or to have done so. Parents who said they had received little help from Jobcentre Plus prior to working were put off, or could see no benefit in returning subsequently. Others would have liked more support but found that, beyond the initial period of transition into work, help from Jobcentre Plus seemed to fall away:

‘I think there should be more help … to actually find a job, help you through the process of getting back into work and then see you through it … whereas they don’t do it like that. They miss the first part out and the last part and just do the middle.’

(Lone parent (IS), West Midlands)

‘I feel like I’ve come to a stop now because I’m back to work. I’ve got no right to go back to the Jobcentre now, and they was quite a big help.’

(Lone parent (IS), London)

Lone parents, in particular, sometimes felt they had been left to their own devices once they had moved off benefits:

‘The Jobcentre may help you to get back into work, but then when you’re actually … back into work, you’re on your own, there’s nothing there, there’s no help … ’

(Lone parent (IS), London)
A few lone parents had recontacted their adviser for support with HB. Some wanted help to complete forms and resolve disputes but advisers were generally unable to assist in these matters. One lone parent who approached her adviser for support was referred to Social Services who, in turn, referred her back to Jobcentre Plus:

‘I asked [my lone parent adviser] to help me fill out [HB] forms … and she wouldn’t help me … She told me to get a social worker … so I went … to [the Council] and they told me [to] go back to the Jobcentre … Don’t get me wrong, she’s a lovely woman, and she has helped me [with] money to get clothes for interviews … but [now] there’s nothing.’

(Lone parent (IS), London)

Several wanted help with finding or paying for a suitable educational or training course, but were advised they did not qualify for support. Others were told someone would get back to them, but no one had:

‘I actually rang and left a message … but she hasn’t got back to me … I wanted to see if there’s any of them courses.’

(Lone parent (IS), London)

Findings from an evaluation of the In Work Retention Pilot also identified a desire for more job and career advancement advisory support following a move into work.53 Lone parents with Employment Zone advisers tended to receive more systematic support after moving into work. The help mostly consisted of telephone calls to check on progress in work and to identify any problems which might result in them leaving their jobs during the first few months of employment:

‘They’re really good … They called … about twice a week to make sure I’m cool, have I found anything else, is everything alright, are you OK at work, any problems? They’re good.’

(Lone parent (IS), London)

Several parents would have appreciated support in the months prior to IWC running out to help them find a different job with more or less hours, or work that was better paid, but most had gone beyond the six-month period of help:

‘I look for jobs every day but I haven’t got an up to date Curriculum Vitae and it’s so hard just to try and sit down and write one … I’m not good like that … So I did ring up the Jobcentre and asked if they could help but they said they only give you help if you’re on IS.’

(Lone parent (IS), London)

53 Ray et al. (2010). The research found that little retention and advancement advisory support was provided. Lone parents reported they would have liked more of this support to have been available.
6.5 Summary

• For many parents, once wages and in-work benefits and credits had become regularised, IWC became an integral part of household income, particularly in London where the £60 was used to fund weekly living expenses including food and utility bills.

• IWC was also used to contribute towards the cost of travel passes, train fares and keeping a car on the road, which, in London, many parents needed to get to and from home and work and to drop off and collect children from school.

• Whether they were still in receipt of IWC was crucial to whether or not parents considered themselves better off in work. While still getting IWC, parents were always better off, but some said they would be no better off and some expected to be worse off, when IWC stopped.

• Although the extra £60 income in London was important in helping some parents to get by in very low paid work, some still struggled financially when working and found themselves in debt and rent arrears.

• The complex rules governing HB, in combination with high housing costs in London, were a common source of parents’ financial difficulties in work. Difficulties were compounded by fluctuating working hours and earnings, resulting in reassessment of eligibility for HB and disruption to payments. IWC was useful in helping parents to manage financially while waiting for HB to be recalculated and reinstated.

• Parents living in London and in private rented accommodation were particularly badly affected by their changing eligibility for HB in work. Many would have liked to work longer hours but found themselves unable to afford their rent when working full time. Some subsequently reduced their hours of work when IWC ended.

• Few parents had returned to Jobcentre Plus for help after they started work. Many did not need help; others had limited free time to seek help. Some had not been told that help was available, while others were reluctant to return if they had received little help initially.

• Several parents would have appreciated support in the months prior to IWC running out to help them find better paid work, but by this time most had gone beyond the six-month period when help was available. Others would have liked more help and advice with HB.
7 Work retention, progression and advancement

This chapter explores whether parents’ retained, progressed and advanced in work, and the reasons why some did and some did not stay in work. It also explores how In Work Credit (IWC) recipients managed and behaved when IWC stopped after 52 weeks, or for those still in receipt of IWC, how they anticipated they would manage and behave. It also reflects on whether employment outcomes would have been any different if IWC had been paid for shorter or longer periods, or if it had been paid in a different way.

7.1 Work progression and advancement

Even with IWC some parents were struggling financially so, in order to retain work, interviewees had to find ways of managing the loss of income when IWC came to an end. In anticipation, and in order to off-set the loss of £40 or £60 per week, many parents had been advised either to seek promotion, look for a better paid job or increase their hours of work during the first 12 months of employment:

‘I’ve heard the comment made, with the IWC … we’re going to be £40 worse off [because] it doesn’t last … We do tackle that and say well … you’ve probably been there a year, national minimum wage goes up year on year, you’ll probably get a couple of wage rises, you might pick up extra hours.’

(Lone Parent Adviser, West Midlands)

Some lone parents thought this advice was unrealistic and doubted they would be able to progress in such a short period of time, or that wages would increase sufficiently to be able to replace the loss of £40 or £60 tax free. The kind of low paid jobs and industries many worked in also offered few opportunities for wage increases or career progression:

‘I said to the lady [at the Jobcentre] what happens once you get that £60, and it [finishes]? She said well we give it to you for a year, and obviously we expect you to reach somewhere high up in the company by then … but in reality [with] my job as a delivery driver, how are we going to reach up to the company, in what way?’

(Lone parent (Jobseeker’s Allowance (JSA)), London)

When parents did have opportunities for progression and promotion, some had been unable to accept them. Promotion and better pay often required them to work full time or attend training courses outside of working hours, which, with children to care for, many found difficult. In London, especially, any increase in earnings would often be insufficient to cover the additional cost of childcare:

‘I got the option to be a team leader … which would increase my wage to £8.50 an hour … but I’d have to be in the office at 8.15am and I can’t do that because I’ve got a child … I could then go up from team leader to manager but … I’d have to pay someone to drop her in the morning and for someone to get her off to school and that’s [too much].’

(Lone parent (Income Support (IS)), London)

Gaining recognition from employers also often depended on the ability to ‘show willing’ by arriving early, staying late, working longer hours or filling in at short notice for colleagues on leave or off sick. Many lone parents were unable to do this, losing out to partnered colleagues or those with no or older children.
Gaining a recognised qualification was seen by many parents as the only sustainable way of increasing their earning capacity longer term and of escaping low paid, part-time work:

'Now that I’m catching onto ... what the system’s like, that’s why I’m at uni trying to educate myself, to better myself, so when I do hopefully get qualified in three years’ time ... I won’t have to worry about being in rent arrears and ... all sorts of debts.'

(Lone parent (IS), London)

Several had undertaken training or further education prior to moving into work, enabling them to access better paid jobs and those offering career prospects. Others enrolled on courses after moving off benefits, combining part-time work with training, although most found this difficult:

'I did struggle with my level 3 because I just found that with working ... 16 hours at the time, plus ... the kids ... There was a lot of written work involved ... and I just struggled with finding the time to fit it all in ... I was up till two in the morning ... I said I’m never doing that again.'

(Dependent partner (JSA), West Midlands)

Some lone parents regretted not using their time on IS more productively by taking advantage of the offers of training when they were not required to look for work:

'I should have gone for training [then], utilised that opportunity of childcare, you know, and get more education, get better job and now I wouldn’t be in this position.'

(Lone parent (JSA), London)

A few felt they had been encouraged by their adviser to start work too soon, before completing their training. One lone parent believed she may have been able to get better paid and full-time work had she not moved into work when she did:

'If I’d have known then what I know now ... I don’t think I would have worked. I think I might have done [some] volunteer work ... to get my foot in the door and been able to complete my third year [of training] and be able to get a bit of that higher wage or a full-time wage.'

(Lone parent (IS), London)

In the prevailing economic climate, being able to increase hours of work had, for many, turned out to be a somewhat optimistic goal. Considering themselves lucky to have a job, parents were often reluctant to ask employers for extra hours:

'There’s no guarantee that my wage is going to go up, and there’s no guarantee that it’s going to be full-time work. It’s a recession at the moment, there’s no guarantee of anything. I’m just happy to have a job!'

(Lone parent (IS), London)

In fact, several parents were looking for alternative employment because their hours of work had been reduced by their employer or their terms and conditions had been changed, leaving them worse off than when they started their jobs:

'I’m supposed to be 33 or 37 hours a week, but I have never really done that, I’ve always done 28 hours ... sometimes 15 hours ... I also had three weeks [off sick] and that’s why I’m in rent arrears ... because I don’t get paid when I’m off sick ... and I’m in debt, a real load of debt because of it.'

(Lone parent (IS), London)
Nevertheless, a few lone parents had increased their hours of work, although this had not always resulted in them being better off. Indeed, because of the sensitivity of Housing Benefit (HB) to a change of circumstance, and the high rate at which the benefit is withdrawn, for some, working longer hours had resulted in a loss of income. While still in receipt of IWC, one lone parent accepted a promotion from part-time work to a full-time supervisory role within the same company. She subsequently found herself worse off and in debt, a situation she had not only managed to avoid when working part-time, but also during the previous five years she had been claiming benefits. At the time of the interview, she had reduced her hours to 16 and was working part-time as a self-employed courier.

Another lone parent also reduced her hours from full time to part time after she found herself unable to pay the rent. She resigned from her job and re-applied for a part-time vacancy within the same company, but with no guarantee she would succeed in getting it. In the event, she did:

‘The first [job] was full time, but I couldn’t afford my rent here ... I’ve been waiting now seven years for a council flat and they still won’t give me one. It was too expensive, so I had to move jobs to lower hours ... It was really scary, because I’d give up that job and was worried that they wouldn’t take me back. But luckily they did!’

(Lone parent (IS), London)

A lone parent employed as a part-time hairdresser was due to become qualified after a year in post and expecting a wage increase just as her IWC stopped. However, she was doubtful whether the increase would be sufficient to make up the loss of IWC since she rented privately and knew that any extra earnings would require her to pay more towards the rent. In common with several other lone parents, once IWC ended, being better off was said to be dependent on being able to move into more affordable housing:

‘I will get paid more [when] I’m fully qualified and I’ve got a year’s work experience ... I think I will get paid more, but I don’t know if [I] will be better off ... If I was living in a council property I think I’d be fine. I just want to be able to have a low rent ... but the waiting list is so long.’

(Lone parent (IS), London)

‘I can’t work full time until I move from here, which the council are telling me it could take three years or more.’

(Lone parent (IS), London)

Some had already moved house; others were considering moving away from London but the cost and logistics of commuting to work was stopping them:

‘The rent, it’s such a big issue for me ... I’ve just moved recently ... and I want to move again because it’s so expensive. I was thinking actually to move out of London ... and I was just going to commute to work ... but I can’t even drive any more because ... I can’t afford to pay for a car ... I get a bus now!’

(Lone parent (IS), London)

Fear of adversely affecting their entitlement to tax credits and HB, together with concerns about possible over-payment, had led some parents to refuse offers of extra hours and overtime, reducing further the opportunities for replacing IWC when it ended. Some parents were vague on the detail but knew that increasing their hours or earning more might result in them losing out financially longer term. Others seemed well informed about the income levels above which they would cease to be entitled to in-work benefits, being careful to restrict their hours and income to ensure they remained eligible:
It’s very difficult, the way Working Tax Credits works. It gets based on your previous year’s income … if I work full time now, sure I’m better off now, but then come next April, I get nothing … I might be better off changing in the middle of the financial year.’

(Main claimant (JSA), London)

One of the few fathers who worked part time had declined an offer to increase his hours of work, a requirement for moving up a grade in his job. A key factor in his decision was the potential loss of tax credits if he increased his earnings. A clear trade-off also existed, as he saw it, between the extra income earned from working longer hours and being at home with his child:

‘If I keep my salary below … £14,000 … I am still entitled to claim certain benefits. As soon as I pop my head up above that parapet, it seems each extra bit I gain I will lose with the other hand … Recently I was offered the opportunity to extend my hours, and I declined … They don’t pay me enough to take my spare time off of me, which is time I have with [my son] … ’

(Main claimant (JSA), London)

Outside of London lower housing costs, extra hours and earnings did generally result in parents being better off. One partner who initially worked as a part-time dinner lady, working five hours per week, progressed to become a classroom assistant working 16 hours, and after further training, was promoted to be a full-time teaching assistant just as her IWC ended. She was delighted with her new job. The wages, she said, were not that dissimilar, although the family was better off as a result of her increased hours:

‘The wage isn’t that much different to what you actually get being a dinner lady, it’s just that your hours … go up.’

(Dependent partner (JSA), West Midlands)

7.2 Returning to benefits before 52 weeks of In Work Credit

A few of the parents who got IWC did not sustain employment and returned to benefits before the end of the 52 week period of IWC eligibility. These parents either lost their jobs through redundancy or gave up jobs or employment due to ill health, business failures or a change in the hours or condition of work that turned out to be different to those initially offered by employers.

Given the small numbers, it was not possible to say with any degree of certainty whether getting IWC had made these parents any more or any less likely to return to benefits than they would have done in the absence of IWC. For some, cycling between work and benefits was a pattern that had repeated itself over several years which eligibility for, or getting, IWC did not seem to have affected.

