

Summary

The New Deal 50plus is part of the Government's Welfare to Work initiative. It is directed towards people aged 50 and over, who have been out of work for six months or more and on benefits, and wish to return to employment. Participation is voluntary and the main elements of the programme are one-to-one support with job search from a New Deal Personal Adviser (NDPA), a wage top-up (Employment Credit) for those who find work paid up to one year and a Training Grant.

This research is based upon 30 in-depth interviews with participants of the programme. It follows two earlier phases of qualitative research and its aim was to evaluate the longer term outcomes of the programme. All respondents had also participated in at least one of these two previous phases of the research. Most of the 30 respondents (26) had claimed the Employment Credit for the maximum 12 month period at the time of the interview and most were still working in the same jobs (24) as when they started the Employment Credit.

Key Findings

- The Employment Credit was viewed as the main element of the programme. Recipients largely remained very positive about it. Application and receipt of the Employment Credit was found to be a straightforward process. The level of the top-up was thought to be reasonable, as was the earnings cap of £15,000 per year.
- Participants were most critical about the one-year duration of the Employment Credit. The lowest paid in particular noted that one year was not long enough to make up for the reduction in income when the Employment Credit expires.
- There was a good proportion of respondents who had benefited greatly from their involvement in New Deal 50plus, and who were likely to continue to support themselves indefinitely as a result.
- Self employment stood out as a route with noticeably positive outcomes. Five of the respondents had entered self employment and all of these had been able to create businesses which were at least surviving and some were thriving.
- How the expiry of the Employment Credit had affected recipients depended on a number of factors such as the level of pay, the number of hours worked, the cost of living in the locality and personal circumstances such as family support and financial commitments. For many respondents the impact of the expiry was not felt too greatly, but some had become trapped in low paid employment and were experiencing difficulties supporting themselves financially.
- A few of the respondents would have liked more advice and guidance from the Jobcentre at later stages of the programme, for example on further employment opportunities once the Employment Credit has been claimed or other in-work benefits.
- Take up of the Training Grant is still relatively low and the Training Grant is seen as a secondary feature of the programme. Nonetheless, there was a higher level of take up and interest in this element of the programme than was found during phase 2 of this qualitative research (nine months previously).
- Reasons identified by respondents for the low level of take up of the Grant included a lack of knowledge about it, a lack of interest in training. Some of the eligibility criteria presented a barrier, in particular the time limit it is available for and the requirement that training should be directly relevant to the current job.
- Suggested improvements to the programme included more advice and support from a NDPA at later stages of the programme, a gradual phase out or extension of the time period the Employment Credit is available for and more information about the Training Grant.

Executive summary

The New Deal 50plus is part of the Government's Welfare to Work initiative. It is directed towards people aged 50 and over, who have been out of work for six months or more and on benefits, and wish to return to employment. Participation is voluntary and the main elements of the programme are one-to-one support with job search from a New Deal Personal Adviser (NDPA), a wage top-up (Employment Credit) for those who find work paid up to one year and a Training Grant.

This research is part of the national evaluation of New Deal 50plus conducted by the Institute for Employment Studies. This qualitative element of the evaluation is based upon 30 one-to-one interviews with participants of the programme. It follows two earlier phases of qualitative research and its aim was to evaluate the longer term outcomes of the programme. All the respondents had participated in at least one of the previous phases and had claimed the Employment Credit. Most of the 30 had reached the end of the year for which the Credit is available. The fieldwork took place in June and July 2001 in four areas: the Black Country, North Derbyshire, Edinburgh, Southwark, Dorset and Eastbourne.

The main findings of the research are set out below.

What participants were doing at Phase 3

At Phase 3 most of the respondents remained in the same employment as they were in when interviewed for phase 2 of the research, which was at least nine months earlier. Of the 30 interviewed, all were employed, except for three who had returned to Jobseeker's Allowance, and three who had retired — two through ill health. Of those who were working (24), half were in full-time work and half worked part time. Five were self employed. Twenty-six of the respondents had claimed the Employment Credit for a full year and one was still receiving it. Seven had claimed the Training Grant.

Jobs included shop work, security guard, hotel porter and car park attendant, with more

typical 'career' jobs being far less common. Generally, the respondents were not looking to build a career. They tended to be happy with subsistence work, and to remain in employment while winding down to retirement. Those who had embarked on new careers (these had mainly entered self employment) were in the minority, and also tended to be younger.

Views and experiences of the Employment Credit

The Employment Credit is viewed as the main element of the programme. Recipients largely remained very positive about it, both at later stages of the programme or once they had completed the Employment Credit year. Application and receipt of the Employment Credit was found to be a straightforward process. The only difficulties experienced were at the six month stage, when a few (five) of the research participants were unaware they needed to provide further evidence of their employment.

The level of the top-up (£60 per week for full-time work and £40 for part time) was thought to be reasonable, as was the earnings cap of £15,000 per year. Very few were earning anywhere near this amount.

Participants were most critical about the one-year duration of the Employment Credit. The lowest paid in particular noted that one year was not long enough to make up for the reduction in income when the Employment Credit expires. They suggested that the Employment Credit should be phased out more gradually over a longer period of time or continued indefinitely. Most recipients of the Employment Credit knew when it was due to expire; they also received information about this on their advice slips. However, they would have liked to have been reminded of the precise date of expiry.

