

**Sustainable Community Strategy
Cross-cutting Review
Worklessness**

Produced by Strategic Policy and Research

Introduction

Hackney's Sustainable Community Strategy recognises the significance of unemployment within the borough. In a changing policy environment with reduced resources and a need for improved results, there are benefits to an in-depth examination of the complexities of worklessness and the barriers confronting Hackney's residents from entering the labour market.

This Cross-cutting Review of Worklessness took place between October 2009 and October 2010 with a small Steering Group to direct the research, review findings and agree the recommendations. It comprised:

- Ian Ashman, Principal of Hackney Community College and co-chair of Team Hackney's Economic Development Partnership
- Cllr Guy Nicholson, cabinet member for Regeneration and co-chair of Team Hackney's Economic Development Partnership
- Tim Shields, Chief Executive, London Borough of Hackney
- Mary Cannon, representative of the Community Empowerment Network
- Kim Chaplain, Deputy Director, Employment and Skills, Host Boroughs Unit

This review provides an in-depth analysis of long-term unemployment in the borough. We examine the evidence to provide

- a clear, local picture of the barriers our residents face
- a segmented view of the unemployed population and
- insight into the service programmes that support employment.

Based on our findings and an extended discussion across the Team Hackney Partnership, we present recommendations for new directions in the local worklessness agenda.

The Sustainable Community Strategy sets out six priorities, the first is

1. *Reduce poverty by supporting residents into sustainable employment, and promoting employment opportunities.*

Of the set of 18 Outcomes in the Strategy, the following are directly related to employment:

1. *Substantially narrow the gap between Hackney's employment rate and the London average.*
2. *Increase employment for people in Hackney who are disabled or have a long-term health condition or mental health problems.*
3. *Improve the earnings of people in Hackney to lift them out of poverty.*
4. *Close the gap between the percentage of people in Hackney with no qualifications at all and the London average and increase the percentage of people of working age in Hackney who hold qualifications fit for the job market.*

6. *Ensure parents, families and carers are effectively supported to inspire their children to achieve wellbeing and reach their full potential in life, particularly families living in poverty*
14. *To ensure that our town centres in Dalston and Hackney Central and our areas of growth in Shoreditch, Woodberry Down and Hackney Wick are vibrant places where local people and visitors choose to shop and spend leisure time, and make sure that these centres remain attractive places to do business and invest in.*

In support of the Community Strategy outcomes, our Local Area Agreement 2008-11 included specific targets that the Council and its partners are still committed to working towards even with the discontinuation of the Agreements. Even with the end of LAAs, the targets are still relevant for demonstrating Hackney's priorities. These targets focused on areas where strong progress will be required now if we are to meet the longer-term ambitions set out in the Community Strategy.

LAA 2008-11 targets relating specifically to tackling worklessness include:

Employment

NI 151: Overall employment rate

NI 153: Working age people claiming out of work benefits in the worst performing neighbourhoods

NI 150: Adults in contact with secondary mental health services in employment

Economic wellbeing (children and young people):

NI 116: Proportion of children in poverty

NI 117: 16 to 18 year olds who are not in education, employment or training

Skills and aspirations:

NI 80: Achievement of a Level 3 qualification by the age of 19

NI 110: Young people's participation in positive activities

NI 163: Working age population qualified to at least Level 2 or higher

NI 13: Migrants' English language skills and knowledge

The LAA also included stretch targets relating to assisting young people (18-24), lone parents and those on long-term incapacity benefits into sustainable employment.

The employment rate in Hackney has improved from a low of 53% in 2005 to the current rate (July 2010) of 69% now surpassing the London average. At the same time, the unemployment rate in Hackney has held steady near or above 10% for five years and the Job Seekers Allowance claimant rate is at the same level as it was in 2000.

'Workless' basically means out-of-work for an extended period. It is used as an umbrella term to include both those who are unemployed and seeking work, and people who for one reason or another are unable or unwilling to undertake paid employment. It is also used to refer to households with at least one working age adult where no one works.

Unemployment includes all people who are looking for a job, but are unable to find one. Economic inactivity, by contrast, refers to people of working age who

are neither unemployed nor in employment. It includes a large number of people claiming incapacity or severe disability benefits, as well as students and people who are looking after a home or family members, or retired.

Section 1: Policy History and Background

1.1 Current Unemployment Policy: 21st Century Welfare

A series of changes in unemployment policy have occurred during the course of our research, including a change of government. At the time of writing, the Coalition has stated its intentions to overhaul the benefits system. A report issued in June 2010 demonstrated four possible models for the new structure. These range from universal provision of a single income replacement benefit for all claimants to a negative tax for qualified households, which would reduce as income increases.

All of these programmes would be designed around the individual and promote the journey to work as the primary alternative. The goal of the benefit restructure is to reduce the number of programmes within the system and to discourage long-term dependency on benefits such that claimants view work as a viable and feasible alternative.

DWP has defined a set of principles to guide the redesign¹

- ensure that people can see that the clear rewards from taking all types of work outweigh the risks
- further incentivise and encourage households and families to move into work and to increase the amount of work they do, by improving the rewards from work at low earnings, and helping them keep more of their earnings as they work harder
- increase fairness between different groups of benefit recipients and between recipients and the taxpayer;
- continue to support those most in need and reduce the numbers of workless households and children in poverty and ensure that interactions with other systems of support for basic needs are considered;
- promote responsibility and positive behaviour, doing more to reward saving, strengthening the family and, in tandem with improving incentives, reinforcing conditionality;
- automate processes and maximise self-service, to reduce the scope for fraud, error and overpayments. This could include a responsive and immediate service that saves the taxpayer significant amounts of money and ensures compliance costs for employers, at worst, no worse than under the current system; and
- ensure that the benefits and Tax Credits system is affordable in the short and longer term.

At this point, the Government hopes through these reforms to increase the incentives for work, maintain a focus on those with low incomes ensuring they continue to receive the support they require as they transition back to work, and to simplify benefit programmes.

Job Centre Plus also anticipates a change in the way employment programmes are implemented. The delivery of the Single Work Programme

¹ Department of Work and Pensions, (2010). *21st Century Welfare (Consultation Document)*, London : HMSO.

will supply a single, personalised welfare-to-work programme for all client groups that is contracted out entirely to a series of prime agencies. A key difference in implementation will be payments, at this point programmes will have differential prices based on different customer groups and payments will be based on client sustainability results, sometimes up to two years in work.

The programme will offer a broad range of work readiness activities and could possibly include entrepreneurship training, volunteer opportunities and community work clubs. This last component supports jobseekers return to work through groups that share experiences, exchange skills and provide opportunities for making contacts. A special youth project plans to place young people with a sole trader for six months work experience, add additional apprenticeships each year, 100,000 additional Further Education college places and concentrate new technical schools in the 12 largest urban areas.

Starting October 2010, all Employment Support Allowance (ESA) and Incapacity Benefit (IB) claimants will go through a new Work Capability Assessment. These questionnaires and exams establish the health-related support client will need. The changes to the IB programme and eligibility criteria will begin in March 2011 with the majority of Incapacity Benefit customers starting assessments in Jan 2011 with a full programme rollover by April 2014.

The purpose of the programme restructure is to reduce the hidden worklessness in the UK that immobilises the economic potential within IB claimants. The underlying principle is based on the understanding that appropriate work is beneficial for physical and mental health and overall well-being.

In November 2010, a new white paper was released to explain the Coalition Government's intention to create a Universal Credit. The reform will provide a single benefit for basic allowance with additional elements for children, disability, housing and caring. Designed to support people both in and out of work the Universal Credit replaces Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, Jobseeker's Allowance and Employment and Support Allowance.

The new system will be streamlined both in its framework and in the electronic payment service regulating calculation and administration of benefit. One major focus within the reform is the conditionality that will be imposed. The claimant commitment will expect recipients to undertake some sort of work related activity. Depending on circumstances, this could include full job searches to work preparation or work focused interviews with an employment advisor.

Key for local authorities is the potential sanctions that will follow if the commitment to look for work is not upheld. Benefits will be halted if a claimant fails to participate in the appropriate work related activity. Compliance failure includes not accepting a job, actively looking for work, attending work focused interviews or attending employment related programmes. There may be a hardship fund available to fill gap temporarily. The paper also mentions this could be in the form of a loan not a payment. Claimants with no recent history

of work or employment behaviour may be at particular risk. This will be especially true for any one claiming benefit for mental or emotional illness.

1.2 New Deals, Pathways and Tackling Worklessness

From 1997-2008, the government's main policy tool to support unemployed people into work was the New Deal programme, which targeted various specific groups with personalised packages of interventions. These programmes helped over 1.8 million people into work and were accompanied by an important administrative innovation: the merger of the major employment agency (Job Centre) and the benefits agency (under the former Department for Social Security) into Jobcentre Plus. The aim was not only to reduce costs but also to facilitate the government's increasing emphasis on linking benefit entitlements with various forms of work-related conditionality to encourage more benefit claimants to move into paid work.²

Between 2001 and 2003, the focus of government policy was concentrated primarily on the economically inactive. The New Deal for Disabled People and the Pathways to Work programme were designed to help Incapacity Benefit claimants move into paid work. By October 2008, the introduction of the Employment Support Allowance (ESA) and the accompanying reforms to Incapacity Benefit and Income Support built on the findings of the Pathways pilots, which demonstrated the effectiveness of personalised advice and support in helping IB claimants who would not otherwise have moved into work.

Responsibility for implementing the welfare reform agenda and for tackling worklessness on the ground continued to be largely with employment service providers and economic development partners. While local government was increasingly expected to play a key strategic role in tackling worklessness in their areas, the funding behind this enhanced responsibility is a drop in the ocean compared to that provided to major service providers such as Jobcentre Plus.

In fact, a report looking at the role of local authorities and their partners in tackling worklessness through Neighbourhood Renewal funding concluded that even if all area-based funding was geared towards meeting employment targets,

“the level of funding available is insufficient to generate significant improvements in overall employment rates; improvements which are made can be masked by other changes. Expecting highly disadvantaged boroughs to deliver convergence with national averages within the funding available is wholly unrealistic.”³

The report goes on to say,

² Bewley, H., Dorsett, R., and Haile, G (2007). *The impact of Pathways to Work*. (Research Report No.435) London: Department of Work and Pensions

³ Association of London Government, Greater London Enterprise Group, Greater London Authority, (2005). *Local Strategic Partnerships Tackling Worklessness*. London Councils: London.

“moreover, given that the improvements boroughs can generate are so limited, it is almost impossible to isolate or safeguard their impact against regional economic trends or local shocks to the economy which could throw hundreds or even thousands of people out of work... Percentage improvement to employment at borough level can therefore be understood an inappropriate measure...”⁴

Literature suggests then that local government’s role is better served in employment support rather than in employment programme delivery. The evidence demonstrates advantages in intervening where broader integrated public service responses are required to address barriers to work such as childcare provision, advice services, or debt counselling.

Various policy documents suggested local authorities could undertake the following roles in reducing worklessness:

- Continuing to fill gaps in mainstream provision to reach the long-term workless.⁵
- Joining-up services such as health, housing and employment at a local level
- Leading and coordinating local action through the LSP and building effective partnerships with major providers⁶
- Working with employment and skills providers such as Jobcentre Plus and the Learning and Skills Council, as well as other private and voluntary sector partners, to achieve LAA targets, coordinate employment and skills services and reduce duplication between employment services providers⁷
- Leading on the development of a local approach to addressing child poverty (across all service areas and partners) to improve the life chances of Hackney’s children and help to combat inter-generational worklessness and deprivation
- Taking forward the recommendations of Dame Carol Black’s recent review of the health of Britain’s working age population to ensure early intervention in sick leave to reduce the number of people who lose their jobs due to ill-health.⁸
- Working in partnership with GPs and other health professionals to help tackle the problem of sickness management.⁹
- Helping people to see that the trade offs of work are worth it as mothers, the disabled and long-term sick, and those who come from

⁴ *ibid*, p 33

⁵ Greater London Enterprise Group (2008). *Going to Work: How councils are joining up services to increase employment and skills*. London Councils: London.

⁶ HM Treasury, Department of Work and Pensions and Department of Schools, Children and Families (2008), *Ending Child Poverty: Everybody’s business*, HMSO: London

⁷ Greater London Enterprise Group, (2008). *Going to Work: How councils are joining up services to increase employment and skills*. London Councils: London.

⁸ Black C, (2008). *Working for a healthier tomorrow*. London: HMSO: London

⁹ Kemp, PA, Davidson J, (2008) *Routes onto Incapacity Benefit: Findings from a follow-up survey of recent claimants*, (Research Report No 516). Department of Work and Pensions: London.

families with long histories of worklessness have been proven to benefit substantially by being in work for health, emotional and social reasons.¹⁰

After a decade of intense focus on employment policy, Government moved from a focus on whole scale employment support to policies designed to reduce dependency on government support all together.

In 2007, the LDA published a report specific to London's worklessness problem¹¹. With the highest unemployment rates in the country, and 6 out of 7 workless residents with qualifications below level 4, and a constant stream of migrant labour, London's situation is uniquely complex.

The report found London's specific problems to include:

- The majority of jobs available in London are highly skilled whereas the unemployed population very low skilled
- The vast diversity of London's unemployed population renders large scale programmes ineffective
- Interventions have been particularly unsuccessful with minority residents (the very group with high unemployment rates)
- Factors specific to London are also acute
 - wage rates for less skilled work are low once housing costs are taken into account
 - childcare is less readily available and is expensive
 - part-time work is relatively scarce, especially in inner London where worklessness is concentrated.
 - the effectiveness of personal advisors is very important to success and London has a high turnover of Job Centre Plus advisors

In terms of solutions, recommendations were consistent with national policy, encouraging job search assistance as the most effective intervention. For disadvantaged groups, which are more prevalent in London, intensive training may be a better start rather than immediate job search activity. A key suggestion for disadvantaged groups was subsidised employment placements. The strong reminder for programme design for these populations is the fact how effective interventions tend to be expensive, longer term and tailored; pointing out "what is clear is that if provision does not address the particular needs of the individual receiving it, it is unlikely to make a difference."

1.3 Barriers to Work

The benefits of tailored and specific programming for individuals reached a national consensus through the New Deal programmes. Through these programmes, better understanding individual needs has led to an interest in

¹⁰ DWP (2007) *In work better off: Next Steps to Full Employment*. TSO: London.

¹¹ Meadows P. (2007) *What works with tackling worklessness*. London: London Development Agency and GLA Economics

better understanding the individual barriers people face rather than applying generic unemployment interventions.