On the other hand, getting IWC did appear to have encouraged some parents to take up employment which, with hindsight and in the absence of IWC, may not have otherwise been considered suitable or sustainable. One main claimant left his job after three months when his employer increased his hours of work without increasing his pay. The job had also been advertised as a ‘money collector,’ but turned out to be a debt collector, work which he found unacceptable:

‘The job didn’t turn out did it the way that they’d described … you’d got to go and take a telly off them or take a computer away from them … It was terrible … And they told us it was 48 hours a week … but I was working minimum 60, 65 hours … ’

(Main claimant (JSA), West Midlands)
He returned to benefits after three months but because he had given up work voluntarily, did not receive JSA or HB for six weeks after signing back on. He also said he was told he had to repay all of his IWC\textsuperscript{54}. Had he known this in advance, he said, he would not have accepted the job:

‘The Jobcentre says that I left a perfectly good job, so we had to wait six weeks … I was still getting the money for the kids, but … I weren’t getting no money at all for us … and I’ve had a letter … saying that they’ve overpaid me [IWC]. I can’t afford to repay it … they want the whole lot back … if I’d have known that they’d have wanted all of that money back, I’d have not applied for it.’

(Main claimant (JSA), West Midlands)

A lone parent for whom eligibility for IWC was a deciding factor in her decision to leave benefits, returned to IS when her childminding business failed after only two months trading. She was also having to repay overpaid IWC\textsuperscript{55}, but had been able to reinstate her IS claim without any apparent difficulty or sanction being applied:

‘When I rung them up to say I don’t need [IWC] no more, it took them … just over three weeks to cancel it and now I’ve got to pay money back … They never told me that when I went in to sign it all … they never advised me about anything like that … but I got my IS.’

(Lone parent (IS), London)

Another main claimant only got IWC for two months before his job ended. His employer had been unable to supply the necessary wage slips to allow him to continue claiming IWC. Nor did the promised amount of work or wages ever materialise. He nevertheless stayed off benefits and continued to work casually.

7.3 What happened when In Work Credit ended (after 52 weeks)?

7.3.1 Retaining work

Around half of the parents interviewed who got IWC, received it for the full 52 weeks. Most parents had only recently ceased getting it; while for a few, IWC had stopped up to a year before being interviewed. Most of those whose IWC had come to an end were still in work at the time of their interview, but several had returned to benefits. This appeared to be for reasons other than IWC stopping, something which advisers confirmed:

‘I have seen people come back into the system, but I don’t think it’s generally because their In Work Credit has finished. It’s probably more so to do with perhaps their employment has finished for some reason.’

(Adviser, West Midlands)

All but one of the parents interviewed who got IWC said they were aware its receipt was limited to 52 weeks and understood it would cease to be paid after this time. Not unexpectedly, most regretted IWC ending because they liked having it and had got used to the additional income. Nevertheless, those who had worked and got by without IWC in the past were mostly managing to get by again without it:

\textsuperscript{54} IWC should be payable for the period in work, but would stop being payable once employment ends.

\textsuperscript{55} Lone parents repay IWC overpayments on a voluntary basis.
'I did definitely notice it [ending] but I get myself into a routine anyway with the wage that I'm receiving.'

(Lone parent (IS), London)

Parents with higher incomes and who relied on IWC less were largely unaffected; some hardly noticed when IWC stopped:

'It wasn't really totally noticeable to be honest, but obviously I was aware that it had stopped.'

(Lone parent (IS), London)

However, parents on lower earnings due to low paid or part-time work, and for whom IWC represented a large proportion of household income, found the drop in income more difficult to adjust to:

'It does make a great difference, especially ... if you've been out of work for a while. I take home only about £800 ... so that extra £240 a month was a great help ... Because after a year you don't stop being a parent ... or having to provide for a child, so it does make a real difference.'

(Main claimant (JSA), London)

Some had moderated spending on food and clothes, stopped children's leisure activities or changed the way they shopped, in an effort to reduce weekly outgoings:

'We have to be a bit more conscious when we go out ... we can't buy the kids what they want ... like we used to go out shopping [together]. I prefer not to go out as a family now, because we spend more.'

(Main claimant (JSA), London)

A few had sold their cars and had reverted to using public transport. Others were using credit cards and other borrowings to finance household expenditure. Parents in London especially, who had come to rely on IWC to buy food, pay bills and contribute towards other important costs, were struggling financially now that it was gone. A few said they were more in debt after IWC ended than they had been when they were claiming benefits:

'When I came off [benefits] they gave me ... the £60 and it was really good. I thought wow I'm glad I came back to work, but once that stopped ... I'm in more debt now than I was when I started working, I really fell into debt.'

(Lone parent (IS), London)

Regardless of whether they were managing financially or not, most parents nevertheless remained in employment after IWC ended; the same motivation to work and dislike of benefits keeping them in work as had encouraged them to enter it in the first place:

'I suffer from depression, so being at home would get me even more depressed ... It just feels so much better to your lifestyle ... that's the only reason why [I'm still working]. But money wise ... I would be better off sitting at home.'

(Lone parent (IS), London)
However, many did not have the option to return to benefits voluntarily even if they had wanted to. Unless sick or disabled, generally only lone parents with younger children could do so without suffering a financial penalty or sanction.\textsuperscript{\textit{56}} Most parents were still in the same job, but, as noted previously, few had succeeded in increasing their earnings. Among those who had, none had been able to increase income sufficiently to replace the IWC they had lost. Several were looking for another job to replace the income they had lost from IWC ending but, at the time of being interviewed, had yet to find anything suitable:

‘I need to find another job now, because ... if I was still getting that £60 I probably would stay in this job but because I’m so used to that money now, I’ve got to try and find somewhere else to substitute that £60.’

(Lone parent (JSA), London)

One lone parent whose income as a self-employed delivery driver had been reducing over a period of months, was considering whether she should return to benefits in order to qualify for IWC a second time:

‘That £60 is very important, and not getting it after a year, it’s like I have to solve my financial issues by other means, and if that means me changing my job then I’ll have to do it. Or again I’ll go unemployed for another year so I can get that £60 again. That’s my only option.’

(Lone parent (IS), London)

Some thought that getting IWC had contributed to them staying in low paid jobs longer than they might otherwise have, the extra money having lulled them into thinking they earned enough to get by:

‘I should have ... thought about leaving the job beforehand. But now I’ve kind of come to the end of [IWC], I’m in the situation now that I’m still in this job, I’ve not looked for nothing else yet, and kind of that money’s stopped now.’

(Lone parent (IS), London)

‘I think if I didn’t get that In Work Credit I ... would have left by now and had to have found something else ... ’

(Lone parent (IS), London)

A few said they may have accepted extra hours or shifts had it not been for IWC:

‘Because [IWC] was boosting up my money it makes you a bit lazy because ... a couple of times I was offered some shifts but it was kind of like no it’s alright I don’t need it this week, but if I didn’t have that, I would have said yeah.’

(Lone parent (IS), London)

### 7.3.2 Returning to benefits

Several recipients had returned to benefits after IWC ended and were still on benefits at the time of being interviewed. Given the relatively low numbers, it was not possible to generalise about their experiences. However, they were all lone parents who had children below the age of ten and who at that time were able to return to IS voluntarily and without penalty.

\textsuperscript{\textit{56}} There are flexibilities around childcare problems which mean some lone parents with older children may be able reclaim JSA without penalty
One self-employed lone parent returned to IS when her sports therapy business failed to generate a reliable source of income after a year of trading; without IWC, she had no means of supporting herself when her earnings dipped. Ongoing problems with HB also made self-employment a less feasible option for her:

‘I returned to IS ... because I can't live constantly having to fight with Housing Benefit ... I just can't live like that any more.’

(Lone parent (IS), London)

Another lone parent became ill and left her part-time job, subsequently claiming Employment Support Allowance. A third lone parent returned to IS soon after her IWC ended because her childcare arrangements broke down and her employer was unwilling to change her shifts:

‘They weren't flexible at all. When I changed to Sunday shifts because I weren't coping with getting childcare, they wouldn't let me and it was awful. They made out when I applied that they were flexible for parents, but they weren't at all, not at all. In the end they just let me go.’

(Lone parent (IS), London)

Another lone parent remained in work after the end of IWC but had returned to IS having reduced her hours of work from 40 to 12, below the 16 hours threshold for receiving WTC. Without IWC, full-time worked proved to be unsustainable due to the high level of rent she had to pay.

7.3.3 Anticipating In Work Credit ending

Around half the IWC recipients were still getting IWC at the time of being interviewed, although most were nearing the end of their maximum period of 52 weeks eligibility. Because eligibility for IWC had not been the main driver behind parents’ moves off benefits, no longer getting it was not seen to be a reason for parents to give up work or return to benefits:

‘I'm obviously going to carry on at work, regardless of £60! ... I'm not just going to not go, I didn't just go back to work because they was going to give me £60, I went to work because I wanted something to do.’

(Lone parent (IS), London)

Parents who did not rely on IWC or need it to make work pay expected they would need to ‘tighten their belts,’ but did not anticipate having to change jobs or return to benefits when it ended. Some parents who were struggling financially, however, were not sure whether or for how long they could remain working in their current job or for the same number of hours. Lone parents in London, in particular, who depended on IWC for everyday expenditure, were undecided about what to do once IWC ended.

Due to a reassessment of their eligibility for WTC, some parents working full time were anticipating a big drop in income, around the time IWC ended. One lone parent was considering reducing her hours of work, allowing her to claim more in HB. Another thought she may have to sell her car, although she depended on it to get to work and drop her son off at nursery in the mornings:

‘That extra £60 ... I'm still finding that I'm spending it, so when that stops ... I don't know what's going to happen ... But I'm seriously considering like not having my car any more because ... because I just can’t afford it ... but I need it to get to work!’

(Lone parent (IS), London)
Although they all said they preferred work to benefits, lone parents juggling low paid work with caring for young children and still able to return to IS, were not convinced they would not do so:

'I’m only making £50 better off than what I am without working and if ... I get that £40 stopped then ... I might as well just stop working ... instead of wasting hard working hours working ... I could just sit at home and watch TV ... I wouldn't like to go back to that ... you don't really have a life.'

(Lone parent (IS), West Midlands)

'I'm not convinced that I won't [return to benefits] ... I'd like to stay in my job but I don't know if I can afford to.'

(Lone parent (IS), London)

Others were still considering their options. However, although clearly concerned about how they would manage, most of those whose IWC was about to end seemed at a loss to know what they should do:

'[IWC stopping] will make a massive difference ... because we have to pay our rent and the council tax ... and all our bills. On pay day, all of the wages go then, so basically we’re relying on ... the IWC ... which we receive weekly. That’s what we live on ... so when that stops I don’t know what we’re going to do to be honest.'

(Dependent partner (JSA), London)

7.4 Paying In Work Credit for longer or shorter periods

Parents were asked to speculate whether changing the amount of IWC or the length of time it was paid for would have been more useful for them, and whether it may have affected when they left (or returned to) benefits.

Some believed a lesser amount paid over a longer period may have reduced their dependency on IWC, enabling them to budget more effectively and helping them to adjust better to losing it:

'They’d be better off giving you less over a longer period, so you can budget more steadily ... I wouldn’t expect them to pay any more.'

(Main claimant (JSA), London)

'They may be better off evening the process out ... maybe £30 for two years ... to give you a chance to make up for that shortfall, rather than just oh thanks, off you go.'

(Lone parent (IS), London)

Particularly among couple parents and those working full time, a longer period of eligibility was considered a more realistic period of time in which to find better paid work, get promoted or receive a pay increase, before removing ‘the safety net’:

'If it was for more than a year it would ... give me more time ... to work harder, to achieve ... more pay and promotion, [but] I would know that there was a cushion of that amount coming in every week.'

(Main claimant (JSA), London)
'If they'd have paid £30 [rather than £60] and paid it over three years or something like that, that would have been a lot better, because then hopefully in three years' time my salary would have gone up.'

(Main claimant (JSA), London)

On the other hand, one lone parent liked the fact that it was paid for a year because it coincided with a period of study linked to her job after which she hoped to be offered full-time work:

'For me a year is perfect, just because I was studying for a year and I need to be fully qualified to get the full pay.'

(Lone parent (IS), London)

To reduce their dependency on it, some suggested paying IWC as a series of front loaded, tapering lump sums, rather than the same weekly amount. For others, however, IWC of £60 or £40 paid weekly was ‘an absolute godsend,’ particularly parents with a low and fluctuating income. Changing the amount and regularity of payment may have reduced the likelihood of them entering work, some said, or increased the risk of them returning to benefits.

Again, opinions were split as to the effect of paying IWC for only six months. Some thought they could have managed if IWC had been paid for a shorter period, since the first six months in work were considered to be the most difficult to adjust to financially:

'I would have thought the first six months would have been the best. It would have been a greater benefit then because that's when I was just starting off so I could organise my finances a bit better with that £60.'

(Main claimant (JSA), London)

Another group of parents believed they would not currently be in work if IWC had only been paid for six months, either because they would not have left benefits for work when they did, or because they would have been forced to return to benefits after the six months had expired:

'If IWC had only been payable for six months] I wouldn't even bother looking for a job, I would not even bother ... not at all! If ... I wasn’t getting [IWC] there is no point for me to go for a job.'

(Lone parent (JSA), London)

'If it had only been payable for six months] I would have finished it by now and I probably would have had to give up work.'

(Lone parent (IS), London)

Another suggestion from several London parents was for a lesser amount of IWC to be paid over a longer period, for example, £30 for two years. On the one hand, this would reduce the likelihood of parents moving into very low paid employment which became financially unsustainable once IWC ended, while on the other recognising that it might take several years of employment before parents had a realistic prospect of increasing their earnings or moving into better paid work.
7.5 Summary

• Few of the parents had advanced or progressed in their jobs or moved to better paid work to offset the loss of IWC when it ended; indeed earnings and income were more likely to have reduced than increased.

• Fear of adversely affecting their entitlement to tax credits and HB had led some parents to refuse offers of extra hours and over time, further reducing their chances of increasing their income to replace IWC.

• Because of the rapidity and high rate of HB withdrawal as income rises, increasing their earnings through working longer hours had left some lone parents with high rents no better off or worse off.

• A few of the lone parents had opportunities to progress in their jobs but had been unable to take advantage of them. Promotion and better pay often required them to work full time or attend training courses outside of working hours, which, with children to care for, many found difficult.

• Some of the lone parents were participating in education or training courses outside of working hours in the hope of increasing their future earning capacity longer term.

• A few of the parents who got IWC did not retain employment and returned to benefits before the end of 52 week period of eligibility. Parents who did not sustain work either lost their jobs through redundancy or gave up work due to ill health, business failures or hours of work that turned out to be different to those initially offered by employers.

