

# Jobseeker's Allowance (Employment, Skills and Enterprise Scheme) Regulations 2011

Equality Impact Assessment

March 2011

# Equality impact assessment for the Jobseeker's Allowance (Employment, Skills and Enterprise Scheme) Regulations 2011

## Introduction

The Department for Work and Pensions has carried out an equality impact assessment on the proposal to introduce The Jobseeker's Allowance (Employment, Skills and Enterprise Scheme) Regulations 2011, assessing the proposal in line with the current public sector equality duties.

This process will help to ensure that:

- the Department's strategies, policies and services are free from discrimination;
- the Department complies with current equality legislation;
- due regard is given to equality in decision making and subsequent processes; and
- opportunities for promoting equality are identified.

## Scope of this assessment

The scope of this assessment covers the four employment initiatives which are covered by these Regulations which provide the powers to enable and require people claiming Jobseeker's Allowance to participate in the Employment, Skills and Enterprise Scheme. The four initiatives are:

- **Skills Conditionality** offering focused help and support for those customers with an identified skills need that is a barrier to them gaining and keeping employment.
- **Service Academies** providing support to job seekers who are close to the labour market but who would benefit from participating in pre-employment training and work experience in a demand sector and supporting employers to fill their vacancies in these sectors more efficiently.
- **New Enterprise Allowance** will promote self-employment under the guidance of a business mentor, providing access to a weekly financial allowance and business start-up loan finance.

- The **Work Programme** will use the expertise of external contractors from the public, private and voluntary sectors to provide back to work support for a range of customers from long term jobseekers to those customers in receipt of Employment and Support Allowance and Jobseeker's Allowance who may have previously been on incapacity benefits for a long time.

There is a separate assessment for each of the above initiatives.

The existing public sector equality duties require the department to show due regard when developing new policies or processes to the impact of the proposals on race, disability and gender (including gender reassignment).

This assessment looks at the available evidence to determine the extent to which the effect of the proposed change differs between persons sharing a protected characteristic and persons who do not.

## Brief outline of the policy or service

The Employment, Skills and Enterprise Scheme will be at the centre of the Government's plans to reform welfare to work provision in the UK. The introduction of a flexible programme of back to work support delivered by both Jobcentre Plus and external providers will provide tailored support to out of work benefit recipients to help them move into sustained work. Work is not only the best way out of poverty but has wider health and social benefits, not only for the individual but also for the community in which they live and the UK as a whole.

Jobseeker's Allowance customers on the Skills Conditionality, the Service Academies, the New Enterprise Allowance and the Work Programme will be subject to the conditionality and sanctions regime contained in the Scheme.

All Jobseeker's Allowance customers who are required to meet the jobseeking conditions of availability, actively seeking employment and entering into a Jobseeker's Agreement, may be required to participate in support provided by the Employment, Skills and Enterprise Scheme.

In relation to some of the employment initiatives, e.g. Service Academies and New Enterprise Allowance, the customer will be able to decide themselves whether or not the particular initiative is suitable for them. Once a customer decides that the particular initiative is suitable, the Jobcentre Plus adviser will exercise the powers in these Regulations and require the customer to participate in the Scheme.

The Jobcentre Plus adviser or the provider will work with Jobseeker's Allowance customers to assist them to find work, addressing customers' individual needs as required. In discussion with the customer, a Jobcentre Plus adviser or a provider will decide specific activities which will form elements of the customer's participation in the Scheme and include these in the customer's action plan, together with the timescales for completion.

When someone deliberately, or without good cause, fails to participate in the Scheme, for example by neglecting to undertake any of the activities as specified by a Jobcentre Plus adviser or a provider, they risk losing benefit under the sanction regime introduced by this legislation.

These regulations, along with the Employment and Support Allowance (Work-Related Activity) Regulations 2011, provide the legislative framework for the Government's new package of measures designed to help and support customers into work.

## Consultation and involvement

### Skills Conditionality

In developing our policy on skills conditionality we have worked with key stakeholders including: The Department for Business, Innovation and Skills, Jobcentre Plus and the Skills Funding Agency. We set up a Skills Conditionality Steering Group which included DWP policy experts and Psychologists.

We have carried out a public consultation on the implementation of skills conditionality. The consultation ran from 9 December 2010 to 3 February 2011. We received responses from 120 stakeholders including from customer representative groups such as Citizen's Advice, MIND, CRISIS, and Lesbian and Gay Foundation. We proactively engaged with stakeholders to make sure that they were aware of the consultation and encouraged them to respond. This included discussing our proposals with the Department for Work and Pensions Policy and Strategy Forum and at the Jobcentre Plus Customer Representative Group meeting. We also held a number of workshops with skills providers and Jobcentre Plus staff to discuss our proposals for skills conditionality. All responses to the public consultation are being analysed and a Government response will be published on 29 March.

### Service Academies

Officials from the Department for Work and Pensions, Jobcentre Plus, the Department for Business, Innovation and Skills and the Skills Funding Agency met with employer representatives and Sector Skills Councils to obtain initial thoughts and reactions to the developing policy on Service Academies. The Department for Work and Pensions and Jobcentre Plus also met with customer representative groups.

The key themes that emerged from the discussions included:

- **Mandation:** At the customer representative group meeting concerns were raised over mandation and the potential risk of individuals being required to attend inappropriate provision. It was suggested that customers should be able to raise any concerns with Advisers about the appropriateness of the provision. At the meeting with employers, it was suggested that it should be possible to fast-track an individual to the interview stage of a Service Academy – to avoid locking someone into a training/employment programme when they could start a job.

- **Content of provision:** Some argued for nationally standardised content for sector based pre-employment training – which they argued would make a participant more sustainably employable across the UK. Others were concerned that larger organisations would be better able to influence the content of a Service Academy with the risk of them becoming less relevant to smaller organisations – these people were therefore in favour of a more locally determined approach to the content of Service Academy Training elements.
- **Referral process:** Employers expressed a desire to engage early on with the Service Academy referral process in order to provide JCP customers with insight into working in particular sectors, which could encourage take up of Service Academies.
- **Resource and Planning:** Employers expressed the need to take account of organisations' own recruitment processes and the need to match Service Academy participants to organisations appropriately.

## **New Enterprise Allowance**

In formulating the policy on New Enterprise Allowance, internal and external stakeholders have been consulted to learn from their experience of delivering mentoring and financial support. Internally, this included Jobcentre Plus, the Department for Business, Innovation and Skills and the Devolved Administrations to learn from their roles in the current self-employment offer.

We have also been involved in wider Department for Business, Innovation and Skills-led stakeholder events on mentoring and microfinance. The purpose of these events was to work with stakeholders to discuss how mentoring provision might be better joined up and made more accessible to customers, how to open up microfinance and make it more accessible and understandable to customers who need it; and the Government's role in delivering this type of support.

External engagement with stakeholders with relevant self-employment/enterprise expertise, including those which provide business mentoring or advice, such as the Princes Trust, ACT, Advantage 42, Avanta and Horseshmouth, has also taken place.

A number of key points were raised during our consultation including:

- Many business people and organisations already share their time, skills and experience on an entirely voluntary nature;
- Organisations providing mentoring support tell us that one-to-one mentoring boosts motivation, helps people set goals and plan ahead, enabling them to achieve outcomes they would not have achieved by themselves; and
- Involving mentors in the final approval of a customer's business proposition could compromise the relationship between customer and mentor.

## **Work Programme**

In order to gather stakeholder views on the proposed changes being introduced as part of the Work Programme, the Department for Work and Pensions held a number

of face to face meetings with stakeholder groups, and provided the opportunity for people to comment on the proposals online.

Officials from the Department for Work and Pensions met with representatives from around 60 organisations face to face, drawn from customer representative groups; providers; think tanks and lobby groups. An online forum was launched on 11 September 2010, and was available for comment until 20 October - around 300 comments on the Work Programme proposals were received.

In their responses, stakeholders expressed a range of opinions in relation to the Work Programme proposals. These included:

- Broad support for fast-tracking vulnerable groups onto the Work Programme, and avoiding payment for people who would have found work anyway;
- Concern from providers regarding management of volumes of Work Programme customers;
- Concern from customer representative groups regarding ensuring the equality impact of the planned flexible approach to delivery, and how this will be monitored; and
- Concerns from the voluntary sector regarding monitoring of sub-contracting arrangements.

These issues have informed the development of the Work Programme policy. A brief online summary of issues raised in the consultation and a brief response to each substantive point was published in November 2010.

