

Jobseekers Regime and Flexible New Deal Evaluation: Stage 2 and Stage 3 Customer Surveys

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This report presents findings from part of the evaluation of the Jobseekers Regime and Flexible New Deal (JRFND), introduced from April 2009 to reform the existing Jobseeker's Allowance (JSA) regime, and the New Deals for those on JSA. The JRFND comprises four stages in total. This report is based on two customer surveys which explored experiences during JRFND Stages 2 (13 to 26 weeks) and 3 (26 to 52 weeks).

JRFND was introduced nationally in two phases. In April 2009, Phase 1 commenced in a set of Jobcentre Plus districts in England, Scotland and Wales. Phase 2 was implemented in the remaining districts in April 2010. This programme of roll-out has allowed comparisons to be drawn between the experiences of customers undergoing JRFND and those experiencing comparable parts of the old regime at the same time in Phase 2 areas.

The surveys informing this report were conducted among:

- 3,000 customers starting JRFND Stage 2 in Phase 1 areas and a comparison group of 3,000 customers reaching the point of their 13-week interview in Phase 2 areas (**the Stage 2 survey**);
- 3,000 customers starting JRFND Stage 3 in Phase 1 areas and a comparison group of 3,000 customers reaching the point of their 26-week restart interview in Phase 2 areas (**the Stage 3 survey**).

Findings: Customer experience

After three months on JSA customers entered **Stage 2** of the JRFND regime. As with the previous regime at this point, Stage 2 began with an initial meeting during which job search activity was reviewed and customers were expected to extend their job search in terms of travel to work distances, working hours and the occupations they were willing to consider. The types of support available were generally the same as those available under the former JSA regime.

All JRFND Stage 2 customers should have been required to attend six weekly signing sessions after three months on JSA.¹ There were indications that JRFND Stage 2 is having a positive impact in terms of the extent of job search activity offered to and undertaken by customers:

- Reported participation rates in several types of 'job search activity' (the Initial Stage 2 Review, advice on places to look for vacancies and short courses on CVs, job applications or interview skills) were higher in JRFND Phase 1 areas than in Phase 2 areas under the old regime.
- Phase 1 customers were also markedly more likely to have experienced a move to weekly signing than those in Phase 2. However, almost half of Phase 1 customers had not experienced weekly signing, indicating that it was not being enforced fully.

¹ Weekly signing after three months on JSA was also a feature of the former regime.

- Although participation levels were comparable with Phase 2 areas, customers in Phase 1 areas were more likely to recall being offered a number of ‘other support activities’ (including advice on benefits and credits, access to the Adviser Discretion Fund, basic skills courses and work trials). This indicates that advisers were making customers more aware of the range of support on offer under JRFND.

Some customers reported having a Back to Work Session (BtWS) during Stage 2². Usefulness ratings for the BtWS were relatively high compared with other types of mandatory job search activity (such as the Initial Stage 2 Review/13-week interview or weekly signing) which is positive since this was a new aspect of support that customers experience under JRFND.

JRFND Stage 3 runs from weeks 26 to 52 of a claim. It began with the Initial Stage 3 Review, an interview lasting approximately 30 minutes. Customers were caseloaded and should have received, on average, three and a half hours of advisory support (including the initial meeting) throughout the six-month period. Customers were required to engage in up to three mandatory, work-focused activities, additional to what is required for receipt of JSA. The initial meeting was also the entry point for customers fast-tracked from earlier stages. Job search reviews were mainly fortnightly, but at some point within Stage 3, the intention was that customers would be required to attend weekly for a period of six weeks.

At the same point in a claim under the former regime, those aged 18-24 would access the New Deal for Young People (NDYP) while those aged 25 or over would continue with regular JSA signing (they would only become eligible for entry to the New Deal after 18 months of claiming).

There are positive indications that JRFND Stage 3 was being delivered as intended:

- There was evidence of greater numbers of customers experiencing weekly signing, drawing up an action plan and being referred to a careers adviser in JRFND areas than in areas where the old regime was still in place.
- The survey found evidence of higher levels of contact with advisers in JRFND areas³. Under JRFND, customers were also more likely to always, or almost always, see the same adviser at those meetings.

There is also some evidence to suggest that advisers were starting to make use of the option to make activities mandatory under JRFND Stage 3. At an overall level there was little difference between Stage 3 and the former regime in the extent to which customers state that they were made aware that participation in any activity that they were offered was mandatory. However, once the impact of the NDYP is removed and only customers aged 25 or over are considered, then the proportion reporting being told that an activity was mandatory is higher in JRFND areas.

Overall, customers who experienced JRFND were more positive about their experiences of Jobcentre Plus than their counterparts experiencing the former regime. They were more likely to report:

- satisfaction with the overall support received at both Stage 2 (three to six months) and Stage 3 (six to 12 months);
- an increased awareness of ways to look for job vacancies at both Stage 2 and Stage 3;
- an increased level of confidence at Stage 3;
- an increased awareness of the types of work that they could do at Stage 3.