• Regardless of whether they were better off in work or not, most of the parents remained in employment after IWC ended; the same motivation to work and dislike of benefits keeping them in work as had encouraged them to enter it in the first place.

• Several recipients had returned to benefits after IWC ended and were still on benefits at the time of being interviewed. All who had done so were lone parents with children below the age of ten and therefore able, at that time, to return to IS voluntarily and without penalty.

• Those parents still in receipt of IWC who did not rely on the payment or need it to make work pay, did not anticipate returning to benefits when it ended.

• However, where parents were struggling financially, they were not sure whether or for how long they would or could remain working in their current job or for the same number of hours after IWC ended.

• To reduce their dependency on it, some interviewees suggested paying IWC over a shorter period, or as a series of front loaded, tapering lump sums, rather than the same weekly amount. Another suggestion was to pay a lesser amount but over a longer period. For many others, however, the current amount, regularity and frequency of payment of IWC were its most important features in helping them to manage financially.
8 Conclusions and policy implications

8.1 Did extending the measures work?

New Deal Plus for Lone Parents (ND+fLP) measures and In Work Credit (IWC) were originally introduced in April 2005 and targeted on lone parents claiming Income Support (IS) in five pilot areas in England, and extended a year later to pilots in Scotland and Wales. The measures were subsequently expanded to all parents across all London districts and to eligible couple parents in ND+fLP pilot areas outside London. In 2007, IWC was increased in London from £40 to £60. The aim of extending ND+fLP and IWC to a wider group of parents and of increasing IWC in London, was to further reduce child poverty through increasing the number of parents leaving benefits for work and helping them stay in work and off benefits longer than they would otherwise have done. In offering the measures to couple parents, the policy intention was also to better align the help on offer to couple parents with that previously only available to lone parents.

Impact studies looking at the original ND+fLP pilots and IWC take up nationally concluded that the main impact had been to encourage more lone parents to leave benefit and start work. Almost all of the impact was attributable to IWC and the impact was greater for lone parents who had previously been on New Deal for Lone Parents (NDLP). In comparison, the effect of IWC on reducing the benefit re-entry rate of IWC recipients was relatively small. The studies did not include couple parents, nor did they consider separately the impacts on different parents living in London compared with those living elsewhere.

Previous qualitative research found that IWC did not incentivise most lone parents to enter work. A small but important group for whom IWC was an incentive were lone parents who had been out of the labour market for a significant period who found the safety net and added income that IWC provided to be key in their decision to enter work. The incentive effect was deemed to be weaker for people who were closer to work, who would have moved into work anyway, and stronger for those further away from the labour market who were less motivated to find work without the additional financial incentive of IWC.

The current research, which was the second and final phase of a two-phase qualitative study, examined the effects of IWC and ND+fLP measures on parents' work-related decision making and behaviours in two case study districts in London and the West Midlands, looking in particular at whether IWC encouraged and supported work entry, work retention and work progression. A separate but related area of investigation considered the extent to which childcare issues figured in parents’ work-related decision making and how parents getting IWC were able to balance work and childcare.

A sample of 66 parents were interviewed of whom 43 were couple parents and 23 lone parents. Forty-eight parents lived in London and 18 lived in the West Midlands. In all the lone parent households, and in all but two of the couple parent households, at least one adult had moved off benefits and into work in the period since the extended measures had been introduced, although some had since returned to benefits. Interviews were carried out in the spring and summer of

58 Simms L. et al. (2010).
2010. The geographic focus, sample composition, prevailing economic conditions and operational pressures within Jobcentre Plus, were thus distinctly different from those of other studies, possibly giving rise to a different set of customer experiences and effects of the measures compared with elsewhere. Nevertheless, these findings add a further dimension to previous research and help to shed light on existing evidence.

The findings from this research suggest that for the parents sampled, the main achievement of the pilot extension appears to have been in improving the incomes of parents getting IWC, many of whom would have left benefits for work anyway, rather than to have encouraged those who, in the absence of IWC, would not otherwise have done so. As in previous research, virtually all the effect appeared to be attributable to IWC. None of the ND+fLP measures seemed to have had any demonstrable effect on parents’ attitudes or decision making with regards to work or childcare.

There was also little evidence that extending the measures to couple parents had succeeded in its aim of delivering support to these parents on a par with the help available to lone parents. Indeed, reflecting the stricter Jobseeker’s Allowance (JSA) conditionality regime, lone parents who had moved off IS and onto JSA were now more likely to be supported as mainstream parent customers tended to be, with little recognition of or reference to their parenting role.

In acting as a wage supplement, IWC had been very effective at helping parents claiming benefits to manage the transition from benefits to work and in helping them to retain low paid and part-time employment. IWC of £60 has been particularly important in supplementing the incomes of low paid parents living in London experiencing much higher housing, transport and childcare costs than elsewhere. However, many of the parents found it difficult to replace IWC through working longer hours, promotion or moving jobs. Partly this was due to the economic downturn which made it harder for parents to increase their earnings from employment or find better paid work. The strong preference for children to be cared for informally and, in London, the high cost of childcare, also discouraged mothers in couples from working and lone mothers from working longer hours.

A key, unanticipated, constraint to the effectiveness of IWC was the receipt of Housing Benefit (HB) in work which significantly reduced the incentive to increase household income both among lone parents and (potential) second earners in couples. This finding was initially surprising since continued eligibility for HB in work is intended to overcome some of the barriers people can experience when moving from benefits into low paid work. However, because of the steep withdrawal of HB as income rises, receipt of this benefit in work can create a deterrent to higher earnings. In this way, the disincentive effect of in-work means-tested benefits undermined one of the key assumptions about how IWC would work to reduce child poverty longer term.

Nevertheless, for the time parents were getting it, IWC contributed to the policy goal of reducing child poverty by increasing household income, particularly in London where child poverty is concentrated. There was little evidence, however, that parents getting IWC advanced or progressed in work such that they were able to replace IWC once it stopped, or that getting IWC reduced the chances of parents suffering recurrent poverty in the future.

8.2 Leaving benefits and entering work

Virtually all the parents interviewed were strongly motivated to work, work-ready and actively jobseeking in the period leading up to getting IWC. There was little evidence therefore that IWC incentivised work entry. Many parents were not aware of their eligibility for IWC before being offered or accepting work, and among those that were, the general consensus was that they would have started work anyway, regardless of whether they got IWC or not. Mainly this was because parents wanted to work, felt they should work or needed to work. The finding that most IWC
recipients would probably have entered work regardless of getting it is not surprising and reflects other research indicating that in-work subsidies, including tax credits, tend to have high levels of deadweight. However, this does not mean such measures are ineffective, only that many recipients would probably have moved into work anyway.

Of perhaps more interest, therefore, were the instances in which moving off benefits or work entry may not have otherwise occurred. IWC appeared to have encouraged some parents to leave benefits who may not have otherwise done so by helping to reassure them that moving into low paid or part-time jobs would make them better off, or at least no worse off, than if they stayed on benefits. Unlike other research which suggests this group were possibly further away from work, in our research these parents were equally work motivated and work-ready as other parents: indeed some were already working in ‘mini-jobs’ and jobs of less than 16 hours; others had recently completed a training or education course.

For these parents, IWC seemed to incentivise work by helping to tip the balance in favour of them leaving benefits at the time they did, or for employment which they may not have otherwise considered. This group included lone parents who had lost their eligibility for IS or knew they would lose it in the future (including those with pre-school as well as older children), suggesting an association between IWC and the Lone Parent Obligations (LPO) policy. It also included some parents moving into low paid, temporary, or part-time work who would have been little better off in work without IWC. A few of these parents regretted moving into work when they did because the jobs turned out to be unsuitable or unsustainable. Some also found themselves in debt and others experienced financial difficulties when seeking to return to benefits.

Also encouraged to leave the security of benefits were some parents setting up in businesses or becoming self-employed. Self-employment suited some mothers better than working for an employer because it enabled them to work flexibly and from home. Among minority ethnic mothers, self-employment could also be a more culturally acceptable way of combining employment with caring. For these parents, the safety net and added weekly income that IWC provided appeared to be a decisive factor in their decision to leave benefits for employment when they did.

8.3 Work retention

Although the incentive effect of IWC appears to have been rather weak in this study, having got IWC, the additional income it provided was crucial to the ability of many parents to retain work, not only in the transition from benefits to work and in the early months of employment, but also subsequently, once wages and in-work benefits became regularised.

Parents tried to save IWC and treat it as a bonus, as they had been advised to do, but many came to rely on the regular weekly amount of £40 or £60 to pay for food, utility bills and other important items of household expenditure. Low earnings from employment due to a combination of low pay and part-time work, together with higher than anticipated costs in work, were the main reasons. Most parents had expected to be financially much better off in work but only a few said they were. Without IWC, many parents would have struggled financially and some said they may otherwise have returned to benefits. Parents who were still in receipt of IWC at the time of the research had concerns about how they would manage financially when it ended.

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59 See, for example, M. Brewer et al. (2009) Box 9.1, which points out that NDLP had a deadweight of 86 per cent, and Working Families Tax Credit (WFTC) a deadweight of 70-75 per cent, indicating that the vast majority of NDLP participants and WFTC recipients would have left benefit or entered work anyway.
Administrative difficulties, misunderstandings and delays in the payment of HB, which frequently persisted beyond the initial transition into work, were a common source of financial strain among working parents, which IWC helped to alleviate. A few lone parents also used IWC to make up the difference between what they received in contributions from the childcare element of Working Tax Credits, and the full cost of registered childcare. The extra £60 per week was particularly important for lone parents using registered childcare in the more affluent parts of the London case study district where the cost of childcare was very high, even for London.

Regardless of the specific uses to which IWC was put, in London in particular, IWC appeared to be functioning as a wage supplement, helping recipients to stay in work by topping up minimum wage or low paid employment, substituting for drops in income when hours of work were reduced by employers and replacing wages lost due to sickness and other unpaid absences from work. This finding is somewhat at odds with analysis which suggests that the impact of IWC on reducing benefit re-entry rates was small. It may therefore be evidence of a ‘London effect’, suggesting that IWC may be performing a different role there compared with elsewhere. Reliance on IWC of £60 to make work pay was certainly much greater in London, helping as it did to offset the much higher cost of housing, transport and childcare in the capital; for although living in London was significantly more costly than in the West Midlands, the earnings of parents in London were typically no higher.

Parents who did not claim IWC for 52 weeks generally returned to benefits, although a few remained working. Those who did return to benefits before IWC stopped did so for reasons mostly unrelated to IWC, such as being made redundant, a business failure or leaving work due to a breakdown in childcare arrangements. It is possible, however, that eligibility for IWC may have encouraged some of these parents to leave benefits sooner than they might otherwise have or for employment which, in the absence of IWC, may otherwise have been considered unsuitable or unsustainable.

This research also found some evidence of anticipation effects – lone parents delaying leaving IS until they became eligible for IWC – although the number who had done so was small and the additional time on benefits relatively short. A related effect is the possibility that IWC may be encouraging some lone parents to return to IS and to postpone work for at least a year, in order to qualify for it again on subsequent occasions. Only a small number of lone parents had received IWC previously, but those that had said they had waited until they re-qualified for it before re-entering work.

Several of those whose IWC had recently ended, or was about to end, were also considering whether they should return to benefits for a year to re-qualify for it. None had done so, partly because they wanted to work and still had jobs, but also because parents claiming JSA do not have the option of returning to benefits voluntarily. Some did speculate that if they lost their jobs they would be more inclined to return to benefits, using the time to gain a recognised qualification, rather than find alternative employment immediately. Again, this may be a London effect, reflecting the additional difficulties of balancing work and childcare, and of the greater dependence on IWC to make work pay in the capital where the minimum wage is worth no more than elsewhere but living costs are considerably higher.

The direct and anticipation effects of the LPO policy also seemed to be an important driver of behaviours among lone parents, affecting both the decision to move off benefits and the likelihood of returning to benefits. The high levels of job retention among IWC recipients who received IWC for the full 52 weeks may therefore be suggestive of a further possible link between IWC and the LPO policy: that few lone parents returned to benefits when IWC ended (or indeed in the proceeding months) may thus have been a product of the deterrent effect of the stricter JSA conditionality regime for lone parents no longer entitled to claim IS.
8.4 Work advancement and progression

There was little evidence that parents advanced, progressed or increased their incomes in work such that they were able to offset the loss of IWC when it ended, as the policy intended. Indeed, parents who were interviewed were more likely to have experienced a reduction in earnings and income during the period they were receiving IWC, than an increase.

Although most parents who got IWC stayed in their jobs after IWC ended, very few had been promoted, had a pay rise, or moved to better paid work. Lack of wage progression was partly due to the poor quality of the jobs many parents were employed in, together with downward pressure on working hours and wages, reflecting the underlying condition of the labour market at the time of the research. Childcare responsibilities also meant that when career and training opportunities arose in employment, lone parents in particular found it difficult to take advantage of them.

The actual or potential loss of eligibility for means-tested benefits also acted as a strong disincentive to working longer hours or moving to better paid work. Fear of adversely affecting their entitlement to tax credits and HB, together with concerns about possible overpayment had led some parents to refuse offers of extra hours and overtime, not only restricting household income but also further reducing their chances of promotion. Although part-time jobs provided a stepping stone for some parents into work of longer hours or work that was better paid, due to the regressive way in which means-tested benefits are withdrawn as income rises, for many parents, an increase in hours and pay did not necessarily result in an increase in income. Indeed, some parents who increased their earnings found themselves worse off financially.

These effects were more acutely experienced by parents living in London in private rented and temporary accommodation, whose rents were typically much higher than those of parents living elsewhere. Unable to afford to pay their full rent when working full time, and with social housing heavily over-subscribed in most areas, many lone parents effectively found themselves trapped in low paid, part-time work. Some of those who had increased their hours of work subsequently reduced them or returned to benefits. The research thus highlighted the way in which continued eligibility for benefits in work – intended to support and incentivise the move off benefits – can act as a deterrent to higher earnings and longer hours.

In this unforeseen way, the high cost of private rents, particularly in London, combined with limited access to affordable housing, served to limit the effectiveness of IWC by undermining one of the key assumptions about how it would work to reduce poverty among working parents. In showing how the net gain from increased earnings can vary according to housing tenure and rent levels, the research also highlighted the important link between employment, child poverty and housing policies, an unexpected but nevertheless important finding.