In 2007, David Freud issued a series of recommendations that focused on revising the benefits system through concentrating more on the barriers to work rather than the benefits a client received, delinking the type of support from the type of benefit. Recommendations included

- Moving the client from Job Centre Plus provision to a private or third sector scheme that matched their support needs through intensive case management and individual, tailored help. A key aspect of this would include outcomes based performance pay rather than lump sum advanced funding, and higher rewards to harder to help clients. A report from a personal adviser detailing specific barriers would accompany the transfer of the client to the private or third sector.
- Increased expectation of work and work based activity from the start of assistance with frequent appointments and personalised advice and guidance.
- Move to a single system of benefits reducing the complexity of the system.

The Freud research highlighted the fact that client perceptions of benefit eligibility and complexity acted as a barrier to work. This was especially true for housing and council tax benefit. DWP surveys returned a lack of awareness that these could be retained in-work and the concern over the loss of housing benefit was a major barrier. The report pointed out that it was wrong to assume housing tenure was a direct cause of worklessness. Instead, the severity of the needs of social housing tenants combined with fear of benefit loss lowers the rate of employment within this tenure.

Freud also found that a series of factors contributed to the likelihood specific groups would be on benefit. Minorities have a much lower rate of employment than the White population. Single parents and disabled people all have higher rates of the working age population on benefit than average. The complex service needs of certain groups acted as a major barrier.

Drug or alcohol misusers, refugees or homeless clients are more likely to be workless for extended periods and will need specific treatment within a new conditionality regime. Ex-offenders, were also named as a special group. The report stated, "around 100,000 people come out of prison and go onto benefit each year, with only 20-30% of these finding work."¹² It is important to note that not all of the barriers these groups face are in their control, often the largest block to employment is employer attitudes and perceptions of these populations.

Working through these barriers required a more sophisticated approach to employment programmes. At the same time, the cost of individualised programming underlines the need to ensure a higher success rate and more people into work at the end. The 2008 Gregg Report discussed the impact of possibly strengthening conditionality for out-of-work benefits as Freud

¹² Freud, David, "Reducing dependency, increasing opportunity: options for the future of welfare to work, DWP, 2007

suggested.¹³ Conditionality is the “principle that entitlement to benefits should be dependent on satisfying certain conditions”. The report highlights the most common forms of conditionality within the current system:

- Fill out forms and provide accurate and up-to-date information on their status, income and household situation;
- Attend assessments that judge capacity for work or level of disability
- Undertake work-related activity such as attending interviews, taking part in a training programme, undertaking job search or applying for jobs.¹⁴

In order to make these conditions effective and useful for moving people into work it is imperative to have an appreciation of their starting point. A better analysis of their status can ensure a more precise plan for their journey back to work. Gregg identifies the following stages of readiness:

A ‘Work-Ready’ group for people who are immediately job-ready. The personalised regime is akin to the current Jobseeker’s Allowance regime. The regime should be largely rules-based and self-directed with standard job search requirements. As part of further personalisation, there should also be steps to:

- Speed up access to the more personalised parts of the JSA regime for harder to help groups; and
- Improve support for people on JSA with a health condition or disability.

A ‘Progression to Work’ group aimed at those where an immediate return to work is not appropriate but is a genuine possibility with time, encouragement and support, and where the conditionality will:

- Reflect the claimant’s co-ownership of the return to work process;
- Be tailored to their capability and built around their circumstances;
- Be based on activity that supports the claimant’s own route back to work; and
- Link up with effective support.

A ‘No Conditionality’ group that involves no conditionality requirements whatsoever. This would consist of the current Employment and Support Allowance (ESA) support group, lone parents and partners with a youngest child under the age of one, and certain carers.

For the most part, the Gregg Report reduces barriers to work for the long-term unemployed to two key issues, lack of work experience and employers’ reluctance to hire the unemployed. Before the New Deal programmes, employment support interventions for claimants were categorised by their type of benefit and not claimants’ service needs. As the awareness of this has improved, programmes are increasingly designed to take account of the preconditions for work as point for employment programmes.

While the Single Work Programme will be designed for individual needs and pathways, an important change is the push for even more conditionality within

¹³ Gregg, P 2008). *Realising potential: A vision for personalised conditionality and support*. London: Department of Work and Pensions

unemployment programmes. Even the long-term unemployed and those with health conditions will be expected to take part in some sort of work programme. They will be assessed via a Work Capability Assessment and referred to the appropriate programme.

1.4 Applied Personalisation

Personalised or individualised employment assistance can look very differently when translated from policy to implementation. The first step is to gain sufficient insight into the initial needs of different segments of the population. One outgrowth of individual pathways has been integrated programmes where services and auxiliary projects are linked for a comprehensive package of support. The services follow the need, once diagnosed, a service links should define the path.

Using the rough categories of the Gregg Review, Job Centre Plus has developed a traffic light system for clients. One example of this is the detailed list of pre-conditions for employment used by Making the Connection (MTC), the Nottinghamshire and North East Derbyshire Local Employment Partnership programme.

The programme links the local workforce to businesses and encourages staff development and progression for local people in need of employment. They also manage training events and recruitment activities to make sure that local people benefit from inward investment and employment opportunities. MTC aims to simultaneously accommodate the workforce needs of employers and to maximise opportunities for local communities.

The aim is to create a seamless service that matches labour market demand and supply within Nottinghamshire and North East Derbyshire. MTC ensures the communities within Nottinghamshire and North East Derbyshire, particularly those most disadvantaged, have the access to the support and training and employment opportunities presented at key strategic sites. This approach links the demand for skills of both existing employers looking to expand their workforce and investors looking to locate or relocate in the area.

As the partnership matured they realised they needed a better way to sort those closest to and furthest from the labour market to fine tune their programming and maximise the chances of large incoming companies hiring local people. They developed the following multi-stage definition of “job ready” based on a simple traffic light scale of red, amber and green.

Figure 1 Making the Connection Stages of Job-ready**RED**

- Very clear combination of multiple barriers to work
- Basic/life skills need to be addressed
- Poor/fragmented work history
- Demonstrates no clear motivation towards work or seeking work
- Lack of awareness of own skills and abilities
- Lack of knowledge of support available
- Lack of self-confidence

AMBER

- Completed most elements of provider's employability programmes
- Some issues with literacy and numeracy
- Transferable skills evidenced by a current, relevant CV
- Commitment to look for work and evidence of this
- May have a residual barrier to work but is working with provider to find solutions
- Participating in focussed pre-recruitment activity
- Small skills gap (or lower level qualification) that can easily be addressed
- Has had an advice and guidance session and is linked to an advisor

GREEN

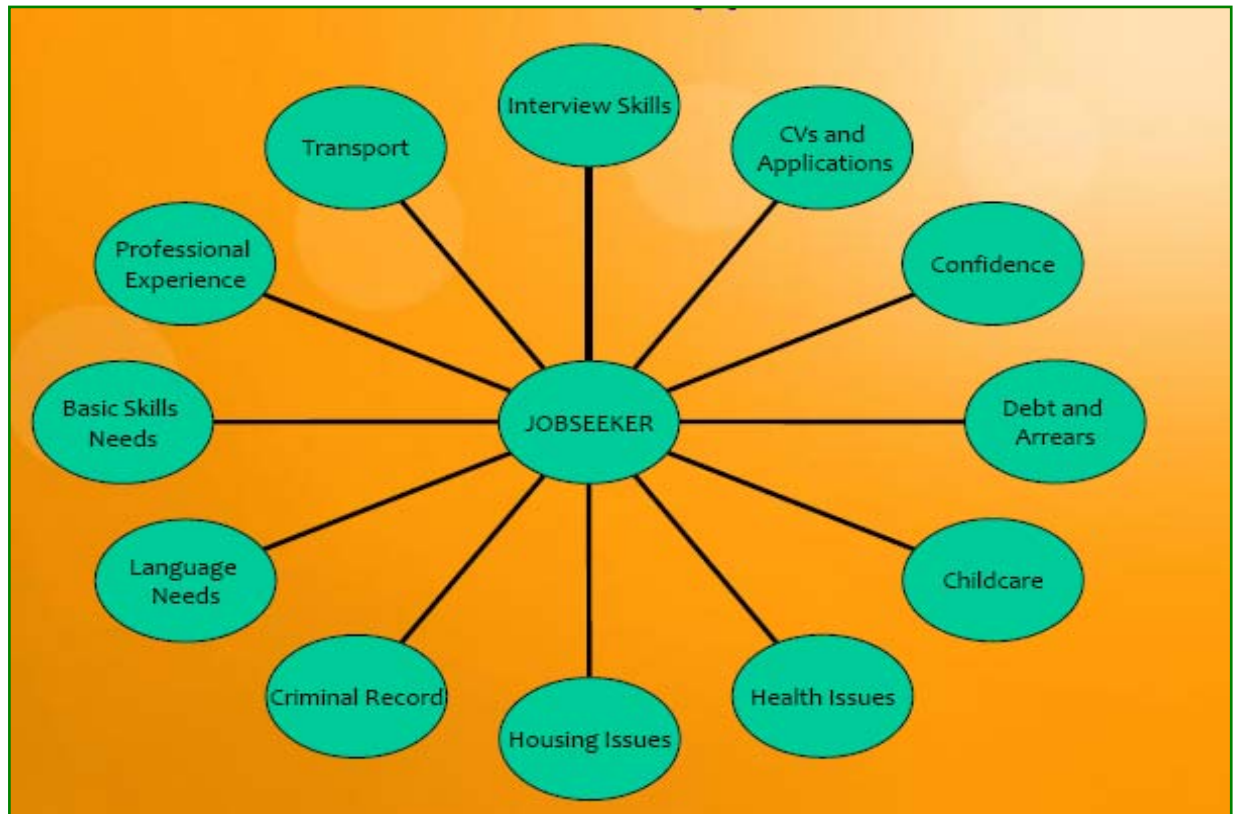
- Shows motivation and commitment through 100% attendance at recent appointments
- No identified literacy or numeracy issues
- Understands and demonstrates the importance of punctuality
- Has attended interview skills training or a mock interview
- Shows confidence and self-esteem and is well-presented
- Understands in-work etiquette
- Has interview clothes and can access support to attend interviews

This level of categorisation triggers a series of programmes that are brought together to handle the non-employment related services required to stabilise benefit claimants and move them toward work. The basket of barriers will determine the design of the work plan. This level of personalisation then trickles into the work of providers at the front line.

Similarly, the East London Pathways to Work project, provided by Ingeus (formerly known as Work Directions), aligns support services with employment training. Their programme includes a broad understanding of barriers.

Each client begins with a diagnostic interview examining the client from a holistic approach. The first interview is with an employment advisor or, where appropriate, the employment advisor plus a physiotherapist and a psychotherapist. Caring obligations, housing, health and support network, symptoms and debt are all considered in appreciating the clients start position. They find that lone parents have particular problems with deskilling, motivation, self-confidence. The programme design can be demonstrated through the following diagram.

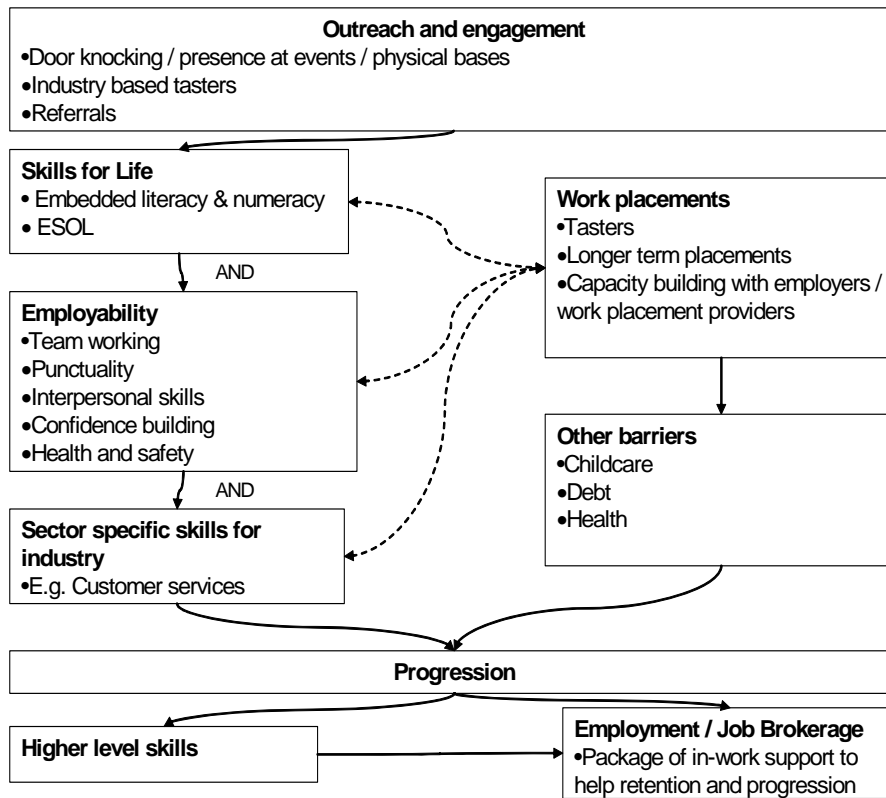
Figure 2: Ingeus Holistic Client Analysis



Hackney's own City Strategy Pathfinder (CSP), Ways into Work, incorporates some of these barriers in the programme design. The worklessness model identified a cluster of barriers faced by long-term residents who were unemployed. Recognizing that work is a secondary condition, the Ways into Work programme in its pilot phase targeted the following barriers to work:

- Poor employability skills and a lack of job specific skills;
- ESOL and Skills for Life needs (numeracy and literacy);
- Low levels of confidence and motivational issues;
- Lack of knowledge of, and ability to access, support and training opportunities;
- Attitudinal barriers and a culture of worklessness; and
- Lack of formal qualifications.

Figure 3: Team Hackney Worklessness Model



The model is based on the idea that individuals receive an integrated package of support tailored to their individual needs. This includes training and skills provision, including skills for life, employability and sector specific skills for industry, as well as work placements and services such as childcare, health and debt advice that can help to remove some of the barriers people face to employment.

These advances in personalisation demonstrate substantial appreciation of the complexity of the needs of the out-of-work population. However, we believe there are a series of major contributors to worklessness that underlie these specific barriers to work. Our research indicates that each of the barriers a client faces are also influenced by the structural characteristics linked to the social identity, environment and culture in which a claimant exists. These are not insurmountable; however, for real success employment programmes will need to evaluate generic barriers in light of the historical and social environment in which the client exists.

Section 2: Segmentation and Uncovering the Unemployed

The last section demonstrated how local authority unemployment programmes are expensive and extensive. Since they add to pre-existing schemes by Central Government, adding extra value is imperative for local programmes. We maintain that the best way for this to occur is through precise targeting of populations who need extra support.

An exploration of the characteristics of Hackney's workless population creates an evidence base for efficient targeting and effective program development. As the funding climate contracts over the next few years, every pound spend must be maximised, this becomes even more urgent as benefit conditionality becomes more strict and more people are ineligible.