## Impact of the ‘The Jobseeker’s Allowance (Employment, Skills and Enterprise Scheme) Regulations 2011’

### **Skills Conditionality**

Skills Conditionality will apply to claimants both before and after referral to the Work Programme although we expect that the majority of mandatory referrals to skills provision will take place before referral to the Work Programme. Referrals to skills provision can take place at any point in a claim. We are introducing skills conditionality to increase attendance on skills provision and by doing so help more claimants who have a skills need to address that need as part of their journey back to work. Work is not only the best way out of poverty but has wider health and social benefits, not only for the individual but also for the community in which they live and the UK as a whole

The analysis that follows looks at the characteristics of Jobseeker’s Allowance (JSA) and Employment Support Allowance Work Related Activity Group (ESA WRAG) claimants, with the aim of understanding the impact that skills conditionality may have on them. We use data from the Labour Force Survey (LFS, Q4 2010) to analyse the

characteristics of JSA claimants who would be subject to skills conditionality. Skills conditionality will apply to those with lower levels of skills. The Labour Force Survey gives us information on the qualification levels of benefit claimants. Qualification levels are the best proxy we have for skills.

We use data from administrative sources for ESA WRAG claimants as the Labour Force Survey does not capture data on the ESA WRAG group. However, this administrative data does not include data on qualification levels.

**Disability**

Table 1 shows that less than a fifth of potential JSA claimants aged 18-64 have a disability. This table also shows that the proportion of disabled people among those with lower qualifications is only slightly higher than among those whose qualification level is at or above Level 2 (or equivalent).

*Table 1: Percentage of those classified as ILO unemployed and claiming to be in receipt of JSA, aged 18-64, by qualification levels<sup>1</sup>*

	<b>Quals below Level 2</b>	<b>Level 2 and above</b>	<b>All qualifications</b>
Disabled	19%	17%	18%
Non-Disabled	81%	83%	82%

This suggests that, looking at the JSA group, Skills Conditionality is unlikely to have a negative impact on disabled people.

We expect around 10% of those who are mandated to training to be in the ESA (WRAG) group. Claimants in the Employment Support Allowance (Work Related Activity Group) will have a disability or health condition which may make a return to work more difficult, but as these claimants are in the Work-Related Activity Group they will have been assessed as having limited capability for work. Table 2 below shows a breakdown of the type of disability reported by ESA WRAG claimants.

Table 2 shows that the two age groups covered differ substantially in the incidence of the different conditions. The table shows that the condition with the greatest incidence is ‘Mental and behavioural disorders’ (which includes learning disabilities). This is the condition most prevalent in all age groups except 50+, for which the most prevalent condition is ‘Diseases of the Musculoskeletal system and Connective Tissue’.

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<sup>1</sup> Source: LFS, Q4 2010

Table 2: Percentage of ESA WRAG claimants by age and condition group<sup>2</sup>

Condition recorded at start of claim	Age Group				All
	under 18	18 - 24	25 - 49	50+	
Certain Infectious and Parasitic Diseases	2%	1%	1%	1%	1%
Neoplasms	2%	0%	2%	4%	3%
Diseases of Blood & Blood forming organs & diseases involving immune mechanism	0%	0%	0%	0%	0%
Endocrine, Nutritional and Metabolic Diseases	0%	1%	1%	3%	2%
Mental and Behavioural Disorders	53%	57%	45%	21%	37%
Diseases of the Nervous System	7%	7%	5%	4%	5%
Diseases of the Eye and Adnexa	2%	1%	1%	1%	1%
Diseases of the Ear and Mastoid Process	2%	1%	0%	0%	0%
Diseases of the Circulatory System	2%	1%	3%	10%	5%
Diseases of the Respiratory System	2%	1%	1%	4%	2%
Diseases of the Digestive System	2%	1%	2%	2%	2%
Diseases of the Skin and Subcutaneous System	0%	0%	1%	1%	1%
Diseases of the Musculoskeletal system and Connective Tissue	2%	6%	17%	28%	20%
Diseases of the Genitourinary System	0%	1%	1%	1%	1%
Pregnancy, Childbirth and the Puerperium	0%	1%	0%	0%	0%
Certain Conditions Originating in the Perinatal Period	0%	0%	0%	0%	0%
Congenital Malformations, Deformations and Chromosomal Abnormalities	0%	0%	0%	0%	0%
Symptoms, Signs & Abnormal Clinical & Laboratory findings not elsewhere classified	13%	10%	10%	11%	10%
Injury, Poisoning and certain other consequences of external causes	7%	8%	8%	8%	8%
Factors influencing health status and contact with health services	0%	1%	1%	1%	1%
Claimants without any diagnosis code on the system	2%	2%	1%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<sup>2</sup> Source: Administrative data for ESA WRAG claimants with an assessment decision made between Oct 08 - Sept 09.



Claimants should only be referred to training if the Jobcentre Plus adviser and college/training provider thinks it is appropriate. Advisers will devise a tailored plan for each ESA WRAG claimant and will encourage and support people into an activity they consider to be beneficial to the claimant.

Jobcentre Plus advisers and managers are able to seek advice and guidance from Disability Employment Advisers (DEA) and Work Psychologists (WP) with regard to claimants who may have additional support needs while attending training (e.g. claimants with support needs for reasons of a learning disability or mental health issue). DEAs and WPs can also be consulted in circumstances where it may be unclear whether or not a disabled or vulnerable claimant should be referred to learning or sanctioned if they do not comply. In such cases of uncertainty, it is recommended that the referring Jobcentre Plus Adviser discuss these issues with their line manager, a DEA and WP representative, the college/training provider and the claimant in order to ensure that all the appropriate viewpoints and evidence can be considered before making a decision. Whatever the outcome of the decision, the vulnerable or disabled claimants' progress will be monitored.

All Jobcentre Plus advisers must comply with the Equality Act 2010 in ensuring that all reasonable steps are taken to ensure that the full range of services are available to everyone. Jobcentre Plus insists that all the organisations they work with are compliant with this legislation. If a disabled person is unable to use public transport to attend relevant training, Jobcentre Plus pays the cost of alternative transport (taxi).

Good cause will be considered before any sanction is applied. If a claimant is sanctioned and they fall into a 'vulnerable' group then they have immediate access to hardship payments. People who fall into the 'vulnerable' category include claimants who qualify for a Disability Premium or claimants with long term medical conditions. Good cause does not affect hardship payments.

Hardship payments are reduced-rate payments of income-based JSA, the payments are normally set at 60% of normal benefit levels, although this can increase to 80% for pregnant women or those who are seriously ill. If a claimant disagrees with a decision not to award a hardship payment then they can apply for a reconsideration of the decision or appeal to first-tier tribunal.

We already have safeguards in place to ensure that vulnerable claimants are not sanctioned inappropriately. This includes conducting home visits before a sanction is considered. These safeguards will continue.

## **Gender**

Table 3 looks at those aged 18-64, who are ILO unemployed, and claim to be receiving JSA. It shows that men are more likely to be in receipt of JSA than women. The table also shows that young unemployed men are slightly overrepresented among the lower qualified group. Therefore, men are slightly more likely than women to be subject to skills conditionality.

*Table 3: Percentage of those classified as ILO unemployed and claiming to be in receipt of JSA, aged 18-64, by gender and qualification levels<sup>3</sup>*

	<b>Quals below Level 2</b>	<b>Level 2 and above</b>	<b>All qualifications</b>
Male	72%	69%	70%
Female	28%	31%	30%

For ESA claimants the administrative data doesn't provide robust enough information on the qualification levels of claimants. Table 4 below presents data for gender and age group of ESA WRAG claimants.

*Table 4: Percentage of ESA WRAG claimants by gender and age<sup>4</sup>*

	<b>Under 25</b>	<b>25 and above</b>	<b>All ages</b>
Male	54%	56%	56%
Female	46%	44%	44%

Table 4 shows less of a difference by gender than that shown in Table 3. Therefore, we expect the effects of skills conditionality to apply fairly evenly to both genders among ESA WRAG claimants.

The analysis suggests that we should expect the majority of JSA claimants subject to skills conditionality to be male. However, the proportions presented above are aligned with the actual gender distribution of all current JSA and ESA claimants. Therefore, we would expect the effects of this policy to apply equally to both genders.

## **Ethnicity**

Sample sizes on the Labour Force Survey do not enable us to report data for each recorded ethnic group. Table 5 shows the maximum level of disaggregation that the existing LFS data allows for. The data shows that the vast majority of those unemployed, claiming to be receiving JSA and aged 18-64 are white. The distribution of ethnic groups is very similar among those with low and higher qualifications. Therefore, skills conditionality will tend to affect white claimants more than other groups, but this will be aligned to the distribution of ethnic groups among all the unemployed who claim to be receiving JSA.