However, work advancement and progression prospects were not entirely bleak. Parents who had gained a qualification or completed a period of education or training prior to leaving benefits generally moved into better paid work and better quality employment. Those with low housing costs or whose earnings or circumstances disqualified them from receiving HB were also able to work longer hours and increase their earnings without being penalised financially.

8.5 Balancing work and childcare

Helping parents balance work and childcare responsibilities through improving the availability, quality and affordability of formal childcare has been an important part of child poverty strategies and measures designed to enable parents to access employment. A lack of suitable and affordable childcare has frequently been cited in research as a major barrier to working. However, few parents
in this research identified caring for children as a constraint they had to overcome to enter paid work, or viewed formal childcare as a means of enabling them to do so. Indeed, decisions between couples about who should work and for how long, and among lone parents about the specific hours of work, were frequently made precisely to avoid the need for paid childcare. In couples, the desire for one parent (usually, but not always, the mother) to stay home as the primary carer for the children was often the over-riding consideration, while for lone parents a key priority was to fit work around childcare.

Although most mothers viewed paid employment as part of good mothering, their own needs, including having a career or indeed a job, were frequently viewed as being of secondary importance to the needs and well being of the child. As such, and regardless of whether they were living alone or with a partner, for most of the mothers interviewed, the possibility of paid work only began to figure when the youngest child had started school. Jobs were then found to fit around childcare arrangements, rather than the other way around. The costs and benefits of working or not working and paying or not for childcare, together with specific childcare measures including Up-front Childcare Costs (UFCC) and Childcare Assist, were thus rarely considered.

The flexibility of self-employment allowed some parents to combine work with caring for their own children, particularly if they were able to work from home. Among minority ethnic mothers, self-employment, home working or working in a family business could also be a more culturally acceptable way of combining employment with caring responsibilities for children and elderly relatives.

Underlying parents’ working arrangements and childcare preferences was a widespread distrust of formal, registered childcare. Indeed, many parents had serious reservations about using it. Where some form of childcare was unavoidable, the strong preference was for informal care provided by close family members or friends who could be trusted and whom their children knew. Since they received no financial help for informal care, some parents paid for it themselves out of earned income. Informal care was considered to be more flexible and better suited to the kind of jobs and sometimes changeable working arrangements many lone parents had. Care in the context of the family was also seen to be more child-centred, allowing children to remain in the comfort and familiarity of their own homes.

A distrust and dislike of formal childcare was evident regardless of whether parents had or had not used it and irrespective of how affordable or how good the quality of local childcare provision was considered to be. Even for mothers who were using or had used good quality registered childcare in the past, it tended to be accessed only when other options were closed off. Very few parents had chosen, or said they would choose, formal registered childcare in preference to other forms of care, or to enable one or both parents to work full time. There was no evidence in the case studies that any of the measures designed to encourage the take up of childcare among parents had changed attitudes towards registered childcare or had had any demonstrable effect on their willingness or ability to use it.

Perceptions of childcare affordability were generally viewed in the context of low paid work and eligibility for means-tested benefits. Parents were often aware that financial help was available, but a recurrent worry was the impact getting such help might have on eligibility for, or continuity of receipt of means-tested benefits, especially HB. Many parents also made a conscious trade off between working longer and spending time with their children; typically choosing the latter over the former.

For the small number of lone parents interviewed using registered childcare, financial help had been central to their ability to work, even part time. For although they worked part time, due to the way in
which their hours of work were distributed throughout the working week, they frequently required a full-time nursery place. However, because of the very high cost of childcare in the London case study district, even with maximum tax credit help, some parents struggled to bridge the gap between the contribution they received and the full cost of childcare. Under these circumstances IWC had made an important difference to the ability of some lone parents to remain in work for as long as they were receiving it.

Regarding the specific efficacy of Childcare Assist and UFCC, due to the very small number of parents interviewed who had taken up these measures, it was not possible to draw any firm conclusions about the usefulness of these measures.

8.6 Policy implications

ND+fLP and IWC were initially designed to encourage lone parents to move off benefits into work in the context of a voluntary programme of support and a benefit regime which did not require them to look for work. The measures were also introduced during a period of economic growth and labour market buoyancy. Both lone parent policies and underlying economic conditions have changed significantly since this time. Lone parents are being moved onto JSA in ever greater numbers, while at the same time eligibility for IS will be restricted to those whose youngest child is under the age of five. Partners in workless couples will also soon be required to look for work as a condition of JSA receipt on the same basis as lone parents are.

Given these changes, the original policy intent of ND+fLP and of IWC, as an added inducement for lone parents to start work, is less clear cut and judging its effectiveness therefore more complex. The time frame for this research, moreover, did not allow for a longer-term perspective on employment outcomes; many IWC recipients were still in receipt of IWC when interviewed. As a wage supplement, IWC has clearly made an important contribution to the goal of reducing child poverty, particularly among low paid parents in London and those working part time; £60 or £40 per week is worth a great deal to someone working 16 hours on minimum wages. Nevertheless, the credit is time limited and lasts for a maximum of one year. The evidence suggests that once IWC stops, if there has been no growth in wages or other improvement in employment prospects, the positive effects in terms of raising household income, and therefore on child poverty, may be short lived.

Extending the target population of ND+fLP and IWC to couple parents appears to have had similarly mixed results. Like lone parents, couple parents getting IWC also appear to have been very likely to have moved off benefits and entered work without it; in fact, most did. Nor did IWC receipt by one parent in a couple seem to have any effect on the likelihood that the other would move into paid work. Nevertheless, couples getting IWC were able to manage better financially, particularly in the transition from benefits to work but also on an ongoing basis. Some low paid couple parents in London depended on the extra £60 to make work pay. Without it, some may have returned to benefits sooner than they did or might otherwise have.

8.6.1 How could IWC be improved?

Improving IWC will be difficult given the structural constraints undermining its effectiveness. Without changes to the way in which means-tested benefits are withdrawn as income rises, encouraging parents to work longer hours by, for example, paying a higher credit for full-time compared with part-time work would serve only to incentivise parents not in receipt of these benefits, who are generally those with higher incomes anyway. In the current economic and public spending climate, reducing the period of qualification, extending the period of eligibility or further
increasing the generosity of the credit in London, for example, would seem to be unrealistic too. On the other hand, reducing the payment or period over which IWC is paid would undermine its ability to reduce child poverty, especially in London.

Is there scope for targeting IWC more effectively by restricting it to parents moving into low paid work? Eligibility for IWC is currently determined on the basis of the length of time the applicant has been claiming a qualifying out-of-work benefit. As such, it is paid regardless of earnings and at the same rate to those who are moving from benefits to working 16 hours at the minimum wage as to those working full time and earning a salary of £30,000 a year (both examples of which were found in our sample). Therefore, one possibility would be to restrict eligibility to those moving into low paid work. Means testing would considerably undermine the administrative simplicity of IWC which is a large part of its attraction, both for those administering it and those receiving it. It would also raise further issues about its interaction with other means-tested benefits, including tax credits and HB. However, restricting payment of IWC to those whose earnings fall below a specified ceiling could be a simple way of ensuring IWC supports only parents on a low income.

Could IWC be made more effective in terms of the amount, when and for how long it is paid? Findings from the In Work Retention pilot suggest not. In this research, IWC disappeared into the weekly budget and many parents became dependent on it. When it finished, many struggled to make ends meet. One suggestion might therefore be to pay IWC less frequently – every quarter for example or to taper it over a longer period. The difficulty here is that for parents on low incomes living in London, IWC is acting as a wage supplement without which work may not be sustainable. A weekly tax free payment of £60 was especially important in helping to make work pay in London. The amount, regularity and duration of payment have thus been a life saver for many parents both at the early and later stages of working. Modifying these key features could therefore undermine its ability to keep the lowest paid parents in London in work.

Another possible way of improving the effectiveness of IWC in London would be to pay a reduced amount of credit but over a longer period. A lesser amount could help to reduce parents’ dependency on it to make work pay, while extending the period of time over which IWC was paid could improve the chances that increased earnings could replace it when it ended. Longer term, proposals to strengthen financial incentives to work through the introduction of a Universal Credit could eliminate the need for IWC altogether, whether as an incentive or as a wage supplement.

8.6.2 Moving forward

At a broader policy level, this research has shown that increasing earnings and income while reconciling work and childcare responsibilities within the current structure of tax and benefits is not easy. As such, it would be tempting to view the proposed introduction of a Universal Credit as a panacea to the goal of reducing child poverty. An integrated tax and benefits system, together with a higher earnings disregard and standardised rate of benefit withdrawal, is intended to increase the incentive to move into work and to reduce the disincentive to higher earnings for those already in work. However, whether these intended effects will be achieved in practice and what the actual impact on child poverty will be, is currently unknown.

Our research has shown that among the parents interviewed, many needed little additional incentive to leave benefits. Indeed, among those who did move off benefits into work, financial motives were rarely the only or the most important reason for doing so. Many entered and stayed in work even though they were little better off than they would have been by remaining on benefits. Others continued working after IWC ended in spite of being worse off. While getting IWC encouraged some parents to leave benefits, and fear of the loss of entitlement to JSA may have discouraged others from returning, what seemed to motivate the parents interviewed above all
else was a valuing of work, not only as a source of income but as a source of self respect and family self reliance. So although the prospect of getting a higher income from work will undoubtedly be welcomed by parents entitled to the Universal Credit (as it was by those getting IWC), the indications from the research are that many such parents would have entered and stayed in work anyway.

The important question then is will the Universal Credit be any more successful at encouraging workless parents who, until now, have resisted all offers of help to move off benefits? The Coalition’s own White Paper concedes that in-work benefits have, to date, failed to convince many people to make the transition from benefits to work even though they may be significantly better off. Advisers we interviewed strongly echoed this sentiment. It is not yet clear what the net effect the introduction of a Universal Credit might be in combination with changes to HB and tax credits announced in the Emergency June budget and October Spending Review. Nor is it clear what the effect of the credit might be on different family and household types – such as families with children compared to those without, lone parents compared with couple parents, or parents living in London, compared with those living elsewhere. For example, the proposed changes to HB and reducing the amount of financial support available towards childcare costs could disproportionately affect low income parents in London.

In our research, the high rate at which in-work benefits are withdrawn as earnings rise did appear to disincentivise many parents from working longer hours and earning more, particularly those in receipt of HB and those living in private rented accommodation in London. Here, however, high rental levels and the limited availability of social housing seemed to be as important in explaining parents’ reluctance to work longer hours as weak work incentives and the high rate of benefit withdrawal. Even under the current highly regressive regime, some lone parents in London said they would have worked full time had their housing costs been more affordable. The high cost of registered childcare in the capital was also a key constraint to full-time work among lone parents willing to use it. Low pay, too, acted as a disincentive to working longer hours since many parents preferred to spend more time with their children.

Regardless, therefore, of any improvements which a higher earnings disregard and standardised rate of benefit withdrawal is expected to bring, alleviating child poverty through increasing parental employment is likely to remain a challenge.

60 DWP (November 2010) Universal Credit: Welfare that works page 8.
## Appendix A

### National administrative data

#### Table A.1  Individuals participating in New Deal Plus (ND+) initiatives by District – data to July 2010

<table>
<thead>
<tr>
<th>District</th>
<th>New Deal for Lone Parents (NDLP)</th>
<th>New Deal for Partners (NDP)</th>
<th>In Work Credit (IWC)</th>
<th>In Work Advisory Support (IWAS)</th>
<th>Informed about Childcare Assist (CA)</th>
<th>Awarded Childcare Assist (CA)</th>
<th>Discovery Events (DE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bradford</td>
<td>5,060</td>
<td>270</td>
<td>3,120</td>
<td>630</td>
<td>7,370</td>
<td>50</td>
<td>240</td>
</tr>
<tr>
<td>Brent, Harrow &amp; Hillingdon</td>
<td>2,320</td>
<td>20</td>
<td>2,170</td>
<td>390</td>
<td>5,120</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>Cardiff and Vale</td>
<td>4,870</td>
<td>60</td>
<td>2,150</td>
<td>450</td>
<td>2,230</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>Central London</td>
<td>3,920</td>
<td>10</td>
<td>2,210</td>
<td>610</td>
<td>1,810</td>
<td>40</td>
<td>160</td>
</tr>
<tr>
<td>City and East London</td>
<td>1,890</td>
<td>50</td>
<td>2,810</td>
<td>660</td>
<td>4,600</td>
<td>10</td>
<td>110</td>
</tr>
<tr>
<td>Dudley &amp; Sandwell</td>
<td>6,070</td>
<td>80</td>
<td>3,040</td>
<td>330</td>
<td>7,870</td>
<td>60</td>
<td>130</td>
</tr>
<tr>
<td>Edinburgh, Lothian &amp; Borders</td>
<td>6,640</td>
<td>50</td>
<td>3,600</td>
<td>470</td>
<td>5,900</td>
<td>20</td>
<td>140</td>
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<tr>
<td>Lambeth, Southwark &amp; Wandsworth</td>
<td>5,770</td>
<td>70</td>
<td>2,950</td>
<td>260</td>
<td>4,030</td>
<td>90</td>
<td>160</td>
</tr>
<tr>
<td>Leicestershire</td>
<td>6,900</td>
<td>40</td>
<td>3,930</td>
<td>320</td>
<td>7,080</td>
<td>30</td>
<td>200</td>
</tr>
<tr>
<td>North East London</td>
<td>5,810</td>
<td>30</td>
<td>2,560</td>
<td>160</td>
<td>2,980</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>North London</td>
<td>8,420</td>
<td>30</td>
<td>5,240</td>
<td>110</td>
<td>13,010</td>
<td>110</td>
<td>210</td>
</tr>
<tr>
<td>South East London</td>
<td>11,550</td>
<td>20</td>
<td>5,780</td>
<td>730</td>
<td>11,160</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>South London</td>
<td>5,980</td>
<td>20</td>
<td>3,360</td>
<td>770</td>
<td>6,010</td>
<td>60</td>
<td>80</td>
</tr>
<tr>
<td>West London</td>
<td>3,920</td>
<td>40</td>
<td>1,780</td>
<td>220</td>
<td>3,300</td>
<td>30</td>
<td>120</td>
</tr>
<tr>
<td>Total</td>
<td>79,120</td>
<td>800</td>
<td>44,710</td>
<td>6,090</td>
<td>82,470</td>
<td>640</td>
<td>1,890</td>
</tr>
</tbody>
</table>

Source: DWP administrative data.