This initial analysis begins with an overview of the spatial concentrations of worklessness in Hackney as reported through the Index of Multiple Deprivation. We also profile the aggregate picture of worklessness in Hackney to gain a clear understanding of the magnitude of the problem. Our analysis continues with an objective breakdown of the social identities of the workless population, which is often a first level constraint to work for women with small children, males experiencing structural unemployment, or young people. We explore how the interactions between identity factors such as ethnicity, age and gender reveal particular patterns of barriers to labour force participation.

Identity segmentation provides a basic test of difference in outcome for particular groups, but also can establish a foundation for a more complex analysis moving forward. This is important because projects that build confidence in men will be of a different specification than those that increase self-esteem in women. This also changes based on the ethnicity or country of origin of a beneficiary. Equally, qualifications programmes for older people who are long-term unemployed will have a different emphasis than those for young people. Some segments will require multiple interventions such as those that begin with emotional or mental health counselling, the category the Gregg Report refers to as 'Progression to Work'.

The final discussion in this section compares this objective analysis to regional and national statistics for context. We also explore the barriers to work in Hackney, which aligns the data with the qualitative experience as reported by residents. The full section amounts to a clear evidence base with which to provide recommendations for future policy action.

2.1 Income Deprivation

The Index of Multiple Deprivation is made of seven domains including

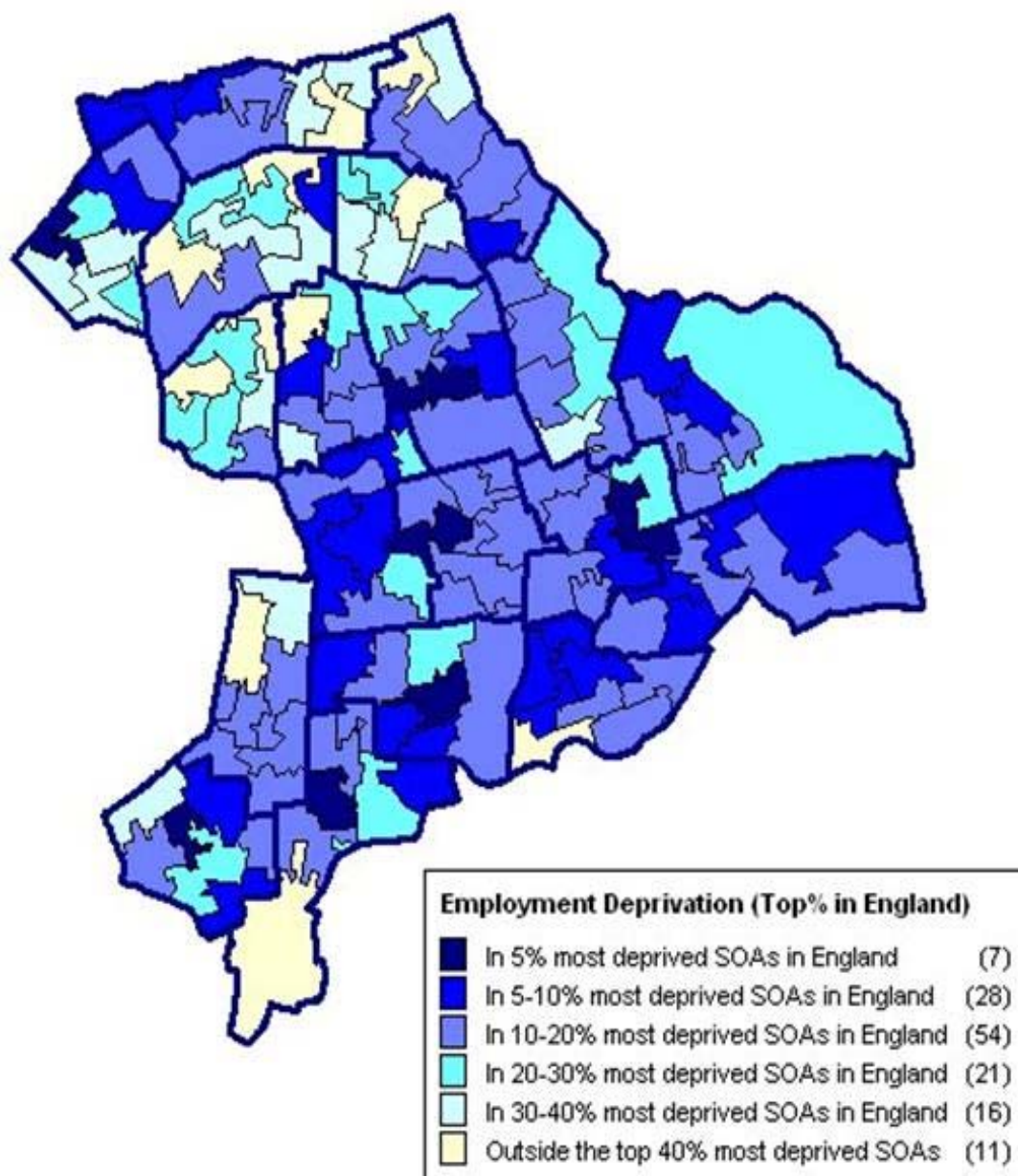
1. Income Deprivation
2. Employment
3. Education, Skills and Training
4. Health Deprivation and Disability
5. Barriers to Housing and Services
6. Crime Domain
7. Living Environment

The IMD ranks data zones from 1 (most deprived) upwards to cover the 32,482 statistical boundaries of Lower Super Output Areas of England. The ranking is based on a weighted combination of data within each of the domains. The *Income Domain* of the Index of Multiple Deprivation measures the proportion of the population experiencing income deprivation as defined by the percentage of residents qualifying for the following benefits:

- Income Support
- Job Seekers Allowance
- Pension Credit
- Working Families Tax Credit (households whose income is below 60 per cent of median before housing)
- Child Tax Credit (households whose income is below 60 per cent of median before housing)
- National Asylum Support Service supported asylum seekers in receipt of subsistence only and accommodation support.

In 2007, Hackney was the second most deprived borough in England. In terms of employment deprivation, 65% of Hackney was in the top quintile for employment deprivation nationally, and over a third of its Super Output Areas were within the top 10% most deprived areas in England. Although there will most likely not be a continuation of the IMD, the underlying characteristics within Hackney's population have changed dramatically since 2007 and we would expect to see a correlated change in our IMD rankings. We would anticipate a more polarised picture where only areas of increased private tenure would have increased employment and decreased incidence of benefit dependency. In the map below, the darker the colour, the greater extent of deprivation.

Figure 4: Employment Deprivation in Hackney



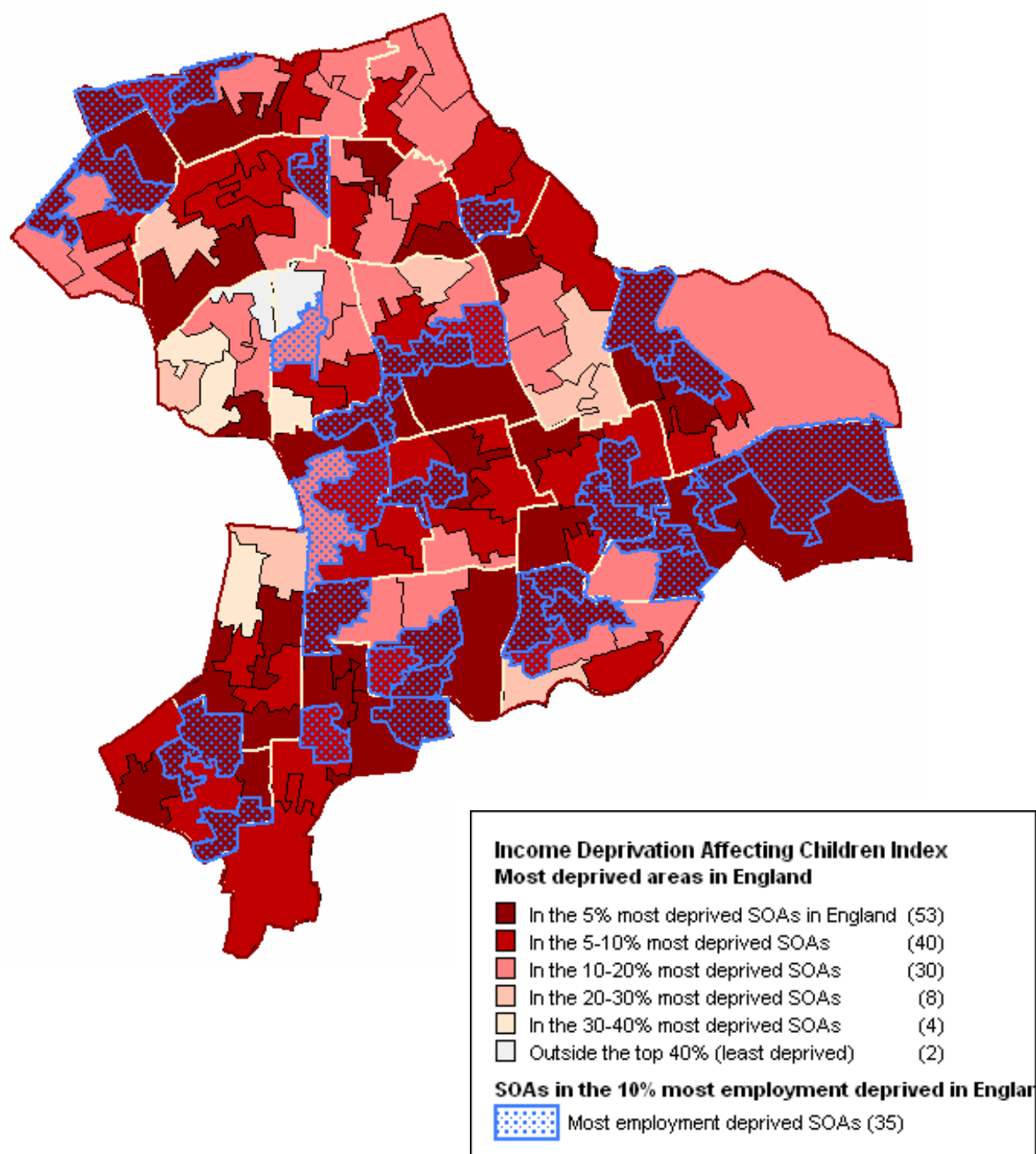
Source: Indices of Multiple Deprivation, 2007

High rates of worklessness have a negative effect on economic development and the prosperity of the local area, meaning that there is a strong economic rationale for tackling worklessness. There are also a wide range of non-economic reasons for wanting to tackle worklessness. Employment deprivation is one of the major causes of income poverty, along with low-pay, and it affects not only the individuals who are out-of-work but also their children and families. Worklessness is also closely linked to a range of other outcomes, including lower educational attainment, aspirations and outcomes for children living in workless households, ill-health and mental ill-health.

Hackney has very high rates of child poverty, in 2007, almost 40% of Hackney's Super Output Areas fell within the top 5% most deprived areas in England; more than two-thirds are within the 10% most deprived; and 90% of Hackney is in the top quintile for child poverty nationally. In six wards (Chatham, Dalston, Hackney Central, Haggerston, Hoxton and Wick), six out of seven Super Output Areas have levels of deprivation that are amongst the worst 10% in the country .

Figure 5 shows income deprivation affecting children in Hackney. As with the Income deprivation map the darker the colour, the greater the extent of deprivation in that area. To illustrate the links between child poverty and employment deprivation, the areas of highest employment deprivation have been overlaid in blue. All but two of the areas with highest employment deprivation overlap with the areas of highest child poverty (in the top 10%). The map serves as a crude but nonetheless stark illustration of why employment has been identified as a key route out of poverty in Hackney

Figure 5: Income Deprivation Affecting Children in Hackney



Source: Indices of Multiple Deprivation, 2007

2.2 Population Characteristics and Segmentation

The series of analyses that follow illustrate the differences between the working age population in Hackney and the proportion of people on *Job Seekers Allowance*, *Incapacity Benefit*, *Lone Parent Benefit* and *Disability benefits*. The comparisons are mapped over time between 2005-2009 or as a snapshot within one year depending on the ease of interpretation.

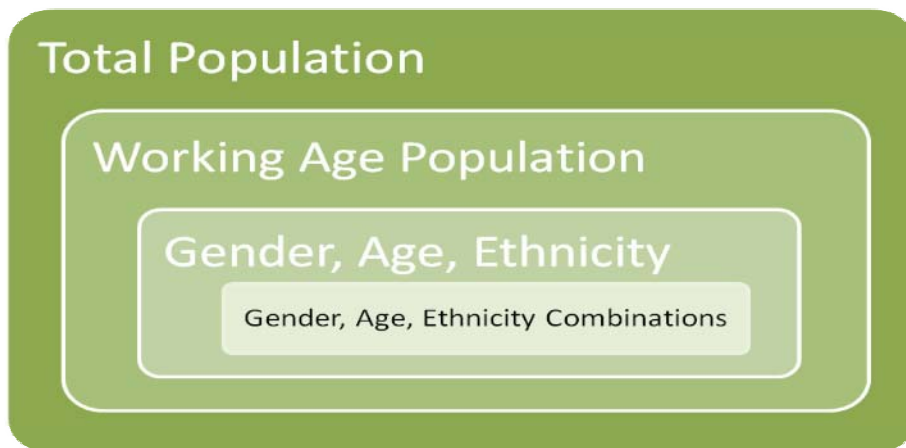
We select the block of 2005-2009 because a permanent population shift is visible within the working age population. Not only does the total population grow substantially from 2005 to 2009, but also, the employed population also increases in this period reducing the overall percentage of population on benefit. In 1999, 36,630 residents claimed benefits in Hackney, representing 28% of the working age population. By the beginning of 2005, this number reduced to 32,620 or 23% of the working age population. Even with the 2007-2010 recession, the percentage never increased above this 23% indicating a permanent reduction in claimants.

Claimants within the working age population are compared across the segments **Gender, Age and Ethnicity** and **Combinations** of these where data was available. The combinations of each variable consist of:

- Gender and Age (i.e. men aged 34-45)
- Gender and Ethnicity (i.e. Bangladeshi men)
- Gender, Age and Ethnicity (i.e. White women, aged 18-24)

Figure 6 illustrates the levels of segmentation and the layers of subsets within the total population.

Figure 6 Segmentation Model A



Another way of describing these comparisons is through the matrix in Figure 7 below.

Figure 7 Segmentation Model B

	Demographic 1a	Demographic 1b
Benefit Claimants		
Non Claimants		

We are interested in two key measurements of the proportional representation of the claimant population:

1. The proportion of a particular demographic on a benefit compared to the proportion of that same demographic in the working age population.
2. The proportion of claimants from a particular demographic on an out-of-work benefit compared to another demographic on the same benefit.