<sup>3</sup> Source: LFS, Q4 2010

<sup>4</sup> Source: Administrative data for ESA WRAG claimants with an assessment decision made between Oct 08 - Sept 09

Table 5: Percentage of those classified as ILO unemployed and claiming to be in receipt of JSA, aged 18-64, by ethnicity and qualification levels<sup>5</sup>

	<b>Qualifications below level 2</b>	<b>Level 2 and above</b>	<b>Total</b>
White	83%	83%	83%
Mixed	2%	2%	2%
Asian or Asian British	6%	7%	7%
Black or Black British	6%	5%	6%
Other ethnic group	3%	3%	3%

There are a significant number of ESA WRAG claimants for whom we do not have administrative data on ethnicity. Table 6 presents the breakdown by age and ethnicity of the individuals for whom we do have ethnicity data.

Table 6: Percentage of ESA WRAG claimants by ethnicity and age<sup>6</sup>

<b>Ethnicity</b>	<b>Age Group</b>				<b>All</b>
	<b>under 18</b>	<b>18 - 24</b>	<b>25 - 49</b>	<b>50 +</b>	
Asian or Asian British	2%	2%	4%	4%	2%
Black or Black British	-	2%	2%	2%	1%
Chinese or other ethnic group	-	1%	2%	1%	1%
Mixed	-	2%	1%	0%	0%
Unknown	37%	13%	11%	19%	35%
White	61%	80%	80%	73%	61%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Table 6 shows that for all age groups, the majority of ESA WRAG claimants are white.

Jobcentre Plus provides access to interpreters to accompany claimants at interviews. The provision of English for Speakers of Other Languages (ESOL) training reflects regional variations in demand. Local providers will decide how much English language training to offer locally, according to need.

<sup>5</sup> Source: LFS, Q4 2010

<sup>6</sup> Source: Administrative data for ESA WRAG claimants with an assessment decision made between Oct 08 - Sept 09

## Age

This section looks at three age groups: 18-24, 25-49 and 50-64. Again, the data is presented separately for potential JSA and ESA claimants.

### **Potential JSA claimants:**

*Table 7: Percentage of those classified as ILO unemployed and claiming to be in receipt of JSA by age group and qualification levels. Column percentages.<sup>7</sup>*

	<b>Quals below Level 2</b>	<b>Level 2 and above</b>	<b>All qualifications</b>
18-24	34%	32%	33%
25-49	51%	51%	51%
50-64	15%	17%	16%

*Table 8: Percentage of those classified as ILO unemployed and claiming to be in receipt of JSA by age group and qualification levels. Row percentages.<sup>8</sup>*

	<b>Quals below Level 2</b>	<b>Level 2 and above</b>	<b>Total</b>
18-24	47%	53%	100%
25-49	45%	55%	100%
50-64	43%	57%	100%
<b>All ages</b>	<b>45%</b>	<b>55%</b>	<b>100</b>

Given the demographics of the claimant population, Table 7 shows that those aged 25-49 still make up more than half of the JSA claimants we expect to be subject to skills conditionality. However, Table 8 shows that those aged 18-24 are more likely to have lower levels of qualification than those aged 25 or over. Therefore, we can expect that JSA claimants aged 18-24 will be more likely than those in the older age groups to be subject to, and therefore benefit from, skills conditionality, though this is largely due to the fact that there are a higher proportion of 18-24 year olds on benefit early in a JSA claim. The fact that they are on benefits at that age could suggest that they have left formal education at an early age.

The age distribution of ESA WRAG claimants seems to be much more concentrated towards the older age groups than was the case for the potential JSA claimants, as shown in Table 9.

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<sup>7</sup> Source: LFS, Q4 2010

<sup>8</sup> Source: LFS, Q4 2010

Table 9: Percentage of ESA WRAG claimants by age<sup>9</sup>

	<b>All ages</b>
Under 25	11%
25-49	52%
50+	37%

The proportions in Tables 7 and 9 are not too dissimilar to the age distribution of all JSA and ESA claimants; the main difference is that we expect that JSA claimants subject to skills conditionality are likely to be in the younger age group.

Evidence<sup>10</sup> suggests that young people, particularly young men, lacking skills or qualifications are more likely to be unemployed and that this unemployment is likely to have a long-term impact on their chances of gaining employment. Evidence<sup>11</sup> also shows that unqualified male school leavers who go on to obtain low level vocational qualifications are 10 percentage points more likely to be employed than those who do not acquire any qualifications after school. Focus on those JSA claimants who are in the younger age group is therefore likely to be beneficial for their employment outcomes. If a young person is sanctioned for failing to attend skills provision they will have access to hardship payments if they (or a member of their family unit) is in a vulnerable group.

### **Sexual orientation**

No data is available on the sexual orientation of claimants who will be impacted by this proposal. No negative impacts are expected to result from this proposal. All Jobcentre Plus claimants attending adviser interventions and who are signposted or referred to training are done so regardless of their sexual orientation.

### **Gender Reassignment**

No data is available to assess if Skills Conditionality will have an equality impact relating to gender reassignment. We do not expect an impact because Jobcentre Plus claimants who attend adviser interventions leading to referral to skills provision would be treated in line with Equality Legislation by the Secretary of State.

### **Religion or belief**

No data is available on the religion or faith of claimants who will be impacted by this proposal. All customers subject to Skills Conditionality will be treated fairly

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<sup>9</sup> Source: Administrative data for ESA WRAG claimants with an assessment decision made between Oct 08 - Sept 09

<sup>10</sup> Gregg P (2000) *The impact of youth unemployment on adult employment in the NCDS*' University of Bristol

<sup>11</sup> McIntosh, S. (2004) 'The Impact of Vocational Qualifications on the Labour Market Outcomes of Low-Achieving School-Leavers', CEP Discussion Paper No 621.

irrespective of their religion or beliefs. They will not be asked to undertake any activity which goes against their beliefs, and allowances will be made to reflect religious holidays and practices. It is not anticipated that the religion or belief of customers will affect their eligibility or take-up as both advisers and mentors will offer support tailored to individual circumstances.

## **Service Academies**

This Equality Impact Assessment focuses on the impact of Service Academies before customers enter the new Work Programme. There is ongoing discussion over whether the Service Academy (SA) model will be open for individuals once on the Work Programme (WP). Most JSA customers aged 25 and over will be referred to the WP from 12 months of their claim, whereas most 18-24 year-olds will be referred to the WP from nine months of their claim. All ESA customers can volunteer for the WP. Those in the WRAG, claiming Income Related ESA and with a short prognosis will be mandated. The Service Academy model can be offered throughout the country.

There is no previous programme or offer that is directly equivalent to the Service Academy model. Therefore, we have to look at other sources that can inform likely estimates of the impact of Service Academies. There are two sources of information that provide the most useful evidence of the likely equality impacts of Service Academies:

### ***Analysis of previous take-up of similar programmes***

There is data on take-up<sup>12</sup> of the Young Person's Guarantee Routes into Work Pre-Employment Training (YPG PET), including demographic breakdowns (for England only) of those starts. YPG PET is sector based training, up to eight weeks, that can be accompanied by a Work Trial. It is only available for young people from the six month point of their claim. When assessing the impact by age, it isn't appropriate to use YPG PET as it was only available for young people. So in the age analysis we have looked at take-up of Six Month Offer Work Focused Training. This is training offered to JSA claimants upon reaching the sixth month of their claim.

For ESA claimants, there is no equivalent programme from which assumptions about take-up can be extrapolated. On Pathways to Work, approximately 25% of new customers volunteered for some sort of support beyond mandatory Work Focused Interviews. However, the range of support available was very broad, including NDDP and the Condition Management Programme. Work Prep and Work STEP schemes, specifically for disabled customers, were available, but because these were targeted at people with specific health conditions, they are not really applicable to Service Academies.

### ***Analysis of those who might take-up Service Academies***

There is data from the Labour Force Survey (LFS) on benefit claimants and their qualification levels. Service Academies are intended for claimants who are close to the labour market but who would benefit from a short training intervention and a work

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<sup>12</sup> Percentage of those who started YPG PET out of all those eligible.

experience placement to support them in finding work. Although they are not intended for those with numeracy or literacy skills needs, they are likely to be taken up by lower qualified claimants. For this analysis we have taken JSA claimants whose highest qualification is below Level 2 to act as a proxy for who we think are most likely to take up Service Academies. The analysis focuses on claimants aged over 19, as this is the group for whom BIS-funded training provision will be available. We are aware of the problems of using the LFS to identify individuals on benefits, however the LFS is the best source to get a measure of the qualification level of the benefit claimants. As we are using it for percentages, rather than overall volumes, we believe it is fit for purpose for this analysis.