The impact the Employment Credit had had on the 30 respondents depended on wage levels and the financial circumstances of the individuals. It had acted as an incentive for some respondents to take any job; for others it had encouraged them to lower their sights or take a different job to one they would have

considered otherwise, but for some it was more of a bonus.

After the Employment Credit ends

Most of the 30 respondents had claimed the Employment Credit for the maximum 12 month period at the time of the interview and most were still working in the same jobs as when they started the Employment Credit. However, the time since the Credit had ended was relatively short, no more than nine months.

How the expiry of the Employment Credit had affected recipients varied according to individual circumstances. The sample of 30 respondents was split fairly evenly between those who were managing well, those who were coping in the short term and those who were now in distress. Details of these three groups are as follows.

- The first group had benefited greatly from their involvement in New Deal 50plus, and were likely to continue to support themselves indefinitely as a result. Many were relatively well paid or able to draw on other sources of income. Self employment was a route with noticeably positive outcomes. Virtually all of these clients had been able to create businesses which were at least surviving and some were thriving.
- Some of the second group were coping with the expiry by working extra hours — some very long hours. This group were quite positive about their future prospects and felt their position in the labour market had improved through gaining work experience, updating skills and increased confidence.
- The final group were often on low wages or working part time and unable to increase their hours. They also had no other sources of support. Many felt that they would be unable to remain in work, and some felt that the distress their circumstances were causing them was having an impact on their health. Some were aggrieved that they had not been better informed about the potential

implications of the Employment Credit expiry when they first joined the programme.

Advice, guidance and contact with the Employment Service

Advice and guidance provided by the Jobcentre after respondents started to claim the Employment Credit is not a formal provision of ND50plus. However, clients do have some contact with the Jobcentre or NDPA when providing proof of employment. Clients also become eligible for caseloading once again if the job finishes before the end of the Employment Credit year, or if they have been unemployed for a further six months. Some also had informal contact.

As would be expected therefore, once respondents were receiving the Employment Credit, they had had minimal, if any, contact with their NDPA and the Jobcentre, aside from the six month review to reapply for the Credit. Similarly, there was little contact with NDPAs or the Job Centre once the Employment Credit payments had finished, as long as clients remained in work.

Most of the 30 respondents were satisfied with the support they had received from their NDPA and felt that there was no need to see their NDPA once they were in work. Some also felt this when their Employment Credit had ended. Others would have liked help, for example, with ways of redressing the loss of the Employment Credit through increasing their earnings in some way, or advice about other in-work benefits. The possibility of providing some small business support once the Employment Credit ended, was also raised by some self employed respondents. The three who were claiming Jobseeker's allowance at the time of the research would have liked one-to-one help and guidance before this six month stage.

The Training Grant

The Training Grant is seen as a secondary feature of the programme. However, attitudes towards the Training Grant were fairly positive amongst our group of respondents at phase 3. There was a higher level of take up and

interest in this element of the programme than was found during phase 2 of this qualitative research (nine months previously). There was also greater awareness and understanding of the Grant. As such, the research findings indicate that there is greater interest in the Training Grant at a later stage in the programme.

Attitudes towards training were also very job specific, with those who were self employed or working in professional and skilled jobs being more positive towards the idea than those working in more menial jobs who saw themselves as having less to gain from training. The seven claimants of the Training Grant, who were interviewed, had clearly found it very useful and had been able to improve their employment prospects or develop their business as a result.

A number of reasons for the low level of take up of the Grant were identified:

- Clients lacking detailed information about the Training Grant, how it could be used and training available locally.
- A perception held by some that employers would provide all the training which was needed, for example those working in large supermarkets.
- A lack of interest in training among older participants.
- The Training some of the 30 respondents were interested in was not directly relevant to their current job. Training must be relevant in order for participants to be eligible for this grant.
- The time limit in which it is available: many respondents suggested they would be interested in claiming the Training Grant in their second year of employment. This time limit also meant that some missed the September or October starts of many courses.
- For some, the level of the Grant (£750) was restrictive because the training they required was very expensive — for example, to fund engineering certificates and qualifications.

Suggestions for improvement

Drawing on the suggested improvements identified by the 30 respondents, the following would appear to be particularly helpful.

- More support available from an NDPA when the Employment Credit expires — for example, help with in-work benefit calculations and information about other employment opportunities.
- Caseloading support available at an earlier stage, if participants return to unemployment. Some of our respondents had had to wait a further six months before they were offered this again, and by this time the benefits of having been in work had diminished.
- A relaxation of the rule relating to not being able to return to Job Seeker's Allowance when a job is left voluntarily, after the expiry of the Employment Credit. This is because some clients had now found that they were trapped in employment and were experiencing difficulties supporting themselves financially.
- Alternatively, a gradual phase out or extension of the time period the Employment Credit is available for.
- Availability of more information about the Training Grant and training opportunities, from the NDPA, particularly at later stages in the programme. Also clarification of the type of training the Grant can be used for would help. Many clients would benefit from training which was not directly relevant to their current employment.
- Extension of the time period the Training Grant is available for.
- A greater amount available through the Training Grant in exceptional circumstances, where clients would benefit from more extensive or expensive training.