For example, measurement 1 would examine the proportion of working age women on Incapacity Benefit compared to all working age women. Measurement 2 considers the number of male JSA claimants and female claimants. Taken together we can calculate the level of over or under representation of a population segment on benefit.

We calculate this figure by assuming that perfect equality of segment representation on a benefit would equal 1, or all claimants would be represented on the benefit in proportion to their representation in the total working age population. The distance away from 1 indicates the extent to which a particular segment is over or under represented compared to their total in the working age population. This figure allows us to compare between segments to find the most overrepresented groups on a particular benefit. As part of the assessment, we also consider the highest and lowest proportions within the segment set and the segments that have remained relatively stable over time, as well as major changes within each segment.

As we will demonstrate, the combination of the segments narrows the level of overrepresentation to a particular age group, ethnicity and gender. As a means of normalising these comparisons, we have utilised the proportion of the total working age population within that segment to ensure the analysis is pegged to the most relevant subset of the population, thereby, creating a standardised comparison for percentages. This does influence the sample

sizes and it is important to know some percentages are incredibly small as a result. This may create problems for inferences across the total population from the segments and consequently it is better to stick with simple measurement and descriptive statistics when describing general conditions.

The purpose of this analysis is to derive an indication of the strongest factor(s) contributing to a population’s over-representation on a particular benefit, or which population identity is consistently represented as the most common claimants on benefit. We want to know if the percentage of claimants is higher than their percentage of population that would signal a need for intervention.

Different structural factors within the labour market affect different groups more strongly, for example, older workers have a harder time finding work after they have been unemployed for an extended period. Particular ethnicities suffer consistent high rates of unemployment historically. The growth in the economy has favoured occupations geared more toward one gender than the other. All of these are examples where knowing the characteristics of the population helps policymakers and programme designers better understand the determinants of worklessness and therefore the appropriate policy interventions.

Our method for combining the various segments is straightforward. We rely on ONS figures throughout and; therefore, are confined to the available data. For this reason, the final combination of gender, age and ethnicity is restricted to Job Seeker’s Allowance (JSA) in November 2009 as ONS does not collect statistics on ethnicity for any other benefit.

To begin the analysis, Table 1 demonstrates the most recent figures (Feb 2005-Feb 2010) for the total number and percentages of the working age population on benefits. These figures contain the new revised ONS working age population. Central Government revised the range for the working age population for women from 16-59 to 16-64 in 2010. The changes to the percentage of the population on benefit are incremental but there is a visible increase in the total numbers from previous figures.

**Table 1 Benefit Claimants in Hackney February 2005-2010
Absolute numbers and percentage of the working age population**

Date	Total		Job Seeker’s Allowance		ESA and Incapacity Benefits		Lone Parent		Disabled	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
February 2005	32,620	23%	6,800	5%	13,810	10%	7,810	5%	900	1%
February 2006	32,750	23%	7,480	5%	13,280	9%	7,720	5%	940	1%
February 2007	32,250	22%	7,570	5%	13,150	9%	7,560	5%	960	1%
February 2008	30,450	21%	6,210	4%	12,960	9%	7,170	5%	990	1%
February 2009	31,770	21%	8,150	5%	12,920	9%	6,570	4%	1,040	1%
February 2010 ¹⁵	32,760	22%	9,550	6%	13,360	9%	5,700	4%	1,140	1%

¹⁵ 2009 mid-year population estimates are used for working age population estimate.

Roughly 22% of the population in Hackney is claiming a key benefit. This total does not illustrate the figures for residents who claim multiple benefits. Although Hackney was experiencing a sharp decline in overall benefit claimants, the 2008 recession increased Job Seeker's Allowance most significantly. Notably, there has been almost no change in the percentage of the population on Incapacity Benefit/ESA and a continuation of the declining trend in Lone Parent benefits. Interestingly, there is an increase for the first time in the population on Disability benefit. In 2010, the Coalition Government standardised the working age for women and men to 16-64 for both genders. Based on our analysis, increasing the total population on benefit has not had as large of an effect as labour market conditions such as the recession.

We now move to breaking these figures down for identity. Originally, this analysis was conducted for the last quarter of data available at the time in 2009, May 2009. This was before the working age was standardised for women and the mid-year population estimates for 2009 were available. We maintain this dataset for the Cross-cutting Review of Worklessness. As part of the Worklessness Assessment for the Local Economic Assessment, the first quarter of 2010 will be included and the dataset will be updated accordingly; however, we do not expect a major change in the findings over one quarter. Due to the relatively low levels of the population on disability benefit, this analysis does not consider the segmentation dynamics within this benefit with the exception of age.

2.2.1 Segmentation 1: Gender

The simplest comparison of benefit claimants is through an analysis of gender. The comparison of the distribution of men and women on different benefits immediately highlights a gender bias in the client loads. Graphs 1-3 below examine Job Seekers Allowance (JSA), Incapacity Benefit and Lone Parent benefit claimants.

As a comparison, there has been a major increase in the proportion of the male employment rate in Hackney, the gap in male employment between London and Hackney has been as wide as 15% in 2005. A significant increase in the male employment rate in Hackney between 2007 and 2008 helped decrease this gap from 9% to 5%. By 2009, partially due to the recession in London, the gap was just 2% between male employment rates in Hackney and London.

Women's employment levels have also improved at phenomenal rates across the five years. In 2005, there was a 14% gap between Hackney's female employment rate and London's, 63% in London to 49% in Hackney. By 2009, female employment had exceeded London's rate by nearly 4%.

We would expect to see higher male benefit claimants due to their higher proportions of the labour force. Men and women were relatively equally distributed in the working age population with females slightly higher at 51% and males 49% in 2009. However, over the past five years on average 9% more men have been employed in Hackney than women have. A similar higher percentage would be expected on benefits. Instead, we found men make up close to 70% of JSA benefit holders; they are overrepresented

compared to their numbers in the working age population by 40% during the 5-year period.

Incapacity Benefit manifests similar trends in Graph 2. The overall number of male claimants is higher than those on JSA in Graph 1 but the gender gap is narrower. Men make up close to 60% of the total number on benefit and are overrepresented within the claimant group by an inequality factor of 1.17 or 17% more than their proportion within the working age population between 2005-2009.

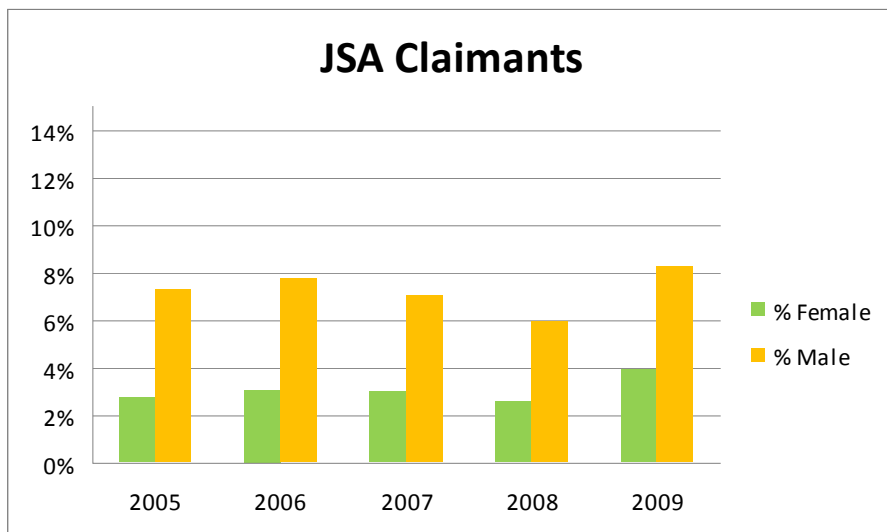
As with men, women claim Incapacity Benefit in higher numbers than JSA. Their relative proportion on the benefit is 40% and they are underrepresented by a factor that is under 1 at .82. This compares to their underrepresentation on JSA which is much farther away from 1 at .59. This means women are underrepresented on both JSA and IB, but more so on JSA. The policy implications of this finding would be higher allocation to programmes that are geared towards men and the barriers to work they experience.

Last, these graphs show steady levels of male and female claimants on JSA with a spike between November 2008 and November 2009 for both. Because this benefit applies to economically active or ready to work claimants, we can assume this increase is due to the 2008-2010 recession as the previous two years demonstrate a declining trend for men and an increase from constant levels for women.

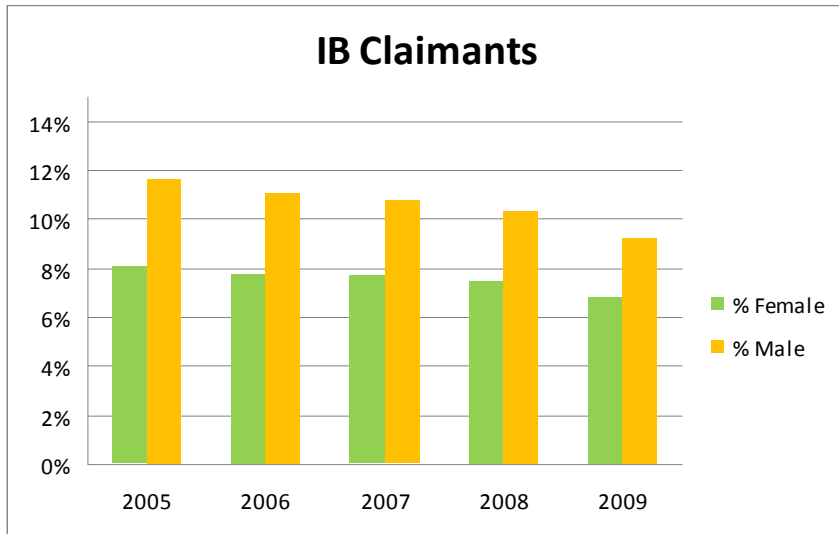
The dynamics among IB claimants show an incremental but steady decline for men year on year. The decline for women is less, dropping from 8% of the working age population to 7% over the 5 years.

Our major finding is that the two primary employment benefits are consistently primarily composed of men, and by large margins.

Graph 1 Gender: JSA Claimant Comparison



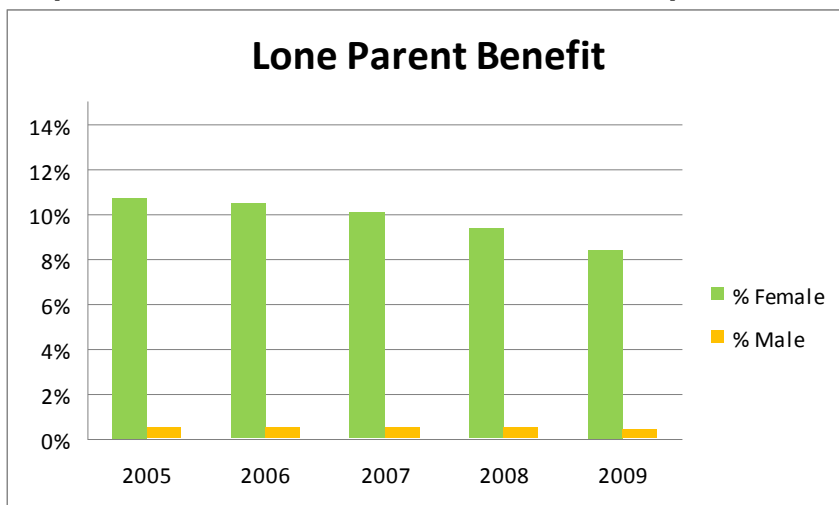
Graph 2 Gender: Incapacity Benefit Claimant Comparison



Meanwhile, Lone Parent benefit claimants differs from both of these findings and demonstrates the primary source of women’s claimant rates in Hackney. Overall rates of Lone Parent benefit are declining, down by 4 percentage points, from a high of 12% in 2005 to 8% in 2009; this benefit still comprises 95% women. This compares with other benefits where women JSA claimants represent just 3% of the working age population and women IB claimants comprise 7% of the working age population.

Women are overrepresented on Lone Parent benefit compared to their proportion of the working age population by 1.9, nearly double. This is not a startling finding considering we know that most lone parents are women; however, the measurement enables robust comparison between the levels of women on the other benefits.

Graph 3 Gender: Lone Parent Claimant Comparison



Findings

The male bias within JSA and IB could indicate structural barriers against male employment. With the decline of manufacturing and processing jobs in London, our research conducted initial investigations into the labour market conditions for males in Hackney and wider London. This analysis is discussed in the age segmentation below.

Generally; however, the lack of desirable work could be a stronger, more persistent barrier than the lack of available work. Job Centre Plus (JCP) representatives have repeatedly stated in national literature and local discussions that men are choosier than women when they are applying for work. Not only do more women work part-time, but also they tend to cluster in lower paid service and care occupations. The services sector accounted for 74% of male and 92% female employee jobs in 2008. At the same time, 1/5th of women are employed in administrative or secretarial work compared with 4% of men. In 2009, sector descriptions of JCP vacancies show the highest offers in

- retail, trade and repairs
- real estate and business activity
- health and social work
- education
- hotels and restaurants

These are the types of positions women tend to choose, and they are easier to schedule for part-time work. Men on the other hand, are ten times more likely to be employed in skilled trades. JCP vacancies were consistently lower in construction by hundreds of thousands across the country from 2001-2009.

At the same time, men are more likely to be self-employed than women. Nearly 75% of the 3.8 million self-employed people in 2008 were men, a similar figure since 1997. In 2008, 33% of men who were self-employed worked in the construction industry. In contrast, 24% of women who were self employed worked in public administration, education and health or community, social and personal services.¹⁶

If unemployment programmes have a placement supply bias toward womens' preferred occupations, men do become more difficult to place and will tend to stay on benefits longer.