Notes:

1. Volumes relate to both lone parents and coupled parents eligible for ND+ support up to the end of July 2010.

2. All volumes relate to individuals. An individual will be counted more than once in the table if they participate in more than one of the ND+ initiatives.

3. NDLP and NDP volumes relate to individuals who joined NDLP/NDP after ND+ was rolled out.

4. We don’t have robust Up Front Childcare Cost or In Work Emergency Discretionary Fund data. However, the other ND+ initiatives broadly capture the size of the ND+ affected group.

5. All volumes are rounded to the nearest ten.
Appendix B
Methodology and sample structure

Qualitative and longitudinal research

Both phases of research were qualitative involving in-depth, face-to-face interviews with Jobcentre Plus staff and parent customers. Qualitative research is not intended to measure impact or produce statistically robust or representative findings but rather to present narratives based on the experiences and perceptions of the people delivering policies (staff) and the intended beneficiaries (customers). Such narratives can assist in the understanding of which measures may be working, or not working and under what circumstances and why, thereby helping to inform changes and improvements to policy.

The research was also longitudinal involving two phases of fieldwork. Two phases were designed to allow sufficient time for the new policies to ‘bed in’ and to enable respondents’ views, experiences and employment outcomes to be tracked chronologically. The first phase of fieldwork focused mainly on delivery, operational and implementation issues and took place just over 12 months after the extension of New Deal Plus for Lone Parents (ND+fLP) was launched in April 2008. The second phase focused more on parents’ attitudes towards, and experiences of, work and childcare more generally, and took place between April and July 2010, more than two years after the last of the policies under consideration had been introduced. This was deemed to be a suitable period of elapsed time over which to draw distinctions between early implementation issues and longer-term effects, and also to allow for the consideration of employment retention among parents who had taken up In Work Credit.

Phase two staff interviews

In phase two, the intention was to re-interview the same Jobcentre Plus staff who had been interviewed during phase one, since this group would be better placed to assess important changes or developments over time. In the event, due to a combination of organisational restructuring and high staff turnover, very few of the staff who were initially interviewed had retained their involvement in implementing or delivering the measures during phase two. General resourcing and staffing constraints, particularly in London, also meant that a much smaller number of staff were able to take part in phase two than had been anticipated.

A total of eight interviews involving ten Jobcentre Plus staff were held in phase two, significantly fewer than planned. Three individual interviews were conducted face to face and four by telephone. One group interview, involving three staff, was conducted by telephone. Three staff were from the London case study area and seven from the West Midlands. Four staff had been interviewed in phase one and six were newly interviewed in phase two. Interviews lasted between 20 and 40 minutes and with the consent of participants.
Phase two customer interviews

As in phase one, a qualitative approach involving individual, face-to-face interviews with parent customers was adopted. All three types of parent customer eligible for the measures being evaluated were involved in the second phase, including lone parents, main claimant parents and partner parents.

During the second phase, follow-up interviews were conducted with a sample of couple parents from phase one who had since moved into work and taken up IWC or other ND+FLP measures. Since only a proportion of customers were expected to have moved into paid work in the intervening period, this group was boosted by a sample drawn from Department for Work and Pensions administrative data. Lone parents were included in the phase two fieldwork in order to explore the impact of the measures in London which had not been covered in previous evaluations of ND+FLP, specifically IWC of £60 per week and the introduction of the Up-front Childcare Costs (UFCC) pilot.

In total, 66 parents were interviewed of whom 23 were lone parents and 43 couple parents. Among the 43 couple parents interviewed, 19 were classified as main claimants and 24 as partners. In 18 cases, both adults in the couple were interviewed (separately), and in seven cases, only one parent in the couple was interviewed. This was either because a dependent partner or main claimant had become a lone parent since phase one or since the administrative data was drawn, or because the second adult was not available for interview. Forty-eight parents lived in London and 18 lived in the West Midlands. All lone parent interviews took place in London. Interviews lasted between 40 minutes and an hour and were conducted face to face in customers’ homes using semi-structured topic guides.

Repeat customer interviews

All the couples with children who had been interviewed during the first phase of research were re-contacted by telephone approximately nine months after their initial interview. This ‘screening’ process was designed to find out whether their circumstances had changed in that time, and whether they had moved into paid work or taken up IWC or any of the parent-specific support measures under consideration. All couples in which one or other partner had entered work or taken up IWC or any ND+FLP measures were invited to be re-interviewed. Those willing and able to do so were recruited for face-to-face interviews with both members of the couple, as in phase one. Interviews with these ‘repeat’ customers were carried out approximately 12 months after they had first been interviewed.

Eight couples were successfully identified and recruited for re-interview in this way, four in London and four in the West Midlands. Both adults in the couple were interviewed in all but one London case, where only the dependent partner was available. All phase two repeat interviews were with parents who were part of a couple at the time of the initial interview. However, one of the couple parents living in the West Midlands who had been a dependent partner at phase one had separated from her partner and, at the time of phase two, was bringing up her three children as a lone parent. A total of 16 repeat interviews with phase one couple parents were carried out: seven in London and nine in the West Midlands.

Repeat interviews at phase two were sought with couples where at least one parent in the couple had entered work or taken up support measures. As anticipated, numbers were limited. Therefore two couples were re-interviewed even though neither parent had started work but where there were circumstances which it was felt were worth following up. In one couple, the partner had participated in the New Deal for Partners (NDP), and in the other the partner had enrolled on a college course with the intention of later moving into work.
New administrative sample

Because numbers of repeat interviews were expected to be limited in number, additional interviews were sought with couples newly identified from administrative data as having taken up support measures since the beginning of the extension of ND+FLP measures to couple parents in April 2008. However, take up of the measures has been very limited. The number of couples available for recruitment from administrative records within the two districts being looked at was, therefore, equally restricted. The raw data extract comprised 84 main claimants and 79 dependent partners. However, once records were removed for those individuals with incomplete contact details or with contradictory information, the available sample for recruitment was reduced to 51 main claimants and 35 dependent partners.

From these 86 potential couples, 16 were successfully recruited, representing an achieved recruitment rate of 19 per cent. Overall in phase two, 12 new main claimants were interviewed, and 15 new dependent partners. Interviews were carried out with both adults in the couple in eleven instances and with only one of the couple in the remaining five instances (one main claimant and four dependent partners, of which three had changed their status since being picked up in the data and were now living separately, as lone parents, rather than being part of a couple).

Table B.1  Breakdown of achieved couple interviews in phase two

<table>
<thead>
<tr>
<th></th>
<th>Main claimants Achieved</th>
<th>Dependent partners Achieved</th>
<th>All individuals Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target</td>
<td>New</td>
<td>Repeat</td>
</tr>
<tr>
<td>London</td>
<td>14</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>West Midlands</td>
<td>7</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Totals</td>
<td>21</td>
<td>12</td>
<td>7</td>
</tr>
</tbody>
</table>

For phase two, lone parents who had taken up new measures were sampled from the London district only. Administrative data was available for 109 lone parents, of which 23 were successfully recruited, representing an achieved recruitment rate of 21 per cent. All the lone parents selected for interview from the administrative data were living in London.

Recruitment rates for both couples and lone parents were at the bottom end of the range of 20 to 30 percent which is normally expected for research of this kind. In part this appeared to be a ‘London effect’ – targets were exceeded in the West Midlands – and was contributed to by a high level of ‘no-shows’ in the capital from people who had agreed a date and time for an interview but were not at their address at the arranged time. This higher than average ‘no show’ rate may have been due to the fact that parents were selected for interview on the basis of them being in employment.

61 There were large numbers of main claimants with ‘Childcare Assist’ markers, a measure which only lone parents and dependent partners are eligible for.
### Table B.2 Breakdown of achieved lone parent interviews in phase two

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>New</th>
<th>Repeat</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>30</td>
<td>23</td>
<td>0</td>
<td>23</td>
</tr>
<tr>
<td>West Midlands</td>
<td>0</td>
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</tr>
<tr>
<td>Totals</td>
<td>30</td>
<td>23</td>
<td>0</td>
<td>23</td>
</tr>
</tbody>
</table>

### Structure of the achieved sample

**Age, gender and ethnicity**

The age of respondents ranged from 21 to 50 years with an average age of 34 years. The age profile of lone parents was almost identical to that of couple parents.

All the lone parents interviewed were female. Main claimants tended to be male; only three of the 19 main claimants interviewed were female.

The phase two interview sample included a relatively large proportion of people from minority ethnic backgrounds, including Black British, Asian British, Polish, Turkish, Bangladeshi and Palestinian parents. Indeed, among the lone parents, those describing themselves as ‘white British’ were a minority (39 per cent).

### Table B.3 Gender and ethnicity profile of phase two respondents

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>White British</th>
<th>Other ethnicity</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>Lone parents</td>
<td>0</td>
<td>23</td>
<td>9</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td>Main claimants</td>
<td>16</td>
<td>3</td>
<td>14</td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>Dependent partners</td>
<td>3</td>
<td>21</td>
<td>17</td>
<td>7</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>19</td>
<td>47</td>
<td>40</td>
<td>26</td>
<td>66</td>
</tr>
</tbody>
</table>

**Take up of ND+fLP and IWC**

The intention was that the customer sample should be made up of lone and couple parents who had moved into work and taken up IWC; couple parents who had taken up one or more ND+fLP measures; and lone parents who had taken up UFCC. However, take up of the measures by couple parents has been extremely low nationally. In the two case study areas, therefore, there were relatively few couple parents from which the sample of interviewees could be drawn. In the event, there were no couple parents interviewed who had taken up the In Work Emergency Discretion Fund (IWEDF), taken part in a Discovery Event or benefited from In Work Advisory Support (IWAS); and only one lone parent interviewed had taken up UFCC.

The specific measures under consideration that were flagged in the data for new respondents at phase 2 are shown in Table B.4, along with the numbers of individuals with that flag who were successfully recruited to the interview sample. Parents with a Childcare Assist flag were excluded from the sample because there was an evident problem with the marker for it in the data.62

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62 A total of 147 records had a Childcare Assist marker against them, of which 17 became part of the interview sample. However, a majority were main claimants who are not eligible for this measure. None of those interviewed said they had actually received Childcare Assist.
Table B.4  Support measures received by phase two respondents

<table>
<thead>
<tr>
<th></th>
<th>IWC</th>
<th>IWAS</th>
<th>Discovery Events</th>
<th>UFCC</th>
<th>IWEDF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number available to sample from the administrative data</td>
<td>183</td>
<td>54</td>
<td>3</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>In achieved sample</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lone parents</td>
<td>20</td>
<td>9</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Main claimants</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dependent partners</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>9</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Although not a specific focus for the research, one dependent partner had also participated in the NDP.

Work status and hours worked

Although measures flagged in the administrative data relate to support for those having moved into work, individual parents could have received that support at any time since April 2008, and thus not all interview respondents were still in work at the point when they were interviewed between May and July 2010. Indeed 15 parents were not working at the time of the phase two interview, although 13 of them had nevertheless worked at some point in the period since April 2008. One of the couple parents re-interviewed in phase two who had moved into work since phase one, had, at the time of phase two, also returned to benefits, having moved into a job that had not sustained.

Tables B.5 and B.6 show the work status of phase two interviewees at the time of their interviews, whether both, one, or neither partner in the couple was working, and for how many hours per week.

Table B.5  Work status of interviewed households at phase two

<table>
<thead>
<tr>
<th></th>
<th>Both people in the household working</th>
<th>One person in the household working</th>
<th>No one in the household working</th>
<th>Total households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lone parents</td>
<td>N/A</td>
<td>20</td>
<td>7</td>
<td>27</td>
</tr>
<tr>
<td>Couples</td>
<td>2</td>
<td>11</td>
<td>8</td>
<td>21</td>
</tr>
<tr>
<td>Total households</td>
<td>2</td>
<td>31</td>
<td>15</td>
<td>48</td>
</tr>
</tbody>
</table>

Table B.6  Hours per week being worked by interviewees at phase two

<table>
<thead>
<tr>
<th></th>
<th>Not working</th>
<th>Working fewer than 16 hours</th>
<th>Working 16-29 hours</th>
<th>Working 30 hours or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lone parents</td>
<td>7</td>
<td>1</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Main claimants</td>
<td>10</td>
<td>0</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Partners</td>
<td>14</td>
<td>1</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Totals</td>
<td>31</td>
<td>2</td>
<td>24</td>
<td>9</td>
</tr>
</tbody>
</table>
Number and ages of children
As shown in Table B.7, lone parents tended to have slightly fewer children than couples, with the age of the youngest averaging a little older at seven years compared to five years for couples.

Table B.7  Number of children and age of the youngest

<table>
<thead>
<tr>
<th></th>
<th>Lone parents</th>
<th>Couples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 child</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>2 children</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>3 children</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>4 children</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>5 children</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>6 children</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Youngest aged 0-5 years</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Youngest aged 6-7 years</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Youngest aged 8-12 years</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Youngest aged 13-16 years</td>
<td>6</td>
<td>3</td>
</tr>
</tbody>
</table>
Appendix C
Example of Staff Topic Guide

Evaluation of ND+fLP extension and related policies to couple parents
Adviser Services Manager NDLP (& NDP)
Topic Guide Wave 2

Interview code

Name of interviewee

Designation/job title of interviewee

Type of interview

Venue of interview (if face to face)

Date of interview

Name of researcher

Start time: Finish time

Length of interview

Explain research objectives and scope of research:

The research objective is to examine the implementation of ND+, IWC and related policies and gain a sense of customer engagement and issues around awareness and take-up with each element by staff and customers.

The specific scope and focus of the research in this area is:

• Implementation and delivery of the pilot extension since Wave 1
• Extension of ND+fLP, IWEDF & IWAS to couple parents in April 2008
• Introduction of IWC at £40 to couple parents in July 2008

Secure permission for recording and use of quotes.