² The BtWS should be delivered between weeks six and nine of a claim (i.e. during JRFND Stage 1) but as a response to the recession and increased customer volumes, Jobcentre Plus offices were able to deliver it later, sometimes during Stage 2 and combined with a group Initial Stage 2 Review.

³ This is despite adviser support being mandatory across both Phase 1 and Phase 2 areas as part of the Six Month Offer (an issue that might have been expected to cloud any differences in adviser support between Phase 1 and Phase 2 districts).

Findings: Customer outcomes

The **Stage 2 survey** shows that similar proportions of customers in each Phase had:

- claimed continuously until the point of interview (around two-thirds);
- ended claims and not returned to claiming JSA (just over a quarter);
- ended claims but then started claiming again by the time of the interview (around a tenth).

At this stage of claiming (three to six months), in both Phase 1 and Phase 2 areas those who are typically thought 'easier to help' were more likely to have ended their JSA claims. Claim lengths of those leaving JSA between the 13th and 26th week were comparable between JRFND and the former regime.

Overall JRFND Phase 1 customers were equally likely to have entered paid work at any point as Phase 2 customers. However, JRFND Phase 1 customers were more likely than Phase 2 to have then left that work and returned to claiming JSA by the time of the interview.

At JRFND Stage 2, there was very little difference in the nature of any employment entered (in terms of contract type, hours, sector and job role) by customers ending their claims in Phase 1 areas with the work entered by customers ending claims in Phase 2 areas. In terms of salary, customers who had entered paid work in JRFND Stage 2 (Phase 1) reported earning a lower annual mean salary than their Phase 2 counterparts (as was the case at the Stage 1 survey). There are likely to be regional economic differences influencing salary levels but this may also indicate that, under JRFND, customers were more likely to take up lower paid work.

Overall, there was no indication that the JRFND Stage 2 regime was having a marked influence on customers' decisions to end their claims, with customers as likely to end claims but not enter paid work in Phase 2 as in Phase 1.

Stage 3 survey findings show that at the time of the research, JRFND Stage 3 customers were:

- more likely to have had a continuous claim (58 per cent compared with 51 per cent in Phase 2 areas);
- less likely to have ended claims and remained not claiming JSA (34 per cent compared with 40 per cent in Phase 2 areas);
- equally likely to have 'recycled' back onto JSA after temporarily ending their claim during this period (around one in ten in both Phases).

However, underneath this overall picture is notable variation by customer age. Customers aged 18-24 in Phase 2 were far more likely to have ended claims than customers of the same age in Phase 1, but customers aged 25 or over were as likely to have ended claims in Stage 3 JRFND (Phase 1) as in Phase 2 areas (with main track 25+ customers being more likely to end claims in Phase 1). These findings are a reflection of the difference in regime for the under 25s at this stage of claiming (i.e. access to NDYP in Phase 2 areas).

At an overall level, in Phase 2 areas, customers were more likely to have both entered paid work and also to have ended their JSA claim but not entered work than their counterparts in Phase 1 areas.

The difference in the proportion entering paid work is again largely driven by age, with customers aged 18-24 showing the greatest differences. Older customers were equally likely to have entered paid work, or to remain in paid work in either Phase. Hence once the effect of NDYP is removed, it would appear that JRFND is equally as successful in supporting customers to end their claim either to enter work or for other reasons. This is in the context of the JRFND Phase 1 areas having a history of higher long-term unemployment than is the case in Phase 2 areas and also the Phase 1 group containing a high proportion of fast trackers who have been identified as being further from the labour market.

Compared with the findings from the Stage 2 survey, there was more variation by Phase in the nature of employment secured. Phase 1 customers were more likely to enter lower skilled elementary occupations

than their Phase 2 counterparts; this was particularly the case for younger customers aged 18-24.

Despite the fact that Phase 1 customers reported earning a lower annual mean salary in the Stage 2 survey, by Stage 3 the difference in average salaries between Phases was not statistically significant. Underneath this overall picture is variation by age, with younger claimants in Phase 1 areas earning less than their counterparts in Phase 2 areas (who were also more likely to have entered work per se).

More customers in Phase 2 areas than in Phase 1 areas ended their JSA claim but did not enter paid work at any point. As with the difference in the proportion entering work, this is largely driven by a difference among customers aged 18-24. The fact that young people in Phase 2 areas were more likely to have ended their claim, not entered paid work at any point but not (yet) returned to claiming JSA than those in Phase 1 areas could indicate a greater deterrent effect from the escalating conditionality that they experience under NDYP that is not replicated under JRFND Stage 3 as it was delivered at the time of the research.

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You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

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