¹⁶ Office of National Statistics (2008). *Labour Force Survey: Focus on Gender: Working Lives, Employment rates are higher for men*. London: HMSO

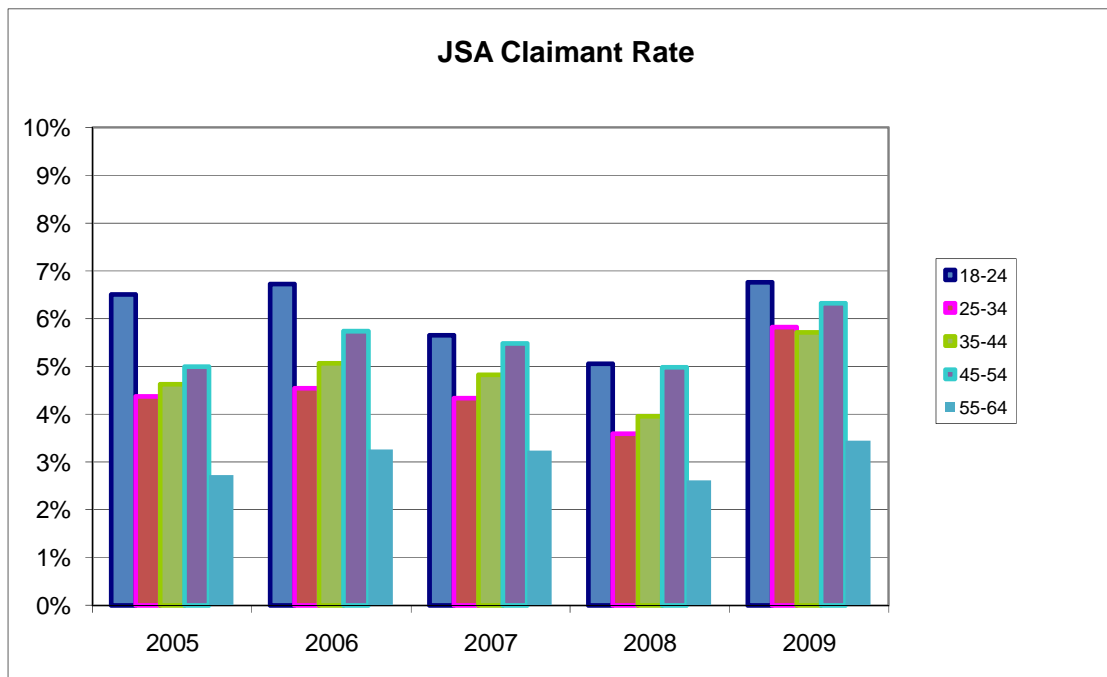
2.2.2 Segmentation 2: Age

Generational issues can also affect particular age groups. Some workers experienced a particular business cycle, which could have buoyed or depressed their career, such as young people in the current recession. Employment literature also discusses the structural changes in the UK economy that took place in the 1970s-80s. When analysing persistent unemployment, it is important to understand which structural fluctuations we need to consider and how they play out on different age groups. For example, the decline of manufacturing that began several decades ago only affects men who were working or training during those times.

Another factor is first generation migrants with language and cultural barriers, which may accentuate issues such as self-esteem and could extend unemployment longer than their younger siblings or children born in Britain.

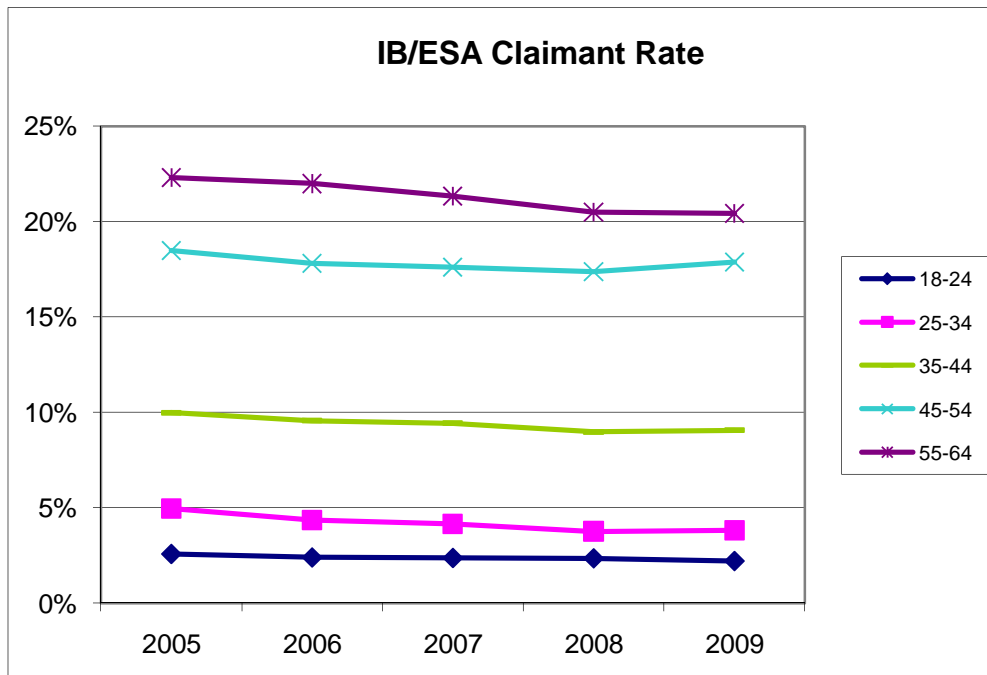
We begin this section with JSA claimants. These are annual statistics taken from May each year 2005-2009. Ages are broken into ranges from 18-24s to 10 year intervals between 25 and 64 (the last year of the working age.)

Graph 4 Age: JSA Claimants



Only examining age, Graph 4 shows the highest proportions of claimants are 18-24. The next highest are the 45-54s although only slightly above the 35-44s. While the 55-64s are consistently the lowest age group claiming JSA over the period, of the prime working age groups, the 25-34s are the lowest percentage of the working age population to claim across all years. In 2009, all benefits were up because of the recession with the 18-24s still at high rates, although not much higher than normal demonstrating a tough market for them regardless of economic conditions. The 25-34s experienced the highest rate of increase for the period. All other age groups rose in 2009 by an average of 2%.

Graph 5 Age: Incapacity Benefit



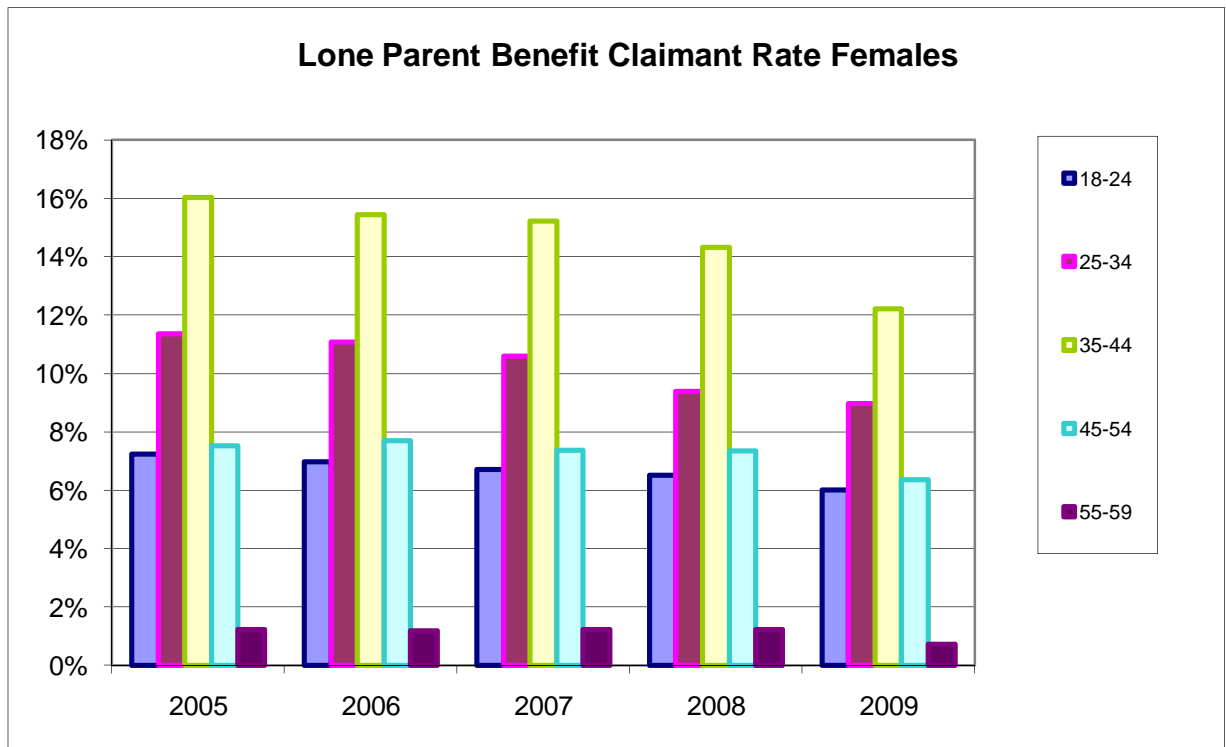
Graph 5 demonstrates the age trends of Incapacity Benefit claimants. When segmented only by age, the trends over the past five years indicate very little fluctuation. The most highly represented group is the 55-64 cohort, with the striking finding of a 15% difference between the 45-64 segments and those under 44 years old. There is a clear skew toward older age groups on this benefit. The stable nature of all age groups on this benefit demonstrates the policy trend of low conditionality. As mentioned above, this will change drastically over the next three years.

Ingeus, have explained how only recently there has been an attitudinal shift within society towards work as rehabilitation, and they have highlighted the effects of this low level of conditionality.¹⁷ It has become widely accepted that work improves mental and emotional wellbeing. The 2006 Waddell and Burton study, “Is Work Good for your Health and Well-Being” found that work reduces mortality, psychological distress, medication consumption and hospital admission rates.¹⁸ They qualify their findings with the point that work must be safe and appropriate to the conditions of illness in the first place. The authors also caution that the process of getting back to work is just as important as the final job outcome. If the situation does not fit the client needs, setbacks and restarts can affect health just as strongly as unemployment.

¹⁷ Interview with Jenny Ross and Beccs Martin of Ingeus, October 2009

¹⁸ Waddell, G and Burton, K (2006). *Is Work Good for Your Health and Well-being?* London: Department of Work and Pensions

Graph 6 Age: Lone Parent



The most common ages on Lone Parent are not as might be expected. With the focus on teen pregnancy over the past few years, we expected higher rates of 18-24s but Hackney’s success in programmes such as Clued Up has helped to keep rates low and we can see this success demonstrated in the low claimant figures.

The highest levels of claimants are the 35-44 age group and the 25-34. These are typical ages for maternity leave for women and while there is a slight decline for both age groups overtime, these figures overall are less concerning due to the specification of the benefit. These client groups are precisely who are supposed to be on this benefit and it is accomplishing the policy goal. ONS figures for 2008 found that the average for a mother’s first birth in the UK has risen to 28 and the largest increase in births per age is the over 35s. This benefit reflects these trends as women aged 35+ would still have young children or children in primary school.

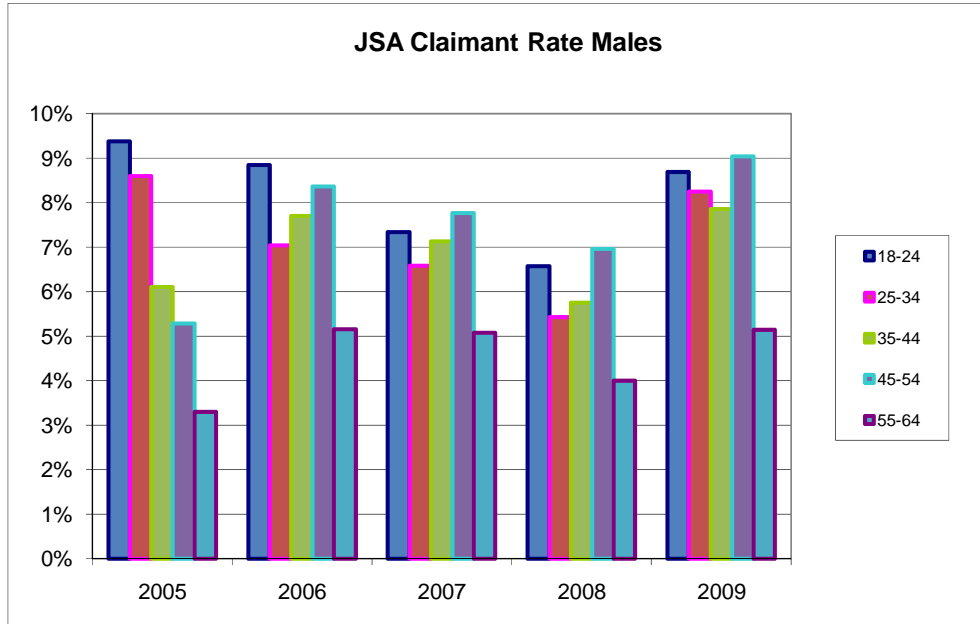
Findings

This section shows the highest proportions of claimants are 18-24s. The next highest are the 45-54s although only slightly above the 35-44s. The 55-64s are consistently the lowest age group claiming JSA over the period. There is a clear skew toward older age groups on this Incapacity Benefit with a 15% difference between the 45-64 segments and those under 44 years old. An essential fact to note is this age group was not the typical “parked cohort” who held manufacturing jobs, as they were only 26-35 in 1981 when structural shifts in the labour market began across the UK. Especially in London, this would have been a viable age for retraining; something else is affecting this group. We will examine this further in another report.

2.2.3 Segmentation 3: Age and Gender

The profile of claimants sharpens when we begin to add the segments together, further clarifying the characteristics of the population.

Graph 7 Gender/Age: Males on JSA



While 18-24s have the highest proportion of the working age group on benefit, this rate had been declining steadily before the recession. Graph 7 shows the next most common age on JSA is the 45-54, with this segment experiencing a large spike in 2006. These high rates were more or less steady until the recession when another spike is recorded in the data. The 25-44s reduced their proportions on JSA after 2005 and remained relatively low or reducing slightly until 2009. The 55-64 age group averaged 4.5% of the working age population on JSA over the 5 years, this is well below the total for the borough and below the averages of the other age groups.

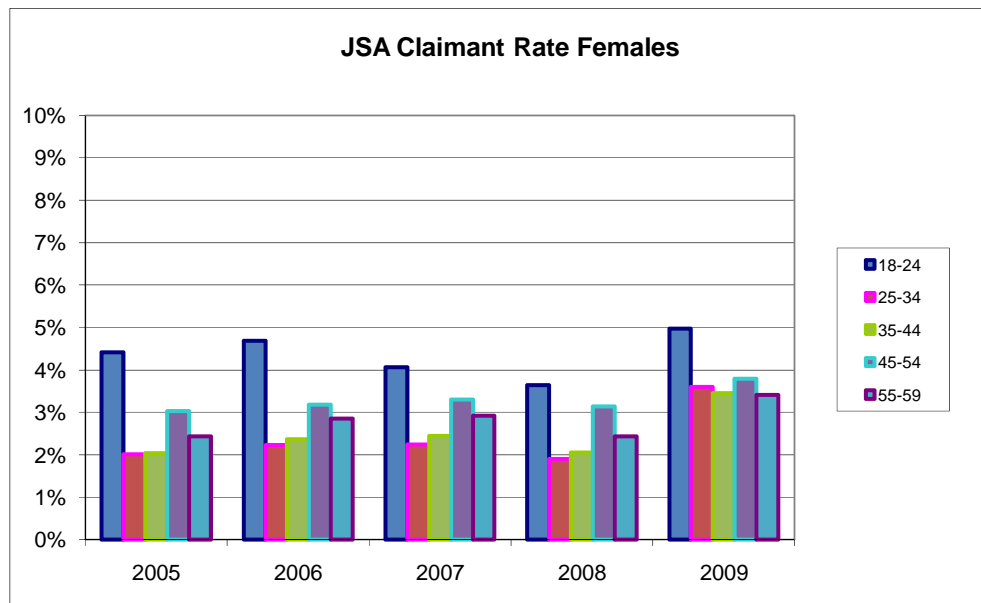
There is a clear trend of overrepresentation of some segments within all male benefit claimants. The 18-24s may have the highest proportions of the working age population on benefit and the highest rates of overrepresentation. They are on benefit at rates of over 3 times their numbers in the working age population. The 45-54s have a similarly high rate of overrepresentation on JSA; they are twice the number on JSA as they are in the working age population. The 25-44s are also overrepresented compared to their numbers in the working age population, but not as drastically as the other two segments. Taken together, males aged 18-54 are experiencing abnormally high rates of JSA benefit claimants in Hackney. However, this does not appear to be a problem with the 55-64 segment.