At the end of each section, we have brought together the findings from the two sources to conclude the likely impact of Service Academies.

Service Academies are also available for ESA claimants in the Work Related Activity Group (ESA WRAG). However we do not have good data to indicate the likely take-up of Service Academies for this group. Previous similar programmes, e.g. YPG PET and 6 Month Offer Work Focused Training were only available to JSA claimants.

The LFS shows that for those claiming Incapacity Benefits, approximately 35% of claimants have low skills. However, this is an estimate from the caseload and doesn't reflect those who are likely to be in the WRAG after IB Reassessment.<sup>13</sup>

Given the fact that many people who claim IB or ESA are unable to do the job they were employed in previously, having higher skills doesn't necessarily imply someone would not be interested in Service Academies. In addition, given the fact that everyone in the ESA WRAG has a limited capability for work, it seems reasonable to expect that take-up of Service Academies is likely to be quite low.

Given it is not clear which ESA WRAG customers will find Service Academies of value, we have provided statistics for IB and ESA as a whole, and made judgements based on that.

## **Disability**

### ***Analysis of previous take-up of similar programmes***

Table 10 shows, by disability, the take-up of YPG PET starts compared to all those eligible for YPG – i.e. 18-24 year olds who have been on JSA for at least 6 months.

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<sup>13</sup> Labour Force Survey Q2 2008

Table 10: Starts to YPG PET (Nov 09 to Oct10) in England and all eligible JSA claimants by whether they report a disability<sup>14</sup>

	<b>YPG PET</b>	<b>All 18-24 year olds on JSA for more than 6 months</b>
Disabled	10%	12%
Non-Disabled	90%	88%

For all those young people eligible to take-up YPG PET, disabled claimants were proportionately slightly less likely to take up the programme – 12% of all those eligible for YPG PET were disabled, but only 10% of those who started YPG PET were disabled.

### **Analysis of those who might take-up Service Academies**

Tables 11 and 12 below show the percentage of JSA claimants who report a disability, by their highest qualification level; Table 11 for 19-24 year olds and Table 12 for 25+.

Table 11 looks at this for young (19-24 year old) JSA claimants before they reach the Work Programme – i.e. it looks at those claiming for up to 6 months (the LFS does not indicate who has been claiming for 9 months, so we use 6 months instead). It shows that the incidence of individuals with a disability is greater among those qualified below Level 2 (8%) than among those qualified to Level 2 and above (5%).

Table 11: Percentage of those classified as ILO unemployed aged 19-24 and reported claiming JSA for up to 6 months, by qualification level and disability status<sup>15</sup>

	<b>Quals below Level 2</b>	<b>Level 2 and above</b>	<b>All qualifications</b>
Disabled	8%	5%	6%
Non-Disabled	92%	95%	94%

Table 12 replicates the analysis of the previous table but focuses on the ILO unemployed aged 25 and over who report to have been claiming JSA for up to 12 months – i.e. to look at JSA claimants before they are due to join the WP.

<sup>14</sup> Source for YPG starts: YPG Official Stats, 19th Jan 2011. Source for 18-24 year olds on JSA for more than 6 months; LFS, Q2 2010.

<sup>15</sup> Source: LFS, Q2 2010



Table 12: Percentage of those classified as ILO unemployed, aged 25-64 and reported claiming JSA for up to 12 months, by qualification level and disability status <sup>16</sup>

	<b>Quals below Level 2</b>	<b>Level 2 and above</b>	<b>All qualifications</b>
Disabled	21%	16%	18%
Non-Disabled	79%	84%	82%

Table 12 shows that the incidence of disability is much greater among this age group (18%) than among the younger group (6%) shown in Table 11. However, the rest of the interpretation is similar: the incidence of individuals with a disability is greater among those qualified below Level 2 (21%) than among those qualified to Level 2 and above (16%).

Table 13: Medical conditions analysis of the ESA / IBSDA caseload<sup>17</sup>

<b>Medical Condition</b>	<b>Share of the incapacity benefits caseload (IB/ESA/SDA)</b>
Mental and Behavioural Disorders	43%
Diseases of the Nervous System	6%
Diseases of the Circulatory or Respiratory System	7%
Diseases of the Musculoskeletal system and Connective Tissue	16%
Injury, Poisoning and certain other consequences of external causes	6%
Other	22%

Table 13 shows the breakdown of primary health conditions of those people claiming IB, ESA and SDA. We do not know which ESA claimants are more likely to take up Service Academies. Some people on ESA (or who have been re-assessed from IB) may require adaptations in order to undertake work experience. As the work experience element of Service Academies is unpaid and is a temporary placement, disabled customers will not be eligible to apply for Access to Work support for any necessary adaptations, leading to a risk that fewer disabled people will be in a position to benefit from a Service Academy place. To mitigate this risk DWP is exploring alternative solutions, including providing advice to employers about how they can make adjustments themselves, and signposting other possible sources of

<sup>16</sup> Source: LFS, Q2 2010

<sup>17</sup> Source: DWP Work and Pensions Longitudinal Study, May 2010

funding for adjustments. Jobcentre Plus will pay the transport costs of those who are unable to use public transport.

### **Conclusion**

As stated above we do not have good data to indicate the likely take-up of Service Academies for ESA claimants. The LFS analysis of JSA claimants suggests that a policy which targets the lower-skilled (proxied by qualifications below Level 2) may be slightly more likely to be applicable for disabled than the non-disabled. However, the YPG PET analysis (JSA only) showed that disabled claimants were slightly less likely to actually take up the programme. **The Department will monitor the characteristics, including disability of all customers taking-up Service Academies.**

Claimants should only be referred to a Service Academy if the Jobcentre Plus adviser, employer and college/training provider thinks it is appropriate. Advisers will devise a tailored plan for each ESA WRAG claimant and will encourage, persuade and support people into an activity they consider to be beneficial to the claimant.

Jobcentre Plus Advisers and managers are able to seek advice and guidance from Disability Employment Advisers (DEA) and Work Psychologists (WP) with regard to claimants who may have additional support needs while attending a Service Academy (e.g. claimants with support needs for reasons of a learning disability or mental health issue). DEAs and WPs can also be consulted in circumstances where it may be unclear whether or not a disabled or vulnerable claimant should be referred to learning or sanctioned if they do not comply. In such cases of uncertainty, it is recommended that the referring Jobcentre Plus Adviser discuss these issues with their line manager, a DEA and WP representative, the college/training provider and the claimant in order to ensure that all the appropriate viewpoints and evidence can be considered before making a decision. Whatever the outcome of the decision, the vulnerable or disabled claimants' progress should be monitored.

All Jobcentre Plus offices are compliant with the Equality Act 2010 in ensuring that all reasonable steps are taken to ensure that the full range of services is offered to everyone. Jobcentre Plus insists that all the organisations they work with are compliant with this legislation. If a disabled person is unable to use public transport, Jobcentre Plus pays the cost of alternative transport (taxi).

### **Gender**

#### ***Analysis of previous take-up of similar programmes***

Table 14 shows, by gender, the take-up of YPG PET starts compared to all those eligible for YPG – i.e. 18-24 year olds who have been on JSA for at least 6 months.

Table 14: Gender analysis of Starts to YPG PET in England and all eligible JSA claimants (Nov 09 to Oct10)<sup>18</sup>

	YPG PET	All 18-24 year olds on JSA for more than 6 months
Male	66%	70%
Female	34%	30%

Table 14 shows that there were more men (70%) than women (30%) who were eligible for YPG PET and hence take-up was higher for men (66%) than women (34%). However, as only 30% of all JSA claimants eligible for YPG PET were female, compared to 34% of those who started the training, on average, an eligible woman was more likely to take up the offer than an eligible man.

#### **Analysis of those who might take-up Service Academies**

Table 15 below shows a gender analysis from the LFS of JSA claimants under 25 years, by highest qualification level. It shows that males of this age group who are in the first six months of their claim are more likely to have lower qualification levels than women. Although men make up 73% of all the population in this group, they make up 82% of those with qualifications below level 2.