Emphasise confidentiality and the use of verbatim comments on an anonymous basis.
Delivery

1. Can you tell me:
   - your job title;
   - the length of time you have been an adviser;
   - the district and Jobcentre Plus office you are based in;
   - your role and main areas of responsibility;
   - the types of customers you have responsibility for.

2. Are you/your staff responsible for supporting both IS and JSA lone parents?

3. What is your understanding of the term ‘couple’ parent?’

4. Do you/your staff have any responsibility for or experience of supporting couple parents?
   If yes
   Under what circumstance would this happen?
   Which type of parent and what meetings/interventions do you/your staff have responsibility for?
   Roughly what proportion of customers are lone parents and what proportion are couple parents?

5. Are staff able to complete the Child Details marker and conduct childcare discussions with your customers? Are there any issues?

6. Can you tell me what you/your staff know about the New Deal Plus pilot and the various measures now available to help lone and couple parents into work?
   Prompt for childcare discussions, IWC, IWAS, IWEDF, Childcare Assist etc. if necessary.

7. Do you feel you/your staff have a good grasp of the different measures and the different eligibility criteria?

8. What sort of information and training have you/your staff received in relation to the introduction of new parent policies and support measures?

9. Has any guidance or written information been issued? If so, what did this comprise?

10. Have you/your staff attended any presentations or taken part in any workshops or training?
   If yes:
   - what did this entail?
   - when and where was it?
   - who delivered it?
   - how useful and comprehensive was it?
   - were there any gaps – what else would have been useful?
   If no, would you have found such workshops useful or not?
11. What kind of administrative support do your staff have in terms of processing paperwork for ND+/IWC? Are there any issues?

12. Does the amount of information, training or support your staff have had on parental matters generally or the specific measures available to parents need to be changed or improved in any way?

Engaging and supporting parent customers

13. How confident would you say that advisers are about supporting lone (and couple) parents back to work and dealing with the specific barriers and constraints they may face? Do you feel they have sufficient information and expertise?

14. How parent or family focused is the support given to your customers? Are you able to give any examples?

Prompt for:
- flexibilities around signing on for JSA lone parents?
- advice and help with childcare?
- jobs that fit around childcare arrangements?
- jobs that pay a family wage?
- training courses to increase skills and qualifications?

15. To what extent are staff able to offer help that is specific to the circumstances of individual parents (or couples)? Is anything affecting your ability to offer customised help?

16. Do staff have enough time and the right skills to address the (multiple) barriers that (some) lone parents and partners can face? Are there any parents you struggle to help?

17. To what extent are other policies or priorities affecting the way in which your staff support parents or the time they have available?

- lone parent obligations?
- new services for lone parents (national roll out of IWC, IWEDF, IWAS)?
- FND?
- general pressures on time?

18. How do parents who may be eligible for ND+ & IWC get to hear about the measures?

- lone parents;
- partners.

19. Do you have any marketing materials? If so, what? When would you use them?

20. At what stage in the back to work journey would advisers inform your customers about their possible eligibility for ND+, IWC etc.?

For LPAs also supporting partners

21. How effectively are couple parents being engaged with regards to ND+/IWC?

22. Do advisers ever engage both parents in a couple together? If so, how would they do this?
23. To what extent and in what ways are the issues and constraints couple parents face in going back to work similar to or different from those of lone parents?

**Take up and effectiveness of the measures**
24. How are things going generally with the extension of ND+ and IWC? What would you say are the key issues?
25. If I go through each (pilot) measure, could you give me an indication of whether any customers have been referred to or taken up any of the measures and if you are aware of any issues?

**Discovery events**
26. Are they running in this area?
27. Do staff (ever) refer any customers? If not why not? If yes, what are the circumstances?
28. What would you say are the key issues with DE?

**More voluntary contact**
29. Are you familiar with the term More Voluntary Contact?
30. What would you say are the key issues with MVC?

**Childcare and childcare assist**
31. What are the main childcare issues/barriers that currently face your customers?
32. Are the issues and barriers of lone parents around childcare similar or different to those of couple parents? Probe
33. To what extent is current help with childcare able to meet all parents’ needs? Are there any gaps?
34. Are you familiar with Childcare Assist?
35. What would you say are the key issues with Childcare Assist?

**Training and access to flexible provision for training procurement**
36. Is there a need or demand for training among lone parent customers? If yes, are staff able to meet that need?
37. Is there a need or demand for training among partners? If yes, are staff able to meet that need?
38. Have you/staff fed into or accessed any new types of training for parents?
39. What would you say are the key issues with training?

**Financial issues, In Work Credit and IWEDF**
40. What are the main financial barriers affecting lone (and couple) parents?
41. Are the issues and barriers of lone parents around money similar or different to those of couple parents? Probe.
42. Is £40 sufficient incentive to persuade lone parents to enter work? If not, why not?
43. Is £40 sufficient incentive to persuade partners to enter work? If not, why not?
Appendices – Example of Staff Topic Guide

44. Is eligibility for IWC (still/ever) an issue? If so, when? Under what circumstances?

45. Are you familiar with the new rules governing eligibility for IWC? If yes, have the new rules impacted in any way? Has take up improved as a result?

46. How and when are customers informed about their possible eligibility for IWC? What is the rationale for this?

47. How do lone parents respond to IWC?

48. Are partners responding in a similar way to lone parents? If not, why not? How do the responses and overall take up rates of partners compare with lone parents?

49. What would you say are the key issues around IWC for lone (and couple) parents?

50. Have any of your customers returned to benefits once IWC finished?

51. Are there any administrative issues (for example around processing claims)?

IWEDF

52. Are staff using IWEDF? If yes, what were the circumstances? If not, why not?

53. What would you say are the key issues with IWEDF?

IWAS

54. Are staff using IWAS? If yes, what were the circumstances? If not, why not?

55. What would you say are the key issues with IWAS?

Overall assessment

56. Which elements of ND+ seem to be working best and why?

57. Which elements are working less well and why?

58. Overall, what is your view of the package of measures now available for lone (and couple) parents? Are there any gaps?

59. Do you have any suggestions for changes or improvements?

60. What more could be done to improve employment rates among parents?

61. Have you any other comments or suggestions to make?

Thank you very much for your time. Your contribution is much appreciated.

We are hoping that the Wave 1 report will be published in the summer and the Wave 2 report in late Autumn of this year.
Appendix D
Example of Customer Topic Guide

Evaluation of ND+flp extension and related policies to couple parents
New Lone Parent/Dependent Partner (London)

Interview code

Postcode of interviewee ____________________________________________
Name of interviewee ____________________________________________

Does your fieldwork buddy know who you are interviewing and where?
Have you called Jo/the office today to tell them about any changes to your schedule?

Jobcentre Plus office/district ______________________________________

Date of interview_____________________________ Researcher initials____________________

Start time _____________ Finish time ____________ Length of interview _____________

The questions listed need not be asked in the order given and not all will be relevant to every respondent. Use your experience to decide which are the relevant questions and the order to ask them in.

Introduction
• Thank the participant for agreeing to talk to us again.
• Re-introduce yourself and Insite – an independent research organisation.
• Explain that the research is focusing on parents and the factors which influence whether and when they go out to work.
• We are particularly interested in any support they may have had from Jobcentre Plus to help them into work or training.
• Tell them the interview should last approximately three quarters of an hour.
• Explain that it is OK if they prefer not to answer some of the questions and they can stop the interview at any time if they wish.
• Confirm that they will receive a £15 cash gift as a thank you for taking part in the research and that this will not affect their benefits in any way.
• Ask if they have any questions.
Confidentiality and consent

- Explain that their responses will be anonymous and treated in confidence.
- Reassure them that their details will not be shared beyond researchers working on this project or passed onto any other person or organisation.
- Explain that we need to record the interview as this helps us analyse the responses we get.
- Their name will not appear in any report and that any quotes used will not allow them to be identified.
- Ask them to sign the consent form.

Personal and household characteristics

1. Can you tell me how old are you?
2. How would you describe your ethnicity?
3. What is your marital status?
   - single – never married or cohabiting;
   - married and separated from spouse;
   - divorced;
   - widowed.
4. How long have you been a lone parent?
5. How long have you been with your current partner?
6. How many children do you have and how old are they? Still at school/at home. Are they still at school/living at home? Confirm/probe for age of the youngest child.
7. Do you or your children have any contact with their father/your ex-partner?
8. Do you receive any child support or maintenance from any ex-partner?
9. Do you have any health issues or a disability?
   If yes, how does this affect you?
   Do you get Disability Living Allowance?
10. Do any of your children living at home have any health issues or disabilities?
    If yes, does the child concerned get Disability Living Allowance?
    Do you (or your partner) get Carer’s Allowance for him/her?
11. Is there anyone else that you take care of or have responsibility for looking after?
    Probe for whether they are a foster carer or care for a relative.
12. Does anyone else lives with you and the children?
    Probe for other adults and children.
13. Do you rent or own this house?
   If renting, is your landlord a housing association, the council or a private individual? How much is your rent per month? How much of this do you pay?
   If owner occupier, how much is your mortgage every month and how much of this do you pay? Do you have any insurance to cover the payments?

14. How long have you lived in this area?

15. Do you have any family living nearby?
   If yes, do they. Probe for whether they help with childcare?.

16. Do you have a full driving licence?

17. Does anyone in the household have a car?

Education, skills and employment and benefits history

18. How old were you when you left school?

19. Did you leave with any qualifications?

20. What did you do after you left school?
   Prompt for (government) training courses, college course, job, had a family/children.

21. What did you do after you left school?
   Prompt for (government) training courses, college/university course, job, had a family/children.

22. Have you taken part in any training or received any qualifications since leaving school/college/university?
   Prompt for actual qualifications gained.

23. Do you have any difficulties speaking English, or any problems with reading, writing or maths?
   If yes, have you ever done a course/would you think of doing a course to improve your skills?

24. Are you taking part in any courses. Classes or training at the moment?
   If yes, get details which courses, prompt for ESOL course if relevant.
   If no, Would you like to?

25. What kind of work/jobs you have done in the past? Prompt for:
   • full- or part-time jobs;
   • temporary, casual or permanent;
   • unskilled/skilled/professional;
   • type of employer;
   • wage/salary;
   • circumstances under which the jobs finished/they left;
   • overall pattern of working.
26. Did you go out to work before the birth of your child/children?
27. Did you go out to work after the birth of your child/between the births of your children?
   If yes, Who looked after your child/children while you were at work?
   How easy was/is it to combine work with being a parent?
   If no Was this a definite choice not to work (for example because you wanted to look after the children) or were there other reasons or difficulties involved with not working?
28. Is this pattern of work of your choosing (e.g. they wanted to look after the children, work part-time or for a particular type of employer part time or stay home to look after the children), or not of your choosing (e.g. because they could not find suitable work or afford childcare)?
29. In the last five years, would you say you have spent more time in work or more time on benefits? If on benefits, which main benefit were you claiming?
30. Are you in paid work at the moment? If no, when was the last time you were in paid work?
   For your current job or most recent period of employment within the last two years.
31. Can you tell me about your current/most recent job?
   Probe for kind of job, responsibilities and workload.
   • How many hours a week do you (normally) work?
   • What is your hourly rate of pay/weekly wage or salary?
     Reassure interviewee that they are not obliged to answer this question
   • Is your job temporary or permanent? How secure is it?
   • When did you get the job and for long have you had it?
   • How did you hear about the job?
   • How long had you been out of work for, before getting this job?
   • Why do you think you were successful in getting it? What were the important factors?
   • Did you receive any support or financial help from the Jobcentre/anywhere else? If so what was the support and when was it received? Did the help contribute in any way to you getting or keeping this job?
   • Do you like/are you happy in your current job?
   • Are you happy with the pay/hours/conditions?
   • How do you get to and from work? Do you use a car, public transport, walk? How easy or difficult do you find this? Are the costs manageable?
   • How ‘family friendly’ would you say your current employer is? Why do you say that? How accommodating and flexible are they regarding family and childcare matters?
   • (If relevant) How well do any childcare arrangement fit with your job?
   • What sort of prospects does the job offer? Have you had any pay rises or promotions? How likely is it that you will get a pay rise or be promoted in the near future?
   • How long do you think you may stay in this job? Are you likely to move on? If so why and when?
32. Is this the only job you have had in the last two years?
   If no, go through relevant questions above, adapting them as appropriate for each job.

**Household income and benefits**

33. Can you take me through your main sources of income at the present time?
   Probe: to include both out-of-work and any in-work benefits – Working Tax Credit, Housing Benefit, Council Tax Credit, Child Tax Credit, Income Support, DLA, Carers Allowance, In Work Credit by any family members, also include any help with paying the rent or mortgage or childcare and payments from ex partners.

34. Can you manage financially at the present time? Are you able to meet your main outgoings with the income you have (from work/benefits)?
   Probe for housing, childcare, transport costs, utility bills, food, clothes.

35. Are you (were you) financially better off in work or better off on benefits? By how much are/were you better/worse off? Is this more, less or about the same as you expected? Why were you expecting this?

36. When you moved into work, did you continue to receive benefits? If yes, which benefits and for how long? Were there any issues? Probe for HB, CTB, CTC, loans.

37. Did you have any financial or other difficulties when you/your partner moved off benefits into work? If so, what were they? How were they resolved?
   Prompt for delays with WTC or other in-work benefits.

38. Did you receive/are you getting any kind of benefits or financial help now you are getting (once you got) a regular wage/salary? Probe for help with WTC, housing costs, prescriptions, schools meals, children & childcare etc, any loans?

39. Do you feel you have a good grasp of the range of financial help you may be entitled to or do you feel confused? Did you receive any help or advice about in-work benefits or financial help?

40. Have you ever claimed benefits in your own right the past?
   If yes, which benefits and when?

**Work and parenting**

41. As a lone parent, how do/did you decide whether or not to work, the hours you should work and how to juggle the childcare? What would be the right balance for you? Have you managed to achieve this? Do you have a feel for the financial implications of different options and sufficient information – for example entitlement to benefits and help when in work?

42. How does being a parent and having responsibility for children and a family fit in with work? What comes (came) first for you, work or childcare arrangements, in other words, do (did) you fit your childcare arrangements around your work or fit your work around your childcare?

43. What comes (came) first for you, work or childcare arrangements, in other words, do (did) you fit your childcare arrangements around your work or fit your work around your childcare?

44. Have you been able to juggle work with childcare? Has childcare been easier or harder to juggle at different times? If so why?