Comparative figures with London provide further context for just how high Hackney’s male unemployment rate is across the segments. The London male claimant rate is higher than women’s but the gap is smaller than Hackney’s. The rates for men in London across the 25-64 age groups cluster

more closely together with only 1-2 percentage points difference. The rates for all three age groups average 4% of the working age population in London. Hackney’s rate for 45-54s is double this. Hackney’s JSA claimant rate for 18-24s is the highest rate in London.

Rates of female JSA claimants’ average only 3% of the female working age population in the past 5 years, a full 5 points lower than men’s representation on JSA and women’s representation on IB.

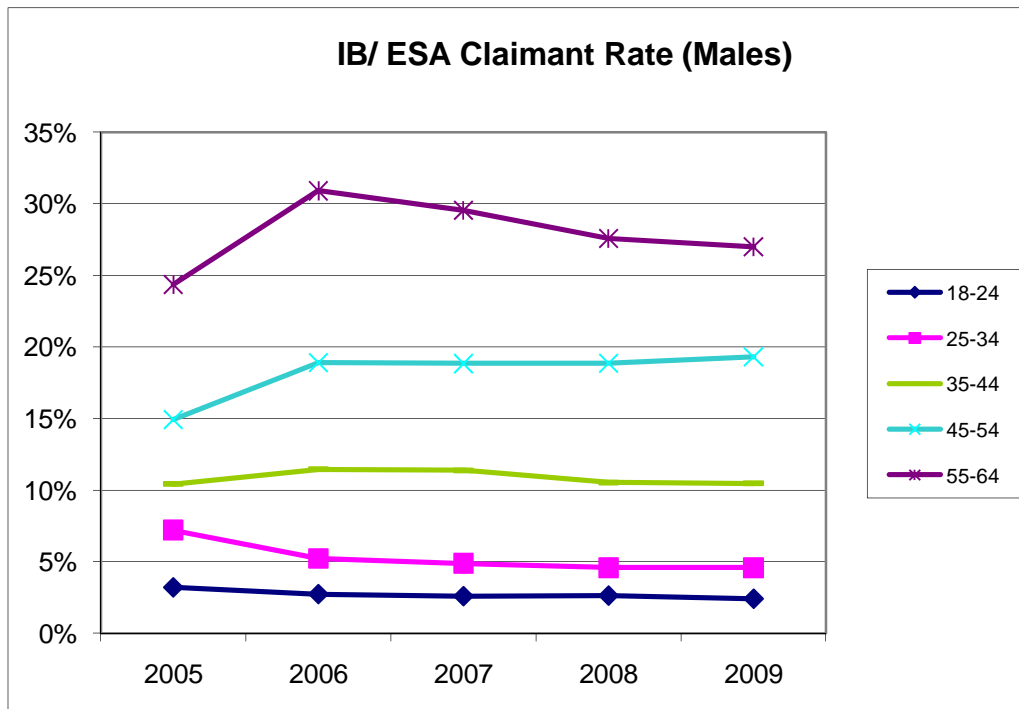
Graph 8 Gender/Age: Females on JSA



Graph 8 shows women 18-24 claim JSA at about 2% higher than the other age groups. Their 4-5% of the working age population is a higher rate than the average for working age women on JSA as a whole, and this group is overrepresented by 3 times their proportion of the working age population. Women aged 45-54 are the next highest segment on JSA, although they are only claiming at 3-4% of the working age population, they are overrepresented by over 2.5 times their numbers in the working age population. The 25-34s are the second highest proportion on JSA, but their percentage of the working age population is lower. This increases their overrepresentation to slightly higher than the 45-54s.

Comparative figures with London reveal even lower rates for female claimants on JSA. The 18-24s are highest in the segment at an average of 3% over the 5 years, this is 1% lower than Hackney. The rest of the age segments for female JSA claimants in London comprise 1-2% of the total female working age population, nearly insignificant compared to men. The absolute numbers of women on this benefit across London average around 7,000 each year while absolute numbers for men are three times this level at roughly 21,000 each year.

Graph 9 Gender/Age Males on Incapacity Benefit



When we introduce gender into the analysis of Incapacity Benefit in Graph 9, 28% the working age population of men aged 55-64 become the most predominant segment on benefit. This segment is overrepresented by more than 5 times their proportion in the working age population. The benefit rate is clearly driven by this group, as these rates are 10% higher than the next age segment 45-54.

Men aged 45-54 are claiming at a rate of 18% of the working age population. This segment’s over representation is nearly 4 times their proportion in the working age population. The next age segment, 35-44s are again claiming at a magnitude of 10% than the 45-54s. An average of 10% of the working age population of 35-44s are claiming Incapacity Benefit. The overrepresentation of this group is twice their proportion of the working age.

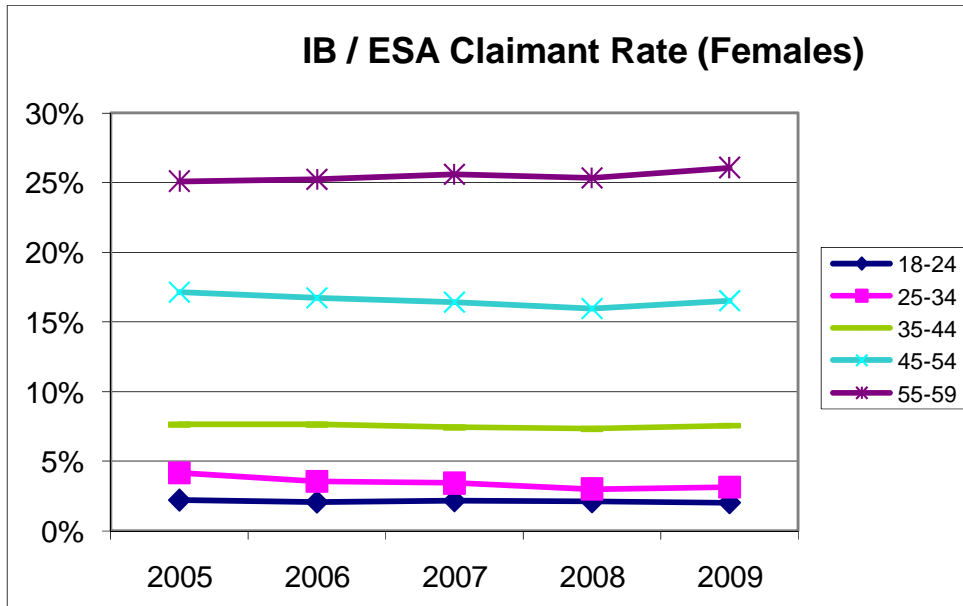
Male claimant rates of Incapacity Benefit have not changed since 2006 when the 45-64s increased. Even with the introduction of Employment Support Allowance which has disallowed some claimants, the overall numbers remain steady.

The importance of this analysis is to understand that these older males are driving the higher levels of IB in Hackney. With 13,000+ people on Incapacity Benefit, Hackney has held the highest numbers in London for nearly a decade. In London, the higher proportion of the working age population of men on IB holds, but not at the levels within Hackney. The highest rates are for men aged 55-64 and then 45-54, but the rates for men 55-64 in London are 12% less than those in Hackney, and for 45-54s are 5% lower.

This finding is again very pertinent when considering policy interventions as new skills may be difficult for this set to obtain. Workers aged 55+ can face age discrimination in the work place and investing in new skills development

may not yield as much benefit as other groups due employer preferences.¹⁹ Also, different groups display different levels of health conditions and segment specific treatment has been demonstrated to be more effective.²⁰

Graph 10 Gender/Age: Female on Incapacity Benefit



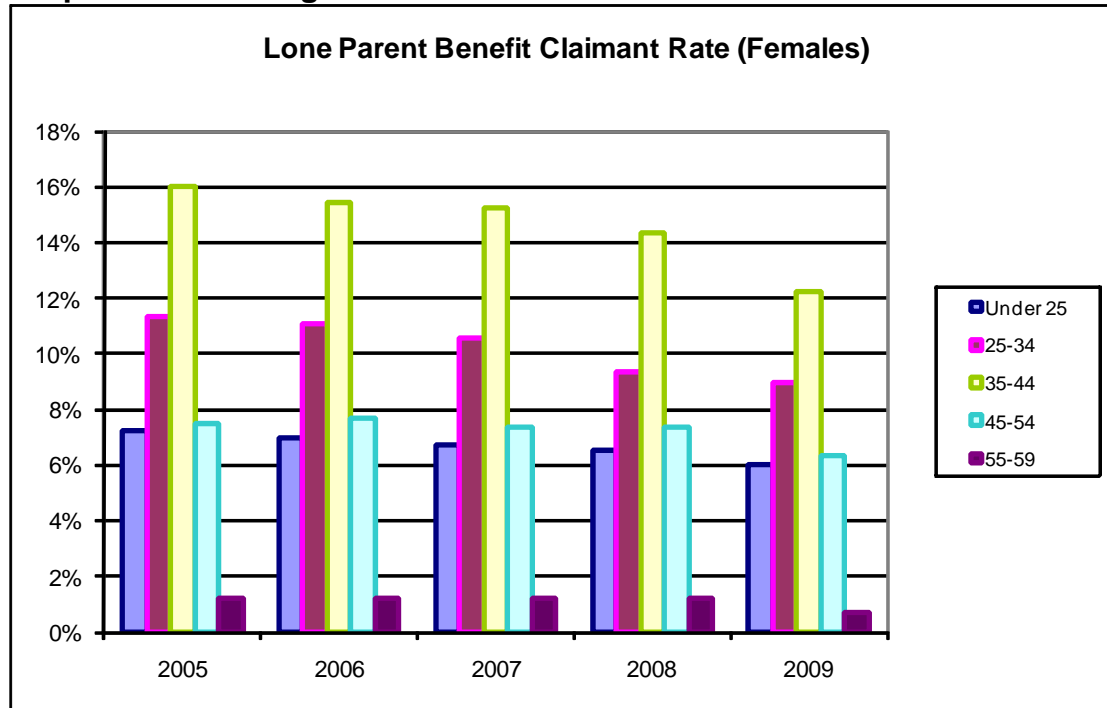
As we discussed in the section on gender, the total claimant population is lower for women as a whole on IB; however, there are some segments clearly overrepresented within the distribution of age. In Graph 10, the first thing to note is the relative stability of women on IB, each of the lines above demonstrates hardly any dynamics over the five-year period. In May 2008-2009, 56% of all female IB claimants were in the 45-59 age groups, yet they only represent 4% of the working age population, these very small numbers yield an overrepresentation of 13 times their proportion of the population. These groups are on IB at rates of more than 10%, and sometimes 20%, of the working age population of women.

Hackney has similar proportions of women 18-34 on IB as London. The major differences show up for women 35-44 where Hackney is 3% above the London average. For the 45-54s, London rates average 10% of this segment's population and for 55-59, 15%, this compares to Hackney's 25%. The borough is 7-10% higher than London rates for female IB claimants between 45-59.

¹⁹ Taylor, P and Walker, A "Age Discrimination in the Labour Market and Policy Responses: The Situation in the United Kingdom," The International Association for the Study of Insurance Economics, vol. 28(4), pages 612-624, October 2003

²⁰ Newbigging, K, McKeown, M, Hunkins-Hutchinson, E and French, B, Mtetezi "Developing Mental Health Advocacy with African and Caribbean Men", SCIE Knowledge Review, London, June 2007

Graph 11 Gender/Age: Females on Lone Parent



There is almost no difference between Graph 6 and Graph 11 as the age groups do not fluctuate with the addition of gender considering women drive the benefit. As explained above, Lone Parent benefit is comprised almost entirely of women. In Hackney, 95% of the benefit claimants are female. In London, the number is nearly 99%. This could indicate that Hackney has better take-up rates for men on this benefit than London as a whole. Because of these findings, we will only consider the dynamics within women’s age segments.

The majority of women on this benefit are in the 25-34 age segment and 35-44--the largest age group. Together these age groups represent 72% of Lone Parent claimants, considering this is prime child rearing age, these women will require flexible work if they return to work during these years. This group is the only group overrepresented as a proportion of their total working age population, and these women outnumber their proportion of the population by 50%.

The steady presence of 45-54 year olds is a concern; however, and new benefit conditionality that began under the Labour Government has been slowly changing the age at which parent’s are expected to return to work. Even though the rates for this age segment are 7% lower than ages 25-44, the claimant rates do not change over the 5-year period. The two most common benefits for this age group of women are IB and Lone Parent, the two benefit systems scheduled for radical reform over the next 3-5 years. The 45-54s have a similar retraining problem as the males of this age, although those under 50 should do better.

In London, the 2010 lone parent employment rate is 56%. Fifty-eight percent of children in non-working lone parent families live in poverty, compared to 19% of children of lone parents working part-time and 7% of those working

full-time. From 2006, several studies explored the possibility of changing work requirements for parents. The November 2006 Harker report, 'Delivering on Child Poverty: what would it take?' explained that the UK's light touch for lone parents was anomalous compared to most countries. Repeatedly the report suggested adequate childcare provision and more flexible hours.²¹ The Freud Report also recommended that Government reduce the age threshold from which lone parents can claim income support to 12. This recommendation was also linked to childcare provision.

The 2007 DWP paper "Ready for work: full employment in our generation" announced phased changes annually reducing the age at which parents could claim a benefit solely based on their role as a parent. The eligibility age has since reduced every October from 12 to 10 to 7 this year. A major component of this new policy is childcare in all schools in England between 8am-6pm in term. Income support benefit has been discontinued and lone parents have been encouraged to move to Job Seeker's Allowance. This will change again with the Single Work Programme. The Work Focused Interview will remain a key part of conditionality.