Table 15: Percentage of those classified as ILO unemployed, aged 19-24 and reported claiming JSA for up to 6 months, by qualification level and gender<sup>19</sup>

	Quals below Level 2	Level 2 and above	All qualifications
<b>Male</b>	82%	66%	73%
<b>Female</b>	18%	34%	27%

JSA claimants aged 25-64: Table 16 focuses on the ILO unemployed aged 25 and over who report to have been claiming JSA for up to 12 months.

Table 16: Percentage of those classified as ILO unemployed, aged 25-64 and reported claiming JSA for up to 12 months, by qualification level and gender<sup>20</sup>

	Quals below Level 2	Level 2 and above	All qualifications
<b>Male</b>	63%	69%	67%
<b>Female</b>	37%	31%	33%

<sup>18</sup> Source for YPG starts: YPG Official Stats, 19th Jan 2011. Source for 18-24 year olds on JSA for more than 6 months; NOMIS, claimant count.

<sup>19</sup> This table refers to individuals who, according to the LFS, are both ILO unemployed *and* report to have been claiming JSA for the period specified. Source: LFS, Q2 2010

<sup>20</sup> Source: LFS, Q2 2010

For those who report claiming JSA for up to 12 months, there is a fairly proportionate split of men and women who are lower qualified – i.e. 67% of everyone in this age group are men, and 63% of those qualified below level 2 are men.

Table 17: Gender analysis of the ESA / IBSDA caseload<sup>21</sup>

Benefit	Percentage Male	Percentage Female
IBSDA	58%	42%
ESA	57%	43%

Table 17 shows that ESA claimants are more likely to be male (57%) than female. However we do not have this data broken down by skill/qualification level. We are not able to tell at this stage whether ESA customers of one gender or another are more or less likely to take up Service Academies, but Service Academies are designed to provide additional support to those struggling to move into work, regardless of gender.

**Conclusion**

So taking the results of the LFS and YPG PET analysis together, the LFS analysis seems to show that younger men, are more likely to be lower qualified. However, with YPG PET, on average, women were more likely to take up the offer. If this applies to claimants for Service Academies, we would expect the number of male participants to exceed the number of women participants as women make up less of the eligible group. However, we would expect take-up rates for Service Academies to be slightly higher for women than men. **The Department will monitor the characteristics, including gender, of all customers taking-up Service Academies.**

**Ethnicity**

**Analysis of previous take-up of similar programmes**

Table 18 shows, by ethnicity, the take-up of YPG PET starts compared to all those eligible for YPG – i.e. 18-24 year olds who have been on JSA for at least 6 months.

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<sup>21</sup> Source: Work and Pensions Longitudinal Study May 2010

Table 18: Ethnicity analysis of Starts to YPG PET in England and all eligible JSA claimants (Nov 09 to Oct10)<sup>22</sup>

Ethnicity	YPG PET	All 18-24 year olds on JSA for more than 6 months
White	80%	78%
Black or Black British	5%	5%
Asian or Asian British	6%	6%
Mixed	3%	3%
Other/ Chinese	1%	1%
Unknown	5%	7%

Table 18 shows that the take-up of YPG PET by each ethnic group was fairly proportionate. For example 5% of the JSA claimants eligible for YPG PET were “Black or Black British”, and 5% of those who started were also “Black or Black British”. Similar proportionate levels of take-up are found for the other minority ethnic groups; “Asian or Asian British”, “Mixed” and “Other/Chinese”.

#### **Analysis of those who might take-up Service Academies**

In the analysis of the LFS, sample sizes do not allow us to report data for each recorded ethnicity. In consequence, we aggregate the results in the categories “white” and “non white”. Analysis of JSA claimants aged 19-24 in Table 19 shows that the majority of those in this group are “white”, who in turn are slightly over-represented among those qualified below Level 2. Therefore, this policy will tend to affect white claimants more than non-white claimants due to its focus on those who are lower-skilled.

Table 19: Percentage of those classified as ILO unemployed, aged 19-24 and reported claiming JSA for up to 6 months, by qualification level and ethnicity<sup>23</sup>

	Quals below Level 2	Level 2 and above	All qualifications
White	93%	83%	87%
Non-White <sup>24</sup>	7%	17%	13%

JSA claimants aged 25-64: Table 20 focuses on the older group of JSA claimants: the ILO unemployed aged 25 and over who report to have been claiming JSA for up

<sup>22</sup> Source for YPG starts: YPG Official Stats, 19th Jan 2011. Source for 18-24 year olds on JSA for more than 6 months; NOMIS, claimant count.

<sup>23</sup> Source: LFS, Q2 2010

<sup>24</sup> We are unable to break the non-white group down any further due to sample sizes.

to 12 months. Among this age group, the disparities found after segmenting by qualification level are less marked than for the younger group.

*Table 20: Percentage of those classified as ILO unemployed, aged 25-64 and reported claiming JSA for up to 12 months, by qualification level and ethnicity <sup>25</sup>*

	<b>Quals below Level 2</b>	<b>Level 2 and above</b>	<b>All qualifications</b>
White	87%	85%	86%
Non-White	13%	15%	14%

*Table 21: Ethnicity analysis of the ESA caseload<sup>26</sup>*

<b>Ethnicity</b>	<b>Proportion</b>
White	68%
Mixed	1%
Asian or Asian British	4%
Black or Black British	3%
Chinese or Other Ethnic Group	1%
Prefer Not to Say	7%
Unknown	16%

Table 21 shows the ethnicity breakdown for the ESA caseload, although we do not have this data broken down by skill/qualification level. However Service Academies are designed to provide additional support to those struggling to move into work, regardless of ethnicity, and we will work to ensure that those who will benefit most from this model of support are encouraged to take it up. The Department will monitor the characteristics, including ethnicity, of all customers taking-up Service Academies.

**Conclusion**

Bringing the YPG PET and LFS analysis together; the above evidence for both age groups suggests that we should expect the majority of participants on Service Academies to be White. The LFS shows that claimants who are white are slightly more likely to be lower qualified than other ethnic groups. However, take-up of YPG PET was proportionate amongst the ethnic groups. Hence, assuming similar take-up rates for Service Academies, we would expect this policy to have an equal benefit across ethnic groups. Service Academies are not designed for any particular group, but rather for claimants who would benefit from this particular model of support to help them make the transition into work.

<sup>25</sup> Source: LFS, Q2 2010

<sup>26</sup> Source: Work and Pensions Longitudinal Study May 2010

Jobcentre Plus is committed to ensuring that in the delivery of services and products, they are offered in a way that is appropriate and accessible, meet individual needs, enables equal access for all and meets Diversity and Equality legislation requirements. Jobcentre Plus is able to demonstrate our commitment by:

- Promoting equality of opportunity and diversity within the communities in which we work and with all our partners and workforce.
- Building in legislative requirements and best practice to all our service delivery and employee policies and procedures, and supporting these with appropriate training and guidance.

Every person working for the Department has a personal responsibility for implementing and promoting these principles in their day-to-day dealings with customers, with each other and with partners.

**Age**

***Analysis of previous take-up of similar programmes***

To look at an age breakdown of previous take-up of equivalent programmes to Service Academies, it is not appropriate to look at YPG PET as it was only available for young JSA claimants. So a more appropriate programme to look at is Six Month Offer Work Focused Training (6MO WFT), that is available for all those claiming JSA for longer than 6 months.

Table 22 shows, by age, the take-up of 6MO WFT starts compared to all those eligible for 6MO WFT – i.e. those claiming JSA for at least 6 months.

*Table 22: Age analysis of Starts to 6MO WFT in England and all eligible JSA claimants (Apr 09 to Oct10)<sup>27</sup>*

	<b>6MO WFT</b>	<b>All those on JSA for more than 6 months</b>
18 to 24	14%	17%
25 to 49	68%	63%
50+	18%	19%

Table 22 shows that young people are slightly less likely to participate in 6MO WFT – 17% of 18-24 year old JSA claimants are eligible for the programme, but only 14% of starts were for this age group. This difference is partly due to other employment programmes being available to young people. For example, the New Deal for Young

<sup>27</sup> Source for YPG starts: YPG Official Stats, 19th Jan 2011. Source for 18-24 year olds on JSA for more than 6 months; NOMIS, claimant count.

People was offering support that young people will have used where available, rather than the Six Month Offer. Allowing for this, then there is a fairly proportionate take-up amongst the different age groups.

**Analysis of those who might take-up Service Academies**

The following analysis from the LFS looks at qualification levels by three age groups: 19-24, 25-49 and 50-64. Table 23 shows percentages for each qualification level and Table 24 shows percentages for each age band.