45. How does/did your job/work generally affect you as a parent?
46. (If lone parent is working part-time) Do you think you could manage to work full time, or is it only possible to work part time?

47. Do you think you would be/are you better off financially when working full time?
   Why/why not?

48. Do you think you would be/are you financially better off in work?
   Why/why not?
   Do they have a full grasp of the financial implications of one or both working taking into account the possible need to access childcare?
   What worries them most about moving from benefits to work?

49. Do you think that going out to work (full time) has affected (would affect) the children in any way?

50. Do you think you would be/are you financially better off in work?
   Why/why not?
   Do they have a full grasp of the financial implications of one or both working taking into account the possible need to access childcare?
   What worries them most about moving from benefits to work?

**Childcare**

(N.B If the child/children are older and no longer in need of looking after, please amend the wording/tenses to talk about their former attitudes towards childcare)

51. Does anyone other than yourself ever take care of your children?
   If yes:
   • Who?
   • Formal or informal care?
   • Under what circumstances?
   • Are you happy with these arrangements?
   If no:
   • Is there any particular reason why?

52. Who normally looks after/would look after the children if you went out to work?/Who looks after the children when you go out to work?

53. Have you ever attended the local Children’s Centre?
   If yes, when? How often? What services and help did/do you receive?
   If no, do you know where your nearest Children’s Centre is?

54. What are your views on formal childcare, in other words, paying someone to look after the children? How do you feel about this?
55. Do you think you would be/are you financially better off in work?
   Why/why not?
   Do they have a full grasp of the financial implications of one or both working taking into account the possible need to access childcare?
   What worries them most about moving from benefits to work?

56. Are you using or have you ever used any kind of formal (paid) childcare including any out-of-school provision or school holiday clubs?
   Deal with childcare and out-of-school provision separately if respondent is using or has used both
   If yes:
   • Why are they using it?
   • Was it to enable them to go to work?
   • What type of childcare?
   • How did they find out about it?
   • Do they have to pay for it? Is so how do they pay?
   • Did they have to pay for any up-front costs – deposits, registration fees etc? If so how much for each element and how were these paid for? Were any of these costs refunded?
   • Do they get any financial help? If so, where from? (Prompt for UFCC if necessary)
   • What is their experience of the childcare/out-of-school provision?
   • How much does/did it cost?
   • How affordable is/was it?
   • How appropriate is/was it to the child’s needs? (is the child disabled?)
   • How appropriate is/was it to the parents’/child’s culture or religion?
   • Are/were there any issues managing the arrangements for different children?
   If no:
   • What would you say are the main reasons why you do not use childcare?
   • Prompt for affordability, availability, accessibility, no need for it, personal preference, cultural/religious factors etc.
   • Are there any circumstances in which you would consider using childcare?
   • (If relevant) Would you ever consider using childcare to enable both you and your partner to go out to work?

57. Has the need to care for children ever been an issue for you in terms of whether you were willing or able to go out to work, or the hours you were able to work?

58. Has the cost or affordability of childcare ever been an issue for you? If yes, have these issues ever stopped you from going to work?
If you could get back the full cost of childcare, would this make any difference to whether you went out to work or not? Would it make any difference to whether you used it or not?

What about if childcare was provided free to working parents, would this make any difference to whether you went out to work or not? Would it make any difference to whether you used it or not?

Awareness and take up of IWC and UFCC

I’d now like to talk about the help and financial support you may have received from the Jobcentre in the recent past and whether this help made any difference to you (or your partner) getting or keeping a job.

What kind of previous contact have you had with the Jobcentre during the last couple of years? Which Jobcentre was this?

Probe for fortnightly signing on, WFI, NDLP/caseloaded meetings and voluntary contact.

How often does your partner go to the Jobcentre?

If partner is on JSA, probe regarding signing on and review meetings.

When was the last time you were at the Jobcentre? When did you last meet with an adviser and what for? Was this the same Jobcentre?

Make sure to differentiate between fortnightly signing on (if relevant) and seeing an adviser for a longer meeting/appointment.

Have you ever been on a New Deal programme or taken part in any training, courses or events organised by the Jobcentre? If yes, which programmes, courses etc. and clearly establish when? What was the outcome?

During the period/periods when you were claiming benefits, how frequently did you see/have you seen a personal adviser, and over what period of time? Was it the same adviser or different ones?

What sorts of things do/did you discuss at the meeting(s) you had (have) with your adviser? Have you ever attended any of these meetings with your partner?

If yes, whose suggestion was this – yours or your advisers? What did you discuss? Did you find this useful?

If no, would you like/found it useful to have attended as a couple?

How well do you/did you get on with Jobcentre advisers? Do/did you find them helpful? Do you feel they understood and were sympathetic towards you as a lone parent? Do you feel that your own job goals were taken into account?

Have you heard of, or did your adviser ever mention, the New Deal programme?

If yes, what can you tell me about it?

Is it of any interest to you?
69. Did your Jobcentre Plus adviser ever do a ‘better off calculation’ to see how much better off you would be in work?

If yes, when was this?
How useful was it?
How much better off are/were you?
Is/was this sufficient?
How does/did this compare with the BOC?
What did you feel about this?
Did he/she mention In Work Credit in the calculation? (be careful to differentiate this from WTC)

If no, would you have found/find this useful?

70. Have you ever been sanctioned or had your benefits reduced or stopped, for whatever reason?

If yes, what were the circumstances/reason? When was this? What happened as a result?

71. Did you ever receive any leaflets or booklets about the help available to parents who are moving into work or thinking about work? (Marketing)

If yes, where did you get the leaflet/information from?

What sort of information was included? Check whether New Deal Plus and related policies included in the information.

Do you have a copy to hand? Could we have a look?

How useful did you find the information?

72. Did/have you ever received any leaflets or booklets about the help available to parents through the New Deal and other measures? (Marketing)

If yes, how useful did you find them?

What sort of information was included? Check whether New Deal Plus and related policies included in the information.

73. Did your adviser discuss with you the different kinds of childcare or financial help which you may be eligible for, for example available towards the help to arrange or pay for cost of childcare costs? Did you ever take up or consider taking up this help?

If I go through a list of the help available, could you say if you are familiar with the help and if you have taken any help up?

• to contribute up to 80 per cent of childcare costs if you work 16 hours or more (Childcare element of Working Tax Credits);
• to help pay for childcare in the week before you start work? (Childcare Assist);
• to help pay for childcare if you work less than 16 hours per week (Childcare Subsidy);
• to help pay for childcare when attending job interviews or training (ADF);
• to help pay for up-front childcare costs such as deposits and registration fees (UFCC) if you and your partner both work 16 hours or more (Childcare Subsidy).
**Up-front childcare costs**

74. Who told you about/how did you find out about UFCC?
   - Personal Adviser, other member of staff (who?) friend or family member, childcare provider?

75. When were you told/did you find out about UFCC? What were the circumstances? Was it during an adviser meeting? Before or after starting work? How long before or after? When you were looking for childcare or work? When you ended your claim for benefit?

76. What were you told about UFCC and what did/do you think about it?

77. Were you given any leaflets or written information about UFCC?
   - Who told you about this credit, and when?
   - Did you know about it before you got a job?

78. Did you know you might be/would be eligible for UFCC before you started looking for work?

79. Did UFCC play any part in encouraging you to look for work/get a job?

80. Did you know you would be eligible for UFCC before looking for/identifying a suitable childcare provider?

81. How did you identify a suitable childcare provider? Did you get any help?

82. Had you used this provider before?
   - If yes, did they charge a deposit or fee previously? If so, how much for each element and how did you pay this?
   - If no, were you aware they charged a deposit or registration fees? When did you find this out? How much did they want for each element?

83. Did you know you would have difficulty paying for a deposit or registration fees before getting a job, or did you find out once you had been offered a job and were looking for childcare?

84. Did you discuss these issues with your adviser? If so, when? What happened next? Did you get UFCC?

85. Who processed your application for UFCC?

86. Were there any problems?

87. Do you know how much was paid to the childcare provider?

88. Do you know if any of it was refunded?

89. Are you happy with the childcare provider?

90. What difference did getting UFCC actually make in relation to work and childcare?

91. What would have happened if you hadn’t got this help towards your childcare costs?

92. If you hadn’t got UFCC, would you have got a job anyway or did it make the difference between working and not working?
In Work Credit

93. Have you heard of or have to ever taken up In Work Credit? Prompt for a tax free bonus of £60 paid on top of your wages for up to a year. Distinguish between this and (childcare element of) Working Tax Credit or Child Tax Credit, and make sure they understand the difference.

94. Who told you/how did you find out about In Work Credit?
   Personal Adviser, other member of staff (who?) or other person (friend or family member)?

95. When were you told/did you find out about IWC? What were the circumstances? Was it during an adviser meeting? Before or after starting work? How long before or after? When you had found a job? When you ended your claim for benefit? When you had started work?

96. What were you told about IWC and what did/do you think about it?
   - the amount of £60?
   - payment for 52 weeks only?
   - advice on how you should use it?

97. Was IWC mentioned during any Better off Calculation you may have had?

98. Were you given any leaflets or written information about IWC?

99. Do you remember seeing any posters about IWC in the Jobcentre? If so probe:
   Who told you about this credit, and when? Did you know about it before you got a job?

100. Did you know you might be/would be eligible for IWC before you started looking for work?

101. Did IWC play any part in encouraging you to look for work/get a job/consider working longer hours?

102. If you hadn’t been eligible for IWC, would you have got a job anyway or did it make the difference between working and not working?

103. Are you currently getting In Work Credit or have you received it within the last 2 years?

104. What difference did getting IWC actually make?

105. Has/did receiving weekly IWC payments made a difference to your household finances? If so, how?

106. How are you using/did you use the IWC payments? (spending on normal living expenses, spending on extra/luxury items, savings, paying off debts)

107. Has/did the IWC payment affected/affect what you spend money on? Explain.

108. Did you think IWC was easy or difficult to claim? Why?

109. Who processed your application for IWC?

110. Were there any problems?

111. What, if anything, would you change in the claiming process?

112. How long did you get/have you been getting IWC for? (How many weeks?)

113. Have there been any breaks in your IWC claim? Did you stop claiming/were payments stopped at any point? How many times? Why were the payments stopped? Did you reclaim? Was the re-claiming process easy/difficult?
114. If not, why not? Are you still getting IWC? If not, why not?
115. Did you have to pay any of the credit back because of an overpayment?
116. What happened when your IWC finished/what will happen when it finishes? Did/will you stay in the same job, get a different job or go back to benefits?
117. How are you/will you cope financially now/when the IWC payments have stopped? Probe for effect of IWC ending on finances.
118. When your IWC claim ended/ends what effect did it have/do you think it will have on you and your children?
119. What difference, if any, would it have made to you if IWC was payable for only six months? Probe for whether payments help more or less during first six months or last six months of claiming IWC?
120. What difference, if any, would it have made if IWC was payable for more than one year?
121. What is/has been more important for you, getting IWC or getting Working Tax Credits (and/or child maintenance, if appropriate)?
122. (Other than in connection with IWC) Did you make contact with or receive any help from a Jobcentre Plus adviser once you were in work?
   If yes, what were the circumstances? Was it useful? If no, would you have found this useful?
123. Do you feel you were given/have been given sufficient information and advice about the support and financial help available to help lone parents move into work and stay in work?
   If no, would you like to have more information and advice?
   Did they claim the credit for the full 52 weeks? If not, why not?
124. Overall, how satisfied were you/are you with the help you received from the Jobcentre both before and after you moved into work? Was it appropriate to your needs as a lone parent? Are there any big gaps in the help on offer, or any problems that you encountered?
125. Do you have any suggestions for how parents could be better supported through the Jobcentre?
126. Do you have any questions or anything you would like to add?

Thank you very much for your time. Your contribution is much appreciated.

Ensure you give respondent their cash gift and get them to sign the consent form.
Appendix E
Case studies

Case study 1: Paul and Sharon

Paul and his partner Sharon are 33 and 21 respectively. The couple live in the West Midlands with Paul’s four children, aged 8, 9, 13 and 14. They have been together as a couple for four years but only living together for one year. Sharon, who was eight-months pregnant at the time of the research, moved in with Paul when he was offered full-time work, giving up her own part-time job as a hairdresser to look after the four children. Prior to starting work, Paul had been claiming Income Support (IS) for six years as a lone parent, his former partner and mother of the four children having left the family home when the youngest child was aged two.

When living with the children’s mother, Paul had been employed in a variety of full-time jobs, as a fork-lift truck driver, van and lorry driver, interspersed with periods claiming Jobseeker’s Allowance (JSA). Used to working 12 hours shifts, he had had to give up work to look after the four children when the children’s mother left the family home. At the time of the research he was claiming JSA and looking for work, having left his most recent job six months previously.

Paul’s most recent move off benefits, for which he received In Work Credit (IWC) of £40 per week, was for a full-time salaried job as a loan agent. In addition to IWC (because he had been continuously claiming IS as a lone parent for more than a year) Paul received a £250 Job Grant and £100 from the Adviser Discretion Fund towards work clothes. He also qualified for Housing Benefit (HB) and Council Tax Benefit (CTB) run on for the first four weeks of employment.

When interviewed for the job, Paul was told that for a salary of £16,500 he would be required to work 48 hours per week and that any additional hours would be paid as overtime or could be taken as time off in lieu. Once in the job, he said he was working up to 65 hours per week, with no time overtime or time off in lieu, as promised. The job had also been described as a loan agent but the roles turned out to include debt collection which he found difficult and unpleasant work. With his partner struggling to cope alone at home with four children, and now pregnant, he resigned from his job after only three months in post and returned to benefits, claiming JSA for himself and his partner.

Because he had given up his job voluntarily, Paul received no JSA or HB for the first six weeks of his claim, although he did receive Child Tax Credits in respect of the four children. A few months after his JSA was live, he signed on a day late due to attending an antenatal clinic appointment with his partner. He was sanctioned, losing two weeks JSA, HB and CTB, and required to re-start his JSA claim. At the time of the interview, he was still repaying the rent and Council Tax arrears that had accumulated. He had also recently been informed by letter that the IWC he had received, amounting to £400, would have to be re-paid in full. Had he known this in advance, he said, he would not have accepted this help as he had no way of repaying the debt.