The relevance of the policy changes is to underline how younger parents are not mirroring the experience of the 45-54s. Their rates are lower and decreasing. At the same time, the policy environment has changed such that they will not be allowed to linger on benefit as the ages before them have done. Neither of these developments speaks to the retraining and reconnection needs of the highest age group on benefit, however. Transitional arrangements once children are older and lone parents are no longer eligible for lone parent benefits are worth considering, as national trends show once lone parent benefits end, only 16 per cent of lone parents move straight into work of 16 hours per week or more, while 56 per cent moved onto JSA and 18 per cent move onto ESA.²²

The two main age segments, 25-44, have reduced their claimants by 2%, although the gains for 25-34 occurred before 2009. Young women are not experiencing this decrease as their claimant numbers have remained steady over the 5-year period.

Findings

JSA and Lone Parent benefits prove to be more dynamic than IB with visible trends of flows off the benefit. For JSA, males 18-24 and 45-54 and females 18-24 represent higher proportions on benefit than their working age population. On Lone Parent benefit, the 35-44 age group is the most overrepresented. The Lone Parent rates are less concerning considering many women will have more than one child at that age and the likelihood a mother will be out of work during this time is quite high. Meanwhile, the men aged 45-64 may need more support services to get them back to work and potentially a more intensive upskilling program.

²¹ Harker, L. (2006). *Delivering on Child Poverty: what would it take?* London: Department of Work and Pensions

²² Casebourne, et al (2010) *Lone Parent Obligations: destinations of lone parents after Income Support eligibility ends* London: Centre for Economic and Social Inclusion on behalf of the Department for Work and Pensions

A key consideration from all of these findings would be further research and analysis of the occupations, which are experiencing a shortfall of employees such as service, care and teaching professions. A structural mismatch between available careers and occupational preferences based on gender identity has been known to facilitate long-term unemployment in certain groups. Job Centre Plus managers have repeatedly stated that men are more difficult to place due to their restrictive preferences. Background research also reveals that men with lower or no qualifications when they went onto benefits have tended to stay on benefit rather than retraining or looking for a new position.²³ The wave of benefit reform will hit men of all ages and women aged 45-54 in Hackney the hardest; these are the important priority groups for policy support particularly for training and skills development.

²³ Rothorn, R, (2000) *The Political Economy of Full Employment in Modern Britain*, (Working paper No. 164) University of Cambridge ESRC Centre for Business Research: Cambridge

2.2.4 Segmentation 4: Ethnicity

Gender and age are two characteristics of the workless population. We can analyse the population further by one more dimension, ethnicity. This helps to pinpoint exactly which subsets within the working age population are experiencing overrepresentation.

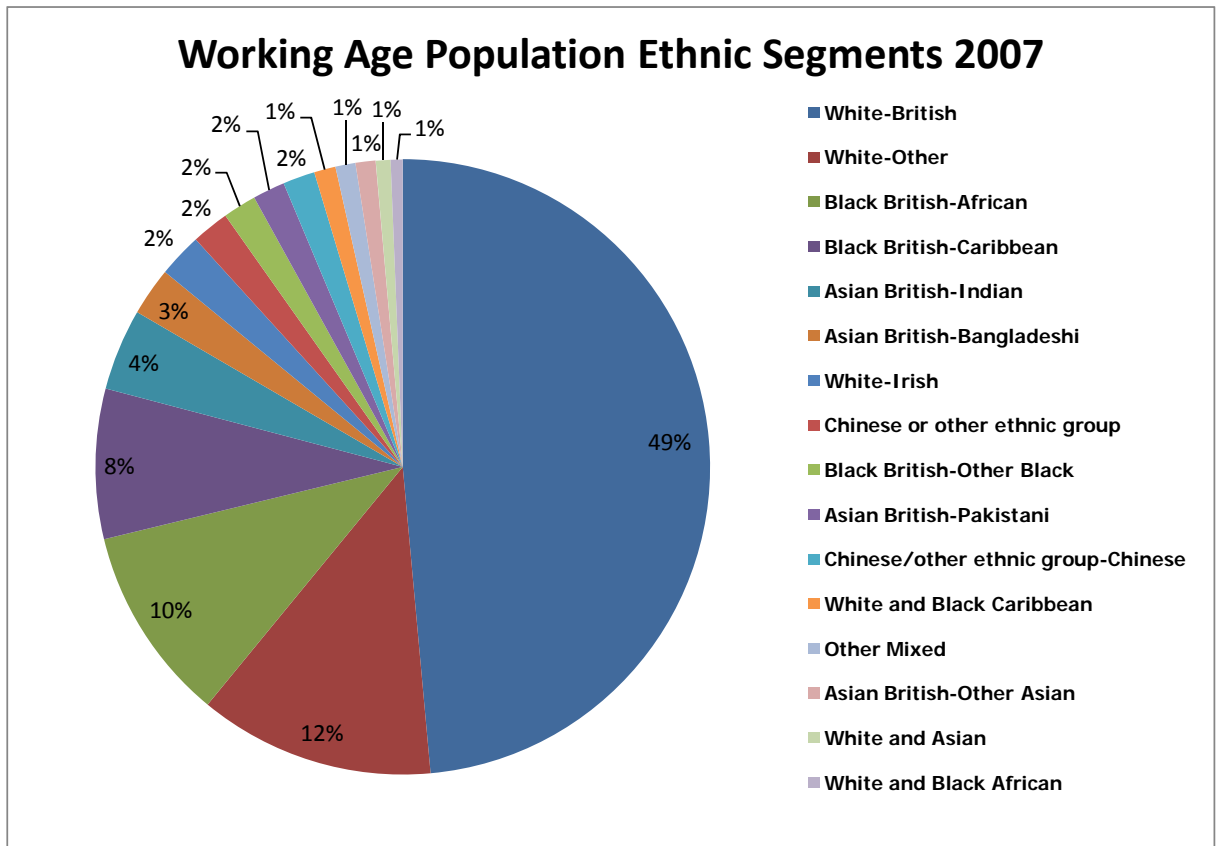
We focus mainly on JSA as there are no ethnicity statistics collected for Incapacity Benefit or Lone Parent benefit. In addition, small sample sizes of multiple ethnicity subsets of the working age population exaggerate and skew some rates upward. We use the dates for working age population statistics and benefit claimants each year between 2005-2007. As the population estimates have not been revised for 2008 and 2009, we use 2007 as a proxy for these years.

JSA claimant rates are also used as one measure of the unemployment rate as it provides frequently updated information. Another measure is the International Labour Organisation's definition of unemployment which includes those aged 16+ who are out of work, but actively seeking work. This is the common macroeconomic statistic reported derived through a survey. We use claimant rate as the unemployment rates reported below as it is possible to break down the claimant rate gender, age and ethnicity segments.

Notably, many statistical reports do not breakdown segmentation analysis for combinations of gender, age and ethnicity or they do not take the analysis down to the lower ethnicity categories and our comparative analysis ends there. As we delve deeper into the combinations, we can only compare with the national and London descriptive statistics that are available.

To begin, Graph 12 demonstrates the proportions of each ethnicity within the working age population for 2007.

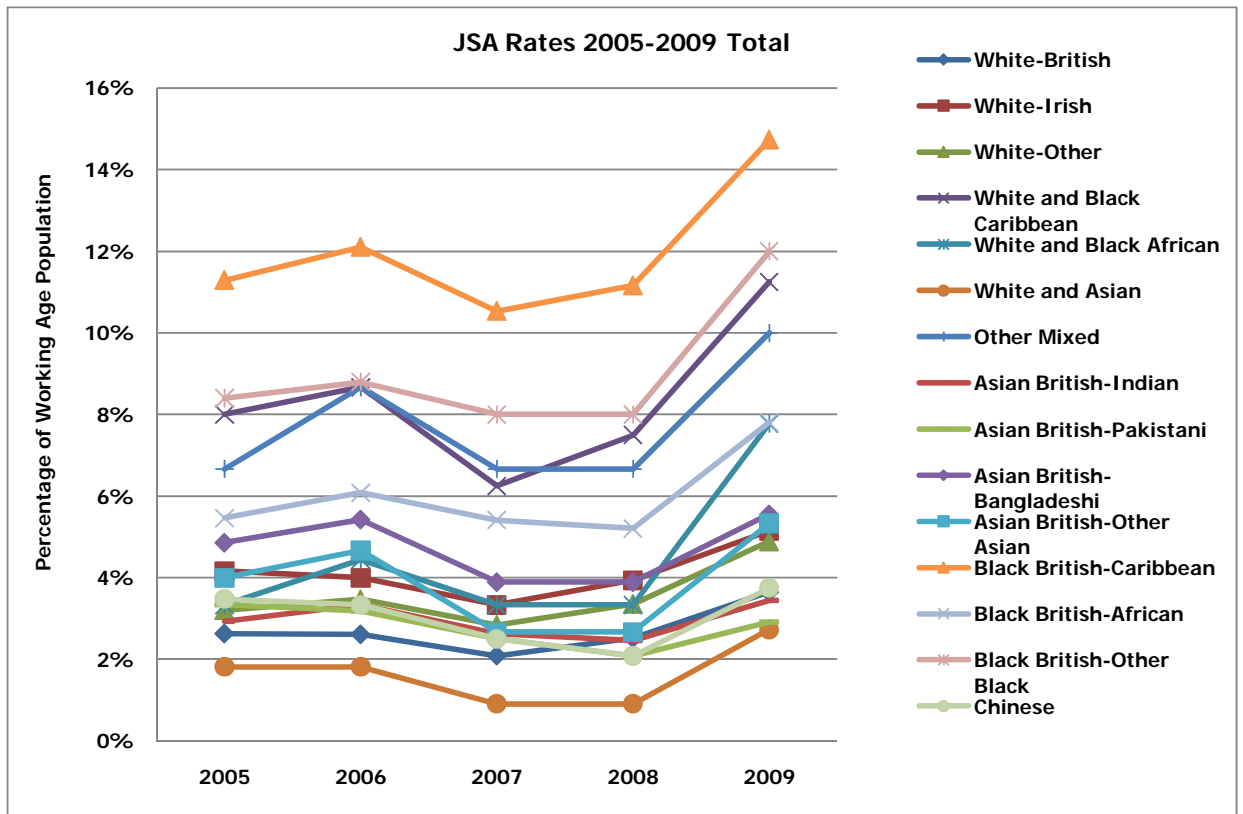
Graph 12 Ethnicity of Working Age Population LBH 2007



Hackney’s resident working age population comprises of 61% White and 39% Black Asian and Minority Ethnic residents. There is a near majority of White British residents at 49%. Graph 12 illustrates the next largest segments within the working age population are White Other, Black British African, and Black British Caribbean. Notably, these ethnic segments are the 2nd, 3rd and 4th highest segments; however, they only represent 12%, 10% and 8% of the working age population respectively. These will be important comparators when we break down the populations represented on benefit.

Examining the ethnicity of JSA claimants shows two trends. Graph 13 demonstrates the proportions.

Graph 13 Ethnicity: JSA



As we have discussed, all claimants rose in 2009, but Graph 13 shows a few populations that are consistently higher every year. The majority of absolute numbers of claimants of JSA are consistently White British between 2005-2009, reflecting the majority in the working age population. However, as a percentage of the working age population, the majority of claimants are consistently Black Caribbean, British Other Black, White and Black Caribbean, Other Mixed and Black British African. Table 2 demonstrates the proportions over the time series.

Table 2 Highest Ethnic Unemployment Rates 2005-2009

Ethnic Segment	2005	2006	2007	2008	2009
Black British-Caribbean	11%	12%	11%	11%	15%
Black British-Other Black	8%	9%	8%	8%	12%
White and Black Caribbean	8%	9%	6%	8%	11%
Other Mixed	7%	9%	7%	7%	10%
Black British-African	5%	6%	5%	5%	8%

During the 5 years, unemployment rates for White British and White Other were 3%. In 2009, when benefit claimants rose due to the recession, White claimants went up by 1% to 4%. Over the same period, Black claimants averaged 9% unemployment rates increasing by an average 3% in 2009. Black Caribbeans are the highest proportion of the working age population of any ethnic segment, with an unemployment rate of high 15% in 2009.

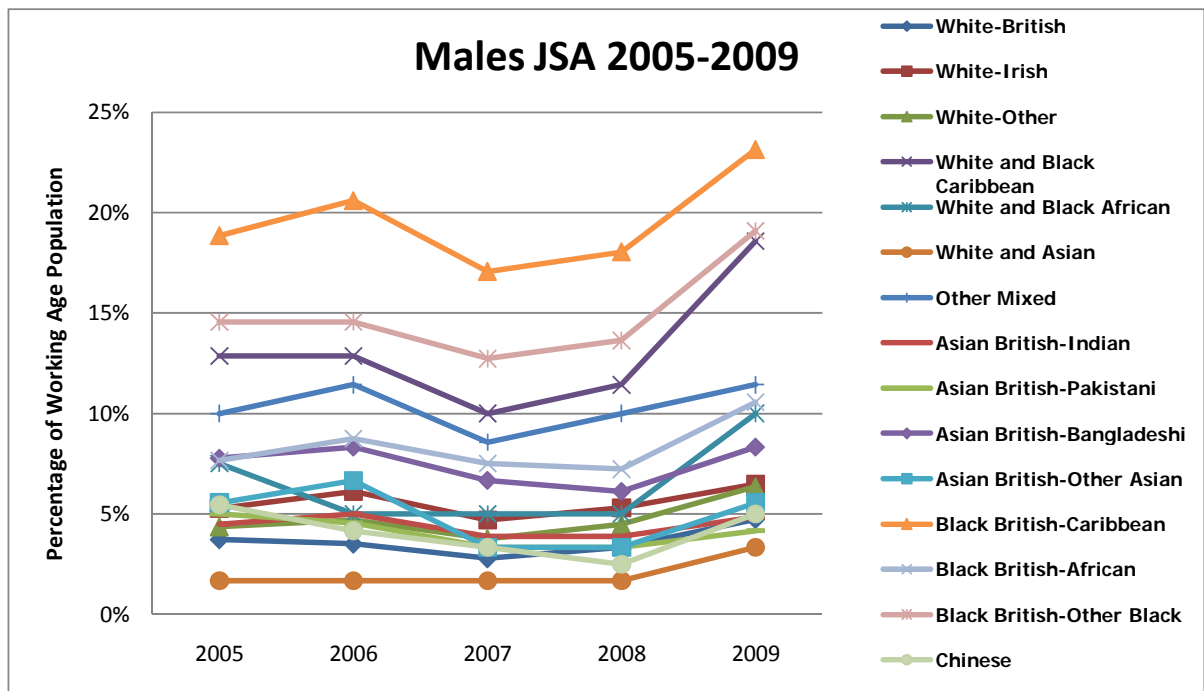
The average claimant rate for JSA in Hackney is about 6%. There are no non-Black or African ethnicities reporting higher than average claimant rates. This means Black Caribbean claimants were 9% above the Hackney average in 2009 while White claimants remained 3% below the borough average. Black Caribbean claimants are overrepresented by nearly double their representation in the working age population in 2009. In 2009, Black African represented 10% of the working age population and 12% of claimants, this is an overrepresentation by 20% of their proportion of the working age population. This is consistent with national trends where the most common segments to experience ethnic disadvantages in hiring, wages and quality of work are Black African and Black Caribbeans, and Pakistani and Bangladeshis.