*Table 23: Percentage of those classified as ILO unemployed, and reported claiming JSA for up to 6 months (under 25 years) or up to 12 months (aged 25 and above), by age group and qualification level and ethnicity. Column percentages.<sup>28</sup>*

	<b>Quals below Level 2</b>	<b>Level 2 and above</b>	<b>All qualifications</b>
19-24	25%	20%	22%
25-49	59%	63%	62%
50-64	16%	17%	16%

*Table 24: Percentage of those classified as ILO unemployed, and reported claiming JSA for up to 6 months (under 25 years) or up to 12 months (aged 25 and above), by age group and qualification level<sup>29</sup>*

	<b>Quals below Level 2</b>	<b>Level 2 and above</b>	<b>Total</b>
19-24	42%	58%	100%
25-49	35%	65%	100%
50-64	35%	65%	100%
<b>All ages</b>	<b>37%</b>	<b>63%</b>	<b>100%</b>

Given the demographics of the claimant population, Table 23 shows that those aged 25-49 still make up more than half of the individuals we expect to be applicable for Service Academies. However, Table 24 shows that those aged 19-24 have a lower qualification profile than those aged 25 and above. Also, those aged 25-49 and 50-64 have similar qualification profiles.

<sup>28</sup> Source: LFS, Q2 2010

<sup>29</sup> Source: LFS, Q2 2010



Table 25: Age analysis of the ESA / IBSDA caseload

Age	IB/SDA <sup>30</sup>	ESA <sup>31</sup>	All <sup>32</sup>
16-17	0%	1%	0%
18-24	4%	14%	6%
25-34	12%	17%	13%
35-44	21%	24%	22%
45-49	15%	13%	15%
50-54	16%	13%	15%
55-59	19%	12%	18%
60+	13%	5%	11%

Table 25 shows the age breakdown for the Incapacity Benefit/ Severe Disablement Allowance and ESA caseload. However we do not have this data broken down by skill/qualification level. We are not able to tell at this stage whether ESA customers of a particular age are more or less likely to take up Service Academies **but Service Academies are designed to provide additional support to those struggling to move into work, regardless of age (where claimants meet the eligibility criteria).**

### **Conclusion**

Taking the YPG and LFS analysis together, young people will be more likely to be eligible for Service Academies because of their lower qualification profile. From the data on previous take up of 6MO WFT, it seems that take-up will be fairly proportionate across the age groups. Service Academies are not designed for any particular group, but rather for claimants who would benefit from this particular model of support to help them make the transition into work.

In order to tackle the higher unemployment rates for the 18-25 group, some employment measures are targeted on young people, for example the Work Experience element of Get Britain Working. While some policies are targeted on younger groups, it would not be appropriate for all policies to be targeted at certain age groups. While not as large as the increases for the younger age groups, the increase in the unemployment rate for those over 25 over the recession has still been significant.

### **Sexual orientation**

No data is available to assess if Service Academies will have an equality impact relating to sexual orientation. No negative impacts are expected to result from this

<sup>30</sup> Source: Work and Pensions Longitudinal Study May 2010 Working age IBSDA

<sup>31</sup> Source: Work and Pensions Longitudinal Study May 2010 All cases ESA

<sup>32</sup> Source: Work and Pensions Longitudinal Study May 2010 Working age IBSDA and ESA

proposal. All Jobcentre Plus claimants attending adviser interventions leading to signposting or referral to Service Academies are done so regardless of their sexual orientation.

### **Gender Reassignment**

No data is available to assess if Service Academies will have an equality impact relating to gender reassignment. No negative impacts are expected to result from this proposal. All Jobcentre Plus claimants attending adviser interventions leading to signposting or referral to Service Academies are done so regardless of their gender reassignment.

### **Pregnancy and maternity**

No data is available to assess if Service Academies will have an equality impact relating to pregnancy and maternity. No negative impacts are expected to result from this proposal. All Jobcentre Plus claimants attending adviser interventions leading to signposting or referral to Service Academies are done so regardless of their pregnancy or maternity status.

### **Religion or belief**

No data is available on the religion or faith of claimants who will be impacted by this proposal. All customers subject to Service Academies will be treated fairly irrespective of their religion or beliefs. They will not be asked to undertake any activity which goes against their beliefs, and allowances will be made to reflect religious holidays and practices. It is not anticipated that the religion or belief of customers will affect their eligibility or take-up as both advisers and mentors will offer support tailored to individual circumstances.

## **New Enterprise Allowance**

To assess the equality impact of the New Enterprise Allowance we have considered the following sources of information:

- Comparison of Jobseeker's Allowance customers reaching six months unemployment to Jobseeker's Allowance customers who took up the self employment support available through the Self Employment Credit element of the Six Month Offer to identify whether any particular customer groups are more likely to take up support available through New Enterprise Allowance. The Self Employment Credit offered in-work financial support worth £50 per week for up to 16 weeks, initially targeted at Jobseeker's Allowance customers with a claim duration of over six months. This was later reduced to three months, but the data used in this section only uses data on customers who took up the self-employment offer after six months of their claim, as this matches the eligible group for New Enterprise Allowance.

- Comparisons of six month Jobseeker’s Allowance customers with the wider benefit population (both Jobseeker’s Allowance and other benefits) to assess the potential impact of targeting New Enterprise Allowance on Jobseeker’s Allowance customers who have been unemployed for six months.

## Disability

Table 26 below compares the characteristics of six month Jobseeker’s Allowance customers to Self Employment Credit starts, and six month Jobseeker’s Allowance customers compared to new Jobseeker’s Allowance customers.

*Table 26: JSA flows and Self Employment Credit take-up by disability status*

	<b>Disabled</b>	<b>Non-Disabled</b>
JSA on-flow <sup>33</sup>	18%	82%
JSA customers reaching six months <sup>34</sup>	23%	77%
Self Employment Credit Starts (six month eligibility) <sup>35</sup>	16%	84%

The statistics above suggest that Jobseeker’s Allowance customers with a disability are slightly more likely to reach six months unemployment than non-disabled Jobseeker’s Allowance customers though these same customers are slightly less likely to take-up self employment support than non-disabled customers. Both factors may reflect the higher barriers to work experienced by some disabled customers. Jobcentre Plus advisers will work closely with disabled people to ensure that the support they receive is tailored to their needs.

Customers will be referred to NEA irrespective of disability – those most suited to the support will receive all of the support, guidance and encouragement they need to enter self-employment... The barriers disabled customers face are often the same as for other customers entering self employment such as difficulties in obtaining capital, fear of losing benefits and a lack of access to business advice and support.<sup>36</sup> NEA includes more generous in-work financial support compared to the SEC, which will help in the transition from benefits to self-employment. The one-on-one support of a

<sup>33</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09. The statistics in the table below are calculated by linking individual level data from the National Benefits database and the LMS Client Evaluation database, and is based on 3.1 million new JSA claims of which 520,000 have declared a disability during a Jobcentre Plus interview.

<sup>34</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09. The statistics in the table below are calculated by linking individual level data from the National Benefits database and the LMS Client Evaluation database, and is based on 3.1 million new JSA claims of which 520,000 have declared a disability during a Jobcentre Plus interview.

<sup>35</sup> Six Month Offer Official Statistics, January 2011

<sup>36</sup> Boylan and Burchard, 2002, *Barriers to Self Employment for Disabled People*, <http://www.berr.gov.uk/files/file38357.pdf>

mentor will provide advice and information. Finally, the New Enterprise Allowance will offer access to affordable small loans to address difficulties in accessing finance and capital.

**Gender**

Table 27 compares the characteristics of six month Jobseeker’s Allowance customers to Self Employment Credit starts, and six month Jobseeker’s Allowance customers compared to new Jobseeker’s Allowance customers.

*Table 27: JSA flows and Self Employment Credit take-up by gender*

	<b>Male</b>	<b>Female</b>
JSA on-flow <sup>37</sup>	71%	29%
JSA customers reaching 6 months <sup>38</sup>	76%	24%
Self Employment Credit Starts (six month eligibility) <sup>39</sup>	83%	17%

The data in the tables above show that men are more likely to reach six months on Jobseeker’s Allowance than women. Men are also more likely than women to take-up self employment support, although this is probably a result of there being a higher proportion of male JSA customers at later durations in a claim. Nationally men are more likely to be self-employed than women, as table 28 shows.

*Table 28: Self-employment by gender in Great Britain, 2010<sup>40</sup>*

<b>Gender</b>	<b>Self-employment jobs</b>
Male	2,902,300
Female	1,310,900
Total	4,213,200

<sup>37</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09. The statistics in the table below are calculated by linking individual level data from the National Benefits database and the LMS Client Evaluation database, and is based on 3.1 million new JSA claims of which 520,000 have declared a disability during a Jobcentre Plus interview.