The support provided by Jobcentre Plus since Paul had been claiming JSA was said by him to be less helpful and less attuned to his parental role than support he had received when he had been claiming IS as a lone parent. For example, the couple expressed an interest in setting up a market stall together and had recently approached Business Link for advice, being offered an eight-week course which they were both keen to enrol on. However, when informing Jobcentre Plus of their
intentions, they were told that only one in the couple would be allowed to attend the course and
that even then, if a suitable job vacancy came up, the course would have to be given up. Because
they were in serious financial difficulties, the couple decided they should both look for work and that
if Sharon found a job before Paul did, she would return to work and he would stay at home to look
after the five children, including the new baby. However, she had been turned away from Jobcentre
Plus by a security guard and told that, as the partner of a benefit claimant she was not allowed into
the Jobcentre, nor was she eligible for help.

Case study 2: Dawn

Dawn is a lone parent aged 23 who lives in North London with her seven-year-old daughter. Her
health is mostly good but she suffers from bouts of depression for which she receives medication
when required. She was home tutored for a short time when pregnant but left school, aged 15,
without finishing her GCSEs. After giving birth to her daughter, Dawn attended college for two years,
completing an NVQ in floristry while her mother took care of the baby. She was briefly employed in a
flower shop on a voluntary basis to gain some work experience but has had no paid work in floristry
since completing her course.

When her mother moved out of London in 2005, Dawn registered on the local council housing list.
Five years later, at the time of the research, she was still waiting to be allocated a property. Initially
moved into hostel accommodation, she later accepted an offer of temporary housing – a two-
bedroom private rented flat with a monthly rent of £1,000. The rent was paid in full by HB.

After claiming IS for three years, Dawn became bored and depressed at home and as soon as her
daughter started school, she began looking for a job. In 2009 she started work as a full-time retail
assistant for a clothing chain. Contacting her lone parent adviser to inform her of the job offer, she
received financial help to pay for work clothes, got HB and CTB run on, and was told she was eligible
for IWC of £60 per week. Working 40 hours per week on the minimum wage, in addition to IWC
she received Working Tax Credits, Child Tax Credits and tax credit help towards pre-school and after
school childcare costs of £50 per week. A few months later she moved to another full-time retail job
in a supermarket paying a slightly higher hourly rate.

Dawn enjoyed working full time but felt guilty about the long days her daughter spent at school and
in childcare – from 8am to 6pm, Monday to Friday. She was also struggling financially. From having
her rent paid in full by HB when claiming IS, now in full-time work, she was required to contribute
half her rent from earned income – around £500 per month. Virtually all the increase in her income
resulting from employment was going towards making up the difference between what she received
in HB and the full amount of rent. Grateful for her IWC, she used the extra £60 to pay her weekly
childcare costs. Struggling on for several months, she eventually sought help from Jobcentre Plus,
spending large amounts in payphone charges in the process. Feeling she was getting nowhere, she
arranged to meet her former lone parent adviser who, though sympathetic, told her she was unable
to help with housing-related matters, advising her to contact social services instead. Social services,
in turn, referred her back to Jobcentre Plus.

With her IWC due to finish she believed her only option was to approach her employer to request
a reduction in hours. Working part time would enable her to collect and drop off her daughter
from school, saving her £60 per week, as she saw it, in childcare costs, while also entitling her to
an increase in HB. Managing to change jobs within the same company she was, at the time of the
research, working 12 hours per week and had returned to benefits, claiming IS and notifying HB of
her change in circumstances. She was, however, dismayed to learn that her weekly earnings of £75
tonitted her to receive only £13 per week IS. Equally frustrating for her was that she still needed
to pay for after-school care as she worked three days and did not finish work until 5.30pm. She was having to meet the cost herself as she no longer qualified for tax credits. She was considering leaving her high rent accommodation to move in with a friend who had offered her a room in her low rent house. Although this would enable her to return to full-time work, by doing so she would lose her position on the housing list.

Case study 3: Stephanie and Robert

Stephanie, aged 37, and her partner Robert, aged 38, live in Stephanie's house in the West Midlands with their six children, aged 18, 12, 10, 9, 7 and three months. Three children are Rebecca's and two are Robert's from previous relationships, while the baby is the couple's child. They have been partners for seven years but only living together as a couple for two. At the time of the research, Stephanie was on maternity leave from her job as a teaching assistant, although Robert was normally the main carer for the children.

Robert had left school aged 16 with no qualifications. After leaving school he worked in various unskilled, mostly temporary jobs, as a labourer, charge hand and pallet maker, interspersed with long periods claiming Incapacity Benefit and JSA. His former partner, and mother of his children, worked full time and his main responsibility was as principal carer for the children. At the time of the interview, he had not been employed for ten years, since the birth of his younger son. He later separated and resided separately from his partner, but retained main responsibility for the children (although they apparently lived with their mother). When he moved in with Stephanie, the children came to live with him and the two families merged into a single household.

Stephanie also left school aged 16 without qualifications, moving into office work where she stayed for ten years up until the birth of her third child. She went back to full-time office work after having her first child but took a two-year break when her second child was born, going back to work part time for a year until her third child was born, when she stopped working again. She and her first partner then separated. He moved out of the family home and she claimed IS as a lone parent for five years, receiving IS, Child Tax Credits, mortgage interest support and CTB.

When her youngest child started nursery school Stephanie decided to go back to work, finding a job for five hours a week as a dinner lady at her children's school. She loved working but wanted employment which offered the possibility of progression while also avoiding the need for paid childcare, which she did not trust. At that time, her children's school had begun a classroom assistant programme, offering local parents the opportunity of studying for a qualification in childcare. She took up the opportunity and, at the same time, her new partner, Robert, moved in. Having an extra adult in the home meant she was able to continue working in a ‘mini-job,’ attend college one day a week and take part in voluntary work experience. Claiming benefits as a couple, she completed her NVQ2 in childcare and was offered part-time work as a classroom assistant at her children's school.

On informing Jobcentre Plus that she was starting a new job and increasing her hours of work from 5 to 24 per week, her adviser informed her that she was eligible for IWC of £40 per week, in addition to Working Tax Credits and Child Tax Credits. Robert took main responsibility for looking after the house and children, enabling her to continue her studies. During her first year of employment she completed an NVQ3 in childcare and became pregnant with her fourth child. She then successfully applied for a promotion to a full-time job as a teaching assistant, increasing her hours of work to 32 per week during term time. Her commitment to her children, an unwillingness to leave them with child minders, and desire to work school hours has always been her motivation, and continued to determine her and her partner’s choices about work.
At the time of the research, Stephanie was intending to return to full-time work after six months maternity leave, leaving Robert at home to care for the baby. With four school-age children and a baby, the couple did not consider it feasible or desirable for them both to work. Moreover, with tax credit help, the couple said they were much better off than they had been on benefits. With a relatively low mortgage of only £240 per month to pay, they were in the process of having an extension built to accommodate their large family.

Case study 5: Eleanor

Eleanor is a lone parent aged 35 who lives in social housing in North London with her son, aged 18 and her daughter aged 14. After leaving school aged 16 with few qualifications, she joined a youth training scheme to become a nursery nurse. After only a year she became pregnant with her first child, having a second child four years later. Until her daughter was two, she worked part time as a childminder and nursery assistant, claiming tax credits and help with housing and childcare costs. Finding it difficult to juggle work and childcare with two children, she returned to benefits, claiming IS for 12 years. While on IS, she worked in various ‘mini-jobs’ of less than 16 hours, sometimes also volunteering. She preferred this arrangement because it enabled her to work part time during school hours and terms time, secure in the knowledge that her housing costs were being met in full while also being able to drop off and collect her children from school.

When both her children were in secondary school, she joined an Access course, going on to a full-time degree course from which she graduated in 2008. Getting a degree, she believed, was the best strategy for securing well paid, full-time work which would enable her to support her family longer term. Soon after graduating she was diagnosed with arthritis in her spine for which she received IS on the grounds of ill heath and was awarded Disability Living Allowance mobility and care component at the lower rates. Having spent four years in higher education, she was nevertheless keen to get a job and, after applying for a number of vacancies, was offered a full-time job on a starting salary of £29,500. Prior to moving off benefits, she requested a Better Off Calculation from her lone parent adviser but was told it was unnecessary as she would undoubtedly be better off. She was however told she was eligible for HB and CTB run on and received Adviser Discretion Funding of £250 for work clothes. By deferring her start date by a few weeks, she also qualified for IWC. This proved to be critical during the transition from benefits to earnings as she received no salary for six weeks, having started her job mid month.

In her first year of employment, in addition to her earnings and IWC of £60 per week, she received Child Tax Credit and Child Benefit. Her son also received an Educational Maintenance Award. She assumed she would be much better off financially in full-time salaried work compared with benefits, but in the event, she said she was only about £60 per week better off. This was partly because her benefit income had been relatively high due to her disability, while her work expenses were higher and her net income from employment much lower than she had anticipated. For example, she needed a car to get to and from the nearest bus stop, almost a mile uphill from her flat, a walk she was unable to manage due to her disability. She was also paying full rent of around £500 per month, in addition to Council Tax, and was also having to repay her student loan.

A key concern was how she would manage financially after a year of work when her IWC ended. Not only was she due to lose £60 IWC per week, but due to her relatively high earnings, she was also likely to lose her Child Tax Credit when her eligibility was reassessed after 12 months. This meant she would no longer qualify for free school meals, dental care and prescription charges. She was also losing the Educational Maintenance Award and Child Benefit for her son who was leaving secondary education for university. She estimated these various re-assessments would result in a reduction in weekly income of about £200 per week.
The long hours and regular late shifts she was required to do in her job were also proving to be stressful and meant she sometimes had to leave her daughter alone until late at night. Frequently she was too tired to support her daughter with school work in the evenings. At the time of the research, she was contemplating reducing her hours of work so she could re-qualify for in-work benefits and spend more time at home supporting her children.

### Case study 6: Luke and Jenny

Luke, aged 22, and his partner Jenny, aged 21, live in a privately rented house in North London with their two-year-old son. They have been a couple for four years and living together for two. When they first moved in together, Jenny initially claimed IS, then Luke later claimed JSA for them both. Neither of them has a driving licence.

A head injury from a childhood accident meant Luke struggled with reading and writing and he left school prematurely, aged 14, with no qualifications. He also suffers from, and is prescribed medication for, anxiety. From aged 15, he was employed casually as a maintenance worker in a care home. Working there, he said, for less than the minimum wage, he had initially been employed as an apprentice plumber, but the training had apparently never materialised. Periods of employment at the care home were interspersed with periods claiming JSA.

Jenny also left school aged 14 to be educated at home, gaining two GCSEs. Between the ages of 14 and 17 she worked part time in a local shop for very low wages. Aged 18, she claimed JSA, then IS in the later stages of pregnancy. A bout of post-natal depression left her lacking in confidence and unwilling to leave her son with anyone other than her partner or mother. At the time of being interviewed, she had had no paid work for three years.

During his most recent claim for JSA, Luke had been sanctioned, losing JSA, HB and CTB for two months for refusing to participate in a security course he had been mandated to attend as part of the New Deal programme. His reluctance stemmed from the fact that the course was located some distance away and would have involved several bus and train journeys which made him feel anxious and unwell. He successfully appealed the decision and his benefits were subsequently reinstated and backdated. However, their income had significantly reduced for two months, resulting in the couple borrowing heavily from family members. The couple had yet to repay all of these loans.

Luke later attended a security course closer to home but the NVQ qualification he received did not apparently entitle him to the licence he needed to obtain work in this field. Keen, nevertheless, to find better paid work, he expressed an interest to his Jobcentre Plus adviser in pursuing other training opportunities. He was told that funding was only available for training courses taken up after starting work. Jenny, too, had expressed an interest in improving her skills, accompanying Luke to the jobcentre on one occasion to find out about available training opportunities. She was, however, turned away by a security guard and informed that she was not entitled to help because she was not a customer in her own right. Since then, Jenny had found out she was pregnant with the couple's second child. She thought it unlikely she would be returning to paid employment, or undertaking any training, in the foreseeable future.

Luke’s most recent move off JSA was for a job he found as a cleaner and kitchen assistant in a care home located close to where the couple lived, enabling him to walk to work. After notifying his adviser he was starting work, he was informed he qualified for IWC of £60 per week. Prior to this he had no awareness of IWC and initially refused the offer of extra help, assuming it to be a mistake. Working 31 hours per week on the minimum wage, he was eligible for Working Tax Credits and Child Tax Credits, in addition to HB of £400 towards monthly rent of £850. They received no contribution towards Council Tax. Even with this help, the couple struggled financially and were dependent on
the extra £60 of IWC to pay the weekly food bill. At the time of the research, they were seriously concerned about how they would manage once their IWC ended. They speculated that they would somehow have to reduce their electric, gas and food bills if they were to remain paying their contribution towards the rent without falling into arrears. With a new baby on the way, keeping a roof over their heads was their main priority.
References


This report presents findings from the second and final phase of a two part qualitative evaluation of a series of Department for Work and Pensions (DWP) policy measures targeted at lone and couple parents, which aimed to increase parental employment as well as reduce child poverty.

The aim of the evaluation overall was to explore whether the measures offered an adequate package of support to parents, in London and non-London New Deal Plus for Lone Parents (ND+flP) pilot areas, and if the measures, either collectively or singly, encouraged them to enter and sustain work.

This final phase of the research aimed to follow up issues raised in the first phase of the research (and published in a separate accompanying report). It examined the effects of In Work Credit (IWC) and other policy measures on parents' work-related decision making and behaviours, looking in particular at whether the measures encouraged and supported work entry, work retention and work progression. A related area of investigation explored how parents were able to balance work and childcare.

The research consisted of 66 face-to-face interviews with parents in two case study areas in the spring and summer of 2010 – 43 couple parents and 23 lone parents. Sixteen of the couple parents had been interviewed in the first phase of the research. Face-to-face and telephone interviews were also held with Jobcentre Plus staff in the two case study areas.

If you would like to know more about DWP research, please contact: Kate Callow, Commercial Support and Knowledge Management Team, Upper Ground Floor, Steel City House, West Street, Sheffield, S1 2GQ. http://research.dwp.gov.uk/asd/asd5/rrs-index.asp