<sup>38</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09. The statistics in the table below are calculated by linking individual level data from the National Benefits database and the LMS Client Evaluation database, and is based on 3.1 million new JSA claims of which 520,000 have declared a disability during a Jobcentre Plus interview.

<sup>39</sup> Six Month Offer Official Statistics, January 2011. Where data is unknown it has been excluded from the breakdown.

<sup>40</sup> Source: Nomis Workforce jobs by industry (SIC 2007) and sex – unadjusted 03/2010.

The New Enterprise Allowance will be made available to JSA customers regardless of Gender, and it will be down to individual claimants to choose whether they think NEA is the most appropriate support for them. NEA will provide personalised support for eligible jobseekers, alongside support to overcome financial barriers to setting up in business. The Department will monitor on an ongoing basis the characteristics, including gender, of customers participating in the NEA compared to the overall population of Jobseeker’s Allowance customers.

**Ethnicity**

Table 29 below compares the characteristics of six month Jobseeker’s Allowance customers to Self Employment Credit starts, and six month Jobseeker’s Allowance customers compared to the on-flow to Jobseeker’s Allowance.

*Table 29: JSA flows and Self Employment Credit take-up by ethnicity*

	<b>White</b>	<b>Ethnic Minority</b>
JSA on-flow <sup>41</sup>	87%	13%
JSA customers reaching 6 months <sup>42</sup>	85%	15%
Self Employment Credit starts (six month eligibility) <sup>43</sup>	92%	8%

The figures in Table 29 show that ethnic minorities are more likely to reach six months unemployment than white Jobseeker’s Allowance customers. It also shows that the take-up of the Self Employment Credit by ethnic minority customers is lower than the proportion of ethnic minority customers in the eligible group (8% compared to 15%). This may be because this group of customers faces higher barriers to employment, including self employment.

Customers for whom NEA is appropriate will be encouraged to participate irrespective of ethnicity; the personalised approach of Jobcentre Plus will contribute to ensuring equality of opportunity to Jobseeker’s Allowance customers from all ethnic minority groups. The Department will monitor on an ongoing basis the

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<sup>41</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09. The statistics in the table below are calculated by linking individual level data from the National Benefits database and the LMS Client Evaluation database, and is based on 3.1 million new JSA claims of which 520,000 have declared a disability during a Jobcentre Plus interview.

<sup>42</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09. The statistics in the table below are calculated by linking individual level data from the National Benefits database and the LMS Client Evaluation database, and is based on 3.1 million new JSA claims of which 520,000 have declared a disability during a Jobcentre Plus interview.

<sup>43</sup> Six Month Offer Official Statistics, January 2011. Where data is unknown it has been excluded from the breakdown.

characteristics of customers participating in the New Enterprise Allowance following its introduction.

**Age**

Table 30 below compare the characteristics of six month Jobseeker’s Allowance customers to Self Employment Credit starts, and six month Jobseeker’s Allowance customers compared to new Jobseeker’s Allowance customers.

*Table 30: JSA flows and Self Employment Credit take-up by age*

	<b>18-24</b>	<b>25-49</b>	<b>50+</b>
JSA on-flow <sup>44</sup>	37%	49%	13%
JSA customers reaching 6 months <sup>45</sup>	32%	53%	14%
Self Employment Credit Starts (six month eligibility) <sup>46</sup>	7%	70%	23%

The statistics presented above show that older Jobseeker’s Allowance customers are more likely to reach six months unemployment, and are also more likely to take up self employment support than younger customers. This is in line with evidence from the evaluation of Enterprise Allowance (which ran until 1992) that older participants were also more likely to succeed in sustaining self-employment for more than a year<sup>47</sup>. Therefore, there is likely to be differential take-up by age, but a differential impact on young people is not expected. Younger customers will have the opportunity to access New Enterprise Allowance, in addition to having access to a range of other support, including other Get Britain Working measures and personalised support from the Work Programme.

**Sexual Orientation**

No data is available to assess if New Enterprise Allowance will have an equality impact relating to sexual orientation. However, it is not anticipated that the sexual

<sup>44</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09. The statistics in the table below are calculated by linking individual level data from the National Benefits database and the LMS Client Evaluation database, and is based on 3.1 million new JSA claims of which 520,000 have declared a disability during a Jobcentre Plus interview.

<sup>45</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09. The statistics in the table below are calculated by linking individual level data from the National Benefits database and the LMS Client Evaluation database, and is based on 3.1 million new JSA claims of which 520,000 have declared a disability during a Jobcentre Plus interview.

<sup>46</sup> Six Month Offer Official Statistics, January 2011. Where data is unknown it has been excluded from the breakdown.

<sup>47</sup> Owens, 1989, Enterprise Allowance Scheme Evaluation. Sixth Six Month National Survey, Research and Evaluation Branch.

orientation of customers will affect their eligibility or take-up because advisers and mentors will offer support tailored to the individual.

### **Gender reassignment**

No data is available to assess if New Enterprise Allowance will have an equality impact relating to gender reassignment. However, it is not anticipated that gender reassignment will affect customers' eligibility or take-up because advisers and mentors will offer support tailored to the individual.

### **Religion or belief**

No data is available on the religion or faith of claimants who will be impacted by this proposal. All customers subject to New Enterprise Allowance will be treated fairly irrespective of their religion or beliefs. They will not be asked to undertake any activity which goes against their beliefs, and allowances will be made to reflect religious holidays and practices. It is not anticipated that the religion or belief of customers will affect their eligibility or take-up as both advisers and mentors will offer support tailored to individual circumstances.

### **Pregnancy and maternity**

No data is available to assess if New Enterprise Allowance will have an equality impact relating to pregnancy and maternity. However, it is not anticipated that pregnancy and maternity will affect customers' eligibility or take-up because advisers and mentors will offer support tailored to the individual.

## **Work Programme**

### **Disability**

A higher proportion of longer term Jobseeker's Allowance customers are disabled compared with new Jobseeker's Allowance customers - 17% of new customers in 2008/09 were disabled compared with 21% of Jobseeker's Allowance customers reaching 6 months unemployment and 26% of Jobseeker's Allowance customers reaching 12 months on Jobseeker's Allowance.

Table 31: JSA durations by disability<sup>48</sup>

	Disabled	Not Disabled
New JSA customers	18%	82%
6 month plus JSA customers	23%	77%
12 month plus JSA customers	27%	73%

Following the planned reassessment of Incapacity Benefit customers between 2011 and 2013, we expect more customers with health conditions and disabilities to move onto Jobseeker's Allowance over the next three years. This will have a consequent impact on the proportion of customers on JSA with a disability.

Customers on Jobseekers Allowance will be referred to the Work Programme regardless of disability. The Department expects the Programme will assist disabled Jobseeker's Allowance customers to find sustained employment, thereby promoting greater equality of labour market outcomes.

Customers who move onto JSA following their IB/SDA reassessment will have early entry to the Work Programme – they will enter at three months compared with 12 or 9 months for most JSA customers. Disabled customers are one of a number of groups that are recognised to have significant barriers to employment; at the discretion of their personal adviser these customers are eligible to volunteer for early entry to the Programme

The support delivered through the Work Programme will be flexible and personalised, addressing individuals' needs. The Work Programme will assist disabled Jobseeker's Allowance customers to find sustained employment, thereby promoting equality of outcomes. Work Programme providers will be bound through the terms of their contract to not unlawfully discriminate on grounds of disability, and must comply with the Equality Act 2010.

## Gender

Males are more likely to claim Jobseeker's Allowance and to reach longer unemployment durations than females. Around 71% of new Jobseeker's Allowance customers in 2008/09 were male and 79% of Jobseeker's Allowance customers reaching 12 months on Jobseeker's Allowance were male. A breakdown is shown in Table 32 below

<sup>48</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09. The statistics in the table below are calculated by linking individual level data from the National Benefits database and the LMS Client Evaluation database, and is based on 3.1 million new JSA claims of which 520,000 have declared a disability during a Jobcentre Plus interview.



Table 32: Jobseeker's Allowance durations by gender<sup>49</sup>

	Male	Female
New JSA customers	71%	29%
6 month plus JSA customers	76%	24%
12 month plus JSA customers	79%	21%

It is therefore likely that more men will participate on the Work Programme relative to the number of Jobseeker's Allowance new claims, as they are more likely to experience long-term unemployment.

Customers will be referred to the Work Programme regardless of their gender, and we expect the Programme to benefit customers of both genders in finding employment. The Department will monitor on an ongoing basis the characteristics, including gender, of customers referred to the Programme compared to the overall population of Jobseeker's Allowance customers.

### Age

The largest proportion of jobseekers who reach the end of one year on Jobseeker's Allowance without having moved into work are those aged 25 to 49. People aged 18 to 24 represent 39% of Jobseeker's Allowance customer but only 15% of those whose claims reach one year of unemployment, although the claims of young people are limited to a maximum of 10 months in New Deal for Young People areas because they are required to participate in full-time activity. Customers aged 50 years and over are significantly more likely to remain on Jobseeker's Allowance for a long period. Jobseekers aged 25 and over are significantly more likely to have claims lasting more than one year than jobseekers aged 18 to 24, and are therefore more likely to benefit from improved employment prospects as a result of this measure.

Table 33: Claim length by age<sup>50</sup>

	18-24	25-49	50+
New JSA customers	37%	49%	13%
6 month plus JSA customers	32%	53%	14%

All Jobseeker's Allowance customers will be able to access the Work Programme regardless of age. Apart for those customers who are eligible for early entry due to greater disadvantage, all customers over the age of 25 will enter from 12 months into their claim.

<sup>49</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09.

<sup>50</sup> Source: National Benefits Database. Cohort of new JSA claims in 2008/09. This doesn't include the small number of 16-17 year-olds that claim JSA on hardship grounds.

Young people will generally enter the Work Programme from nine months of their claim This early access happens because:

- The proportion of unemployed young people is greater than for any other group At any one time 18 to 24 year olds make up around 30% of Jobseeker’s Allowance claims, and 30% of working age ILO unemployment, compared to just 14% of the economically active working age population.
- A lack of work experience and skills are a particular barrier for young people. A 2009 survey of employers found that the main barriers to recruiting young people (aged 16 to 24) were lack of experience (72%) and the availability of more suitable candidates (65%)<sup>51</sup>. Early entry into employment support is necessary to prevent young JSA customers from becoming long-term NEET and to encourage the development of good work habits early in their career.

Young people with additional disadvantages (for example, NEET status or disability) will also be referred even earlier to the Work Programme at three months.

**Ethnicity**

The table below shows that Jobseeker’s Allowance customers from ethnic minorities are more likely to claim Jobseeker’s Allowance for a longer duration than white people. The Repeat Jobseeker’s Allowance Spells report also found that ethnic minorities were more likely than average to have spent long periods on Jobseeker’s Allowance and New Deal programmes. Introducing the Work Programme is expected to benefit long term Jobseeker’s Allowance customers by helping them find and sustain employment.

*Table 34: JSA durations by ethnic background<sup>52</sup>*

	<b>White</b>	<b>Ethnic Minority</b>
New JSA customers	87%	13%
6 month plus JSA customers	85%	15%
12 month plus JSA customers	84%	16%

The Department expects a positive impact on Jobseeker’s Allowance customers from ethnic minorities as relatively more Jobseeker’s Allowance customers from ethnic minorities reach longer durations of unemployment. No negative impacts are expected on Work Programme participants as the Work Programme will deliver personalised support, tailored to the individual needs of customers. The Department

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<sup>52</sup> Carpenter, H. (2006) Repeat Jobseeker’s Allowance spells DWP Research Report No 394

will monitor the characteristics, including ethnicity, of customers referred to the Work Programme on an ongoing basis.

### **Gender Re-assignment and Sexual Orientation**

All participants on the Work Programme will be treated fairly and equally regardless of their gender or sexual orientation. The Department does not currently collect data on customers who have undergone gender re-assignment or on their sexual orientation. The more personalised and flexible support on offer, however, will enable us to take each individual's personal circumstances into consideration.

Work Programme providers are bound through the terms of their contract to not unlawfully discriminate on the grounds of sexual orientation. Therefore no negative impacts are expected.

### **Religion or Belief**

No data is available on the religion or faith of claimants who will be impacted by this proposal. All customers subject to the Work Programme will be treated fairly irrespective of their religion or beliefs. They will not be asked to undertake any activity which goes against their beliefs, and allowances will be made to reflect religious holidays and practices. It is not anticipated that the religion or belief of customers will affect their eligibility or take-up as both advisers and mentors will offer support tailored to individual circumstances.

### **Pregnancy or Maternity**

No data is available to assess if the Work Programme will have an equality impact relating to pregnancy and maternity. However, it is not anticipated that pregnancy and maternity will affect customers' eligibility or take-up because advisers and mentors will offer support tailored to the individual.

## **Monitoring and evaluation**

The Department is currently developing a light touch evaluation approach for the Get Britain Working measures, including Service Academies and New Enterprise Allowance, as part of a wider evaluation strategy for pre-Work Programme support. This will examine:

- Flows off benefit and into employment;
- The quality of customer experience, as well as delivery volumes; and
- The value for money and productivity

The management information collected will be used to account for public spend, enable performance improvement and inform evaluation.

## Skills Conditionality

We are planning qualitative research which will include questions to look at the implementation of skills conditionality following roll-out and at the effect of mandation on claimants. This will be carried out in two waves – the first in the Autumn 2011 and the second in early 2012.

Using Management Information and administrative data from both Jobcentre Plus and the Skills Funding Agency we will know the number of people who have been mandated to training. We will be able to break this information down by different demographic groups (e.g. gender, disability, age and ethnicity) to monitor the effect of conditionality on different protected groups.

However, we will not be able to measure the net impact of skill conditionality on attendance on training or on job outcomes. This is due to the fact that we will not have a control or comparison group. Looking at comparisons before and after roll-out of skills conditionality could be misleading due to the changing wider skills offer that is being introduced from 1 August 2011.

## Service Academies

As one of the Get Britain Working strands, data recorded on Service Academies will be built into the overarching assessment of pre-Work Programme support, in line with the new Jobcentre Plus Performance Framework. The Framework moves Jobcentre Plus away from a culture of multiple targets to one focussed on performance in the round. Significantly, the framework also prescribes more local devolution and flexibility for both delivery and performance management. As such there will be a light touch approach towards central Get Britain Working evaluation, examining:

- Flows off benefit and into employment;
- The quality of customer experience, as well as delivery volumes; and
- The value for money and productivity story.

Due to the flexible nature of the approach to Get Britain Working delivery, our current working assumption is that no targets will be set for Service Academies. The management information collected will be used to account for public spend, enable performance improvement and inform evaluation.

The Service Academy evaluation strategy is currently in development and subject to resource and data.

## Work Programme

**The Department will commission a comprehensive, independent evaluation of the Work Programme. This evaluation will gather evidence on:**

- **Delivery** – exploring the customer experience and how providers deliver the Work Programme to learn lessons for future policymaking;

- **Performance** – establishing the outcomes and destinations of customers, how fast they leave benefit and how long they stay in work; and
- **Impact and value for money** – assessing the impact of the programme on job entry, retention and benefit off-flows.

**In addition to measuring the outcome rates and other impacts of the Work programme for customers in each of the JSA and ESA customer groups, the evaluation will provide an assessment of programme performance and effects by customer sub-group. This analysis will support the Equality Impact Assessment and will contribute to measuring the Work Programme's contribution to combating child poverty and improving the labour market position of disadvantaged groups.**

**Customer characteristics to be captured and analysed by include:**

- gender;
- age – specifically young people (including those not in employment, education or training – NEETs) and older workers;
- sexual orientation;
- religious belief;
- ethnicity;
- marital (including 'living together') status;
- housing status;
- disability or ill-health (including those with mental health conditions);
- parental status;
- caring responsibilities;
- ex-offenders;
- former members of the UK Armed Forces; and
- those with little or no skills/qualifications.

**The evaluation will be supplemented with DWP Management Information (MI) to monitor programme performance through a number of key measures (e.g. starts, job outcomes and sustained job outcomes). This will be available on a monthly basis and will be used to account for public spend and inform performance improvement. Customer characteristics captured through DWP MI systems include:**

- gender;
- age;
- ethnicity;
- marital status;
- disability or ill-health status (where declared);
- parental status; and
- ex-offenders.

Where data is available, the diversity breakdown of Work Programme customers will be monitored to ensure any unintended effects are identified and addressed.

The management information collected will be used to account for public spend, enable performance improvement and inform evaluation.

## Next steps

The Department will monitor the impacts of the Employment, Skills and Enterprise Schemes and revise the equality impact assessment as necessary.

## Contact details

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