Other Black segments have the highest unemployment rates in the UK at 13%, followed by White Black Caribbean, 10% and 9% for Black African and Black Caribbean.²⁴ We assume these are ILO survey estimates and Hackney's rates are 10% or more above these rates. In London, the highest claimant rates for males within the working age population were Other Black, which includes Mixed heritage populations, in 2009 was 12%. The London wide claimant rate for Black Caribbeans was 9% and Black Africans roughly 7%. Hackney's figures are drastically higher for Black Caribbeans and about the same for Other Black and Black African.

We know from the analysis above that men drive the JSA rates in Hackney. When we add gender and ethnicity, we can see the rates for ethnic males are higher than for ethnic segments alone. Graph 14 shows the JSA rates for proportion of each ethnic segment in the male working population.

²⁴ These figures are reported for all segments and are not divided by age or gender. Data is taken from, Centre for Economic Exclusion (2010). *An Anatomy of Economic Inequality in the UK* London: National Equality Panel

Graph 14 Gender/Ethnicity: Males on JSA



Black Caribbean males were claiming JSA benefit at the highest levels over the past 5 years. The second most common group is Black Other with an average of 15%. The third highest proportions are White and Black Caribbeans over the 5 years with average unemployment or claimant rates of 13%. The increase that all segments experienced in 2009 was highest in White and Black Caribbean males at an increase of 9% to 19% between 2007 and 2009. The unemployment rate for Black Caribbean males rose by 6% between these years to 23%. White and Black African and Black British African males were the next highest segments. All of these groups have unemployment rates of 10% or more. By comparison, White males also spiked in 2009, but only by 2% in this period from 3% to 5%.

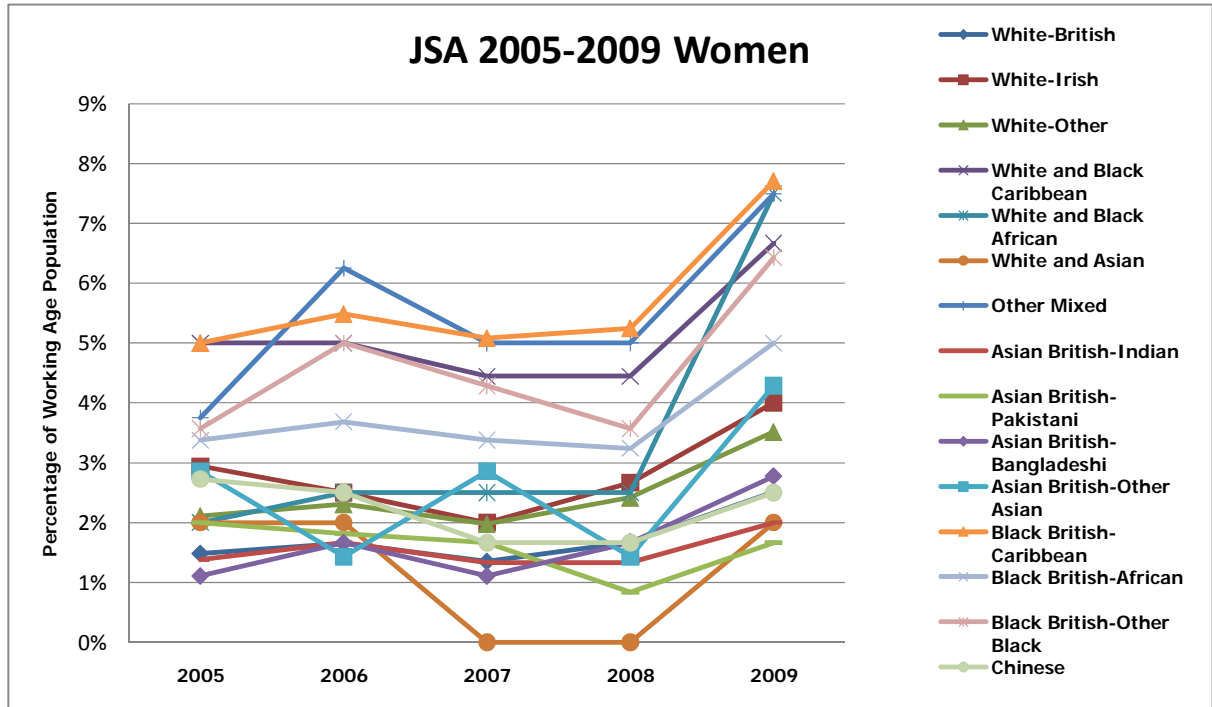
The overrepresentation of Black Caribbean and Black and White Caribbean men mirrors the totals for all men, only the gap is wider. In 2009, Black Caribbean men were 3 times the proportion on benefit than in the working age population. The next highest level of over representation is the White Black Caribbean group; they are claiming at a rate of double their representation in the total working age population. Last, the Black Other population is claiming at over 1.5 times their proportion in the population.

Outside of the Black and African segments, the rates of population and those of the total within all working age men are similar. While the rates of Bangladeshi claimants are the next highest group after Black males, Hackney does not have a similar problem with Bangladeshi men as exists in national trends. These segments also seem to demonstrate steady rates at about average or just below average claimant rates as the total population.

The claimant rates for women demonstrate a clear trend of a majority Black Caribbean and Africans as well. As with the JSA analysis of gender, women’s claimant rates within the working age population are on a magnitude lower

than men's. The sample sizes are smaller so the more extreme values should be taken with a degree of caution. Graph 15 demonstrates the ethnic segments within the female working age population.

Graph 15 Gender/Age: Females on JSA



The first thing to notice is the segments of the women's population cluster tighter than those of the men. There were obvious differences between some segments of the population visible immediately in the men's rates. Women's rates have lower absolute numbers on the benefit and less difference between the ethnic segments. There are still clear majorities. The top four resemble the same segments as men: Black Caribbean, Black African, White and Black Caribbean, and Black Other.

Claimants from Other Mixed increased the fastest in the recession, and the highest rates over the 5-year period were Black Caribbean women with a steady rate of 5% until 2009 when it increased to 8%. Other Black are the next highest segment with an average 5% bouncing between 4 and 6% and rising to 8% in 2009. White and Black Caribbean women are the next highest unemployed proportion of their working age population at an average of 4.5% and an increase in 2009 to 7%. Black African women averaged rates just above 3% across the 5 years and only increased to 5% in 2009.

Black Caribbean women on JSA are overrepresented by 70% of their proportion of the working age population, which is not as bad as Black Caribbean men are, although still a strong overrepresentation. Other Black women are 1.5 times their rate of the working age population and White and Black Caribbean women are just under this at 40% overrepresentation.

The JSA claimant rate for all women in the borough was around 3% between 2005-2009. Black African and Caribbean women are well over this average at 5-8% of the working age population. There is a clear ethnic effect driving Hackney's JSA claimants, in both men and women, Black or African heritage is a large disadvantage. In comparison, White JSA claimants are underrepresented by half in both men and women compared to the total working age population.

2.2.5 Segmentation 5: Ethnicity, Age, Gender

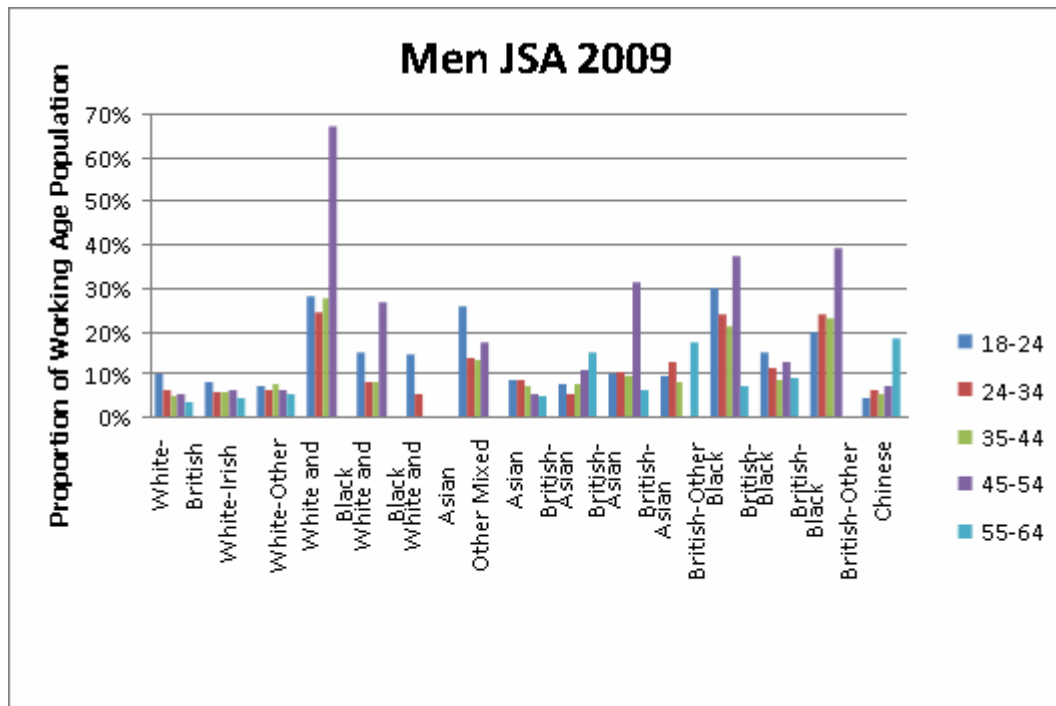
The analysis above breaks down Hackney's unemployed and workless population by age, gender and ethnicity. We now combine these to gain a picture of the interactions between them. This analysis is particularly useful in targeting resources to the most in need of investment.

We continue to focus on JSA and now narrow the sample to one year in order to refine the segmentation analysis. We focus on 2009 as we can see the depth of the effects of the recession and claimants are at the highest rates across the segments. Thus far, key findings in each individual segment include:

- The highest proportions of claimants are the 18-24s. The next highest are the 55-59s and the 45-54s although only slightly above the 35-44s.
- JSA is primarily a male benefit with 70% of men making up the claimants.
- The most common ages of males on JSA are 45-54.
- Females 18-24 represent higher proportions on benefit than their working age population.
- The most highly represented ethnic segments are Black Caribbean, British Other Black, White and Black Caribbean, Other Mixed and Black British African
- Black Caribbean men were claiming JSA benefit at the highest levels over the past 5 years. The second most common group is Black Other with an average of 15%. The third highest proportions are White and Black Caribbeans over the 5 years with average unemployment or claimant rates of 13%.
- Black Caribbean women with a steady rate of 5% until 2009 when it increased to 8%. Other Black is the next highest segment followed by White and Black Caribbean women.

Applying the combinations of age, gender and ethnicity will pinpoint the priority claimants even further. Graph 16 illustrates how the combinations bring the three previous analyses together to definitively highlight the segments with the highest levels of overrepresentation on JSA.

Graph16 Age/Ethnicity/Gender: Males on JSA 2009



With smaller populations, the proportions of claimants within the working age are much higher than in the previous segments. The 45-54 segments of the population White and Black Caribbean segment is very small and the majority of the population is on benefit, a full 67%, but this only represents 20 people so the spike is exaggerated within the graph.

In terms of absolute numbers, the two major populations driving the high levels of 45-54 male claimants are White British and Black Caribbean. While White British claimants are 52% of the working age population, they are only 26% of claimants. Black Caribbean males 45-54; however, are 3% of the population of 45-54s. They represent 27% of claimants in this segment, an overrepresentation of 4 times their amount in the working age population. By this measure, they have an unemployment rate of 37%.

The Other Black segment is the next highest rate of 45-54 males at 38% of the working age population and an overrepresentation of 4 times their rate. In all, Black 45-54 year old men in Hackney have an unemployment rate of 24%, 18 points above the Borough average of JSA claimants. By comparison, all White males of this age segment are claiming at or below the borough average at 5-6%

Interestingly, this level of segmentation analysis reveals a high claimant rate for 45-54 yr old Bangladeshi men. Again, the numbers are very small, but 31% of the working age population of 45-54s is claiming JSA.

Across the rest of the age groups for males, Black Caribbean, African, and White and Black Caribbean continue to have the highest proportions of the working age population on benefit. The next most prominent age group is the 18-24s. The Black Caribbean 18-24s have a 30% unemployment rate, White and Black Caribbean 18-24s have a 28% unemployment rate and Other Black

18-24s are claiming at a rate of 18% the working age population and 15% of the working age African population is claiming JSA.

Black Caribbean and Other Black males 18-24 are overrepresented on JSA by twice their number in the 18-24 male population in Hackney. White and Black Caribbean young men are also overrepresented by twice their proportion in the working age population. The unemployment rate for all Black males 18-24 is 18%. JSA is an active benefit where the recipients are expected to look for work. Claimant duration data for 2005-2009 in Hackney shows Black men aged 25-49 remaining on benefit for the longest periods of all ethnicities.

By comparison, the all White claimant rate is 9% with White 18-24s claiming at 10% and White Other at 7%. Graph 16 shows this is a much lower degree than the Black population of 18-24s. Other Mixed 18-24 men have 25% of the population on benefit, this trend has not shown up in past segmentation analysis demonstrating the benefits of analysing the population for specific segments.

Another benefit of this type of analysis is our ability to see a generational pattern in the data. Black Caribbeans 25-34s and 35-44s are also the highest male claimants in these age groups with rates above 20%. White and Black Caribbean have similarly high rates for both age groups, 27% in the 35-44s. The evidence demonstrating how worklessness passes through the family can be seen in the high rates of young and older men and the consistency of some groups that remain on benefit across the age cycles.

Hackney's results are not anomalous. A 2006 DWP report found that Black African, Caribbean, Pakistani and Bangladeshi men experience considerable disadvantages in the British labour market; these include higher unemployment rates, a prevalence of routine and semi-routine work and lower hourly earnings compared to British and Other Whites. Even after controlling for age, education or foreign birth, these groups have poorer outcomes.²⁵ These results hold for their children who are born in the UK. The 2010 Anatomy of Inequality report, confirmed that Black African and Black Caribbean boys in England have test results well below the national figures and are less likely to go to university or study higher degrees.²⁶

Several studies have similar findings for the country as a whole. Usually, Pakistani and Bangladeshi men are unemployed at the same rates as Caribbean and African men. While we found this for 45-54 year old Bangladeshis, Hackney does not have high unemployment rates for Pakistanis. The Other Mixed aged group had a higher claimant rate at 18-24, especially when considering their over representation on the benefit, but this rate reduces by 10% in later age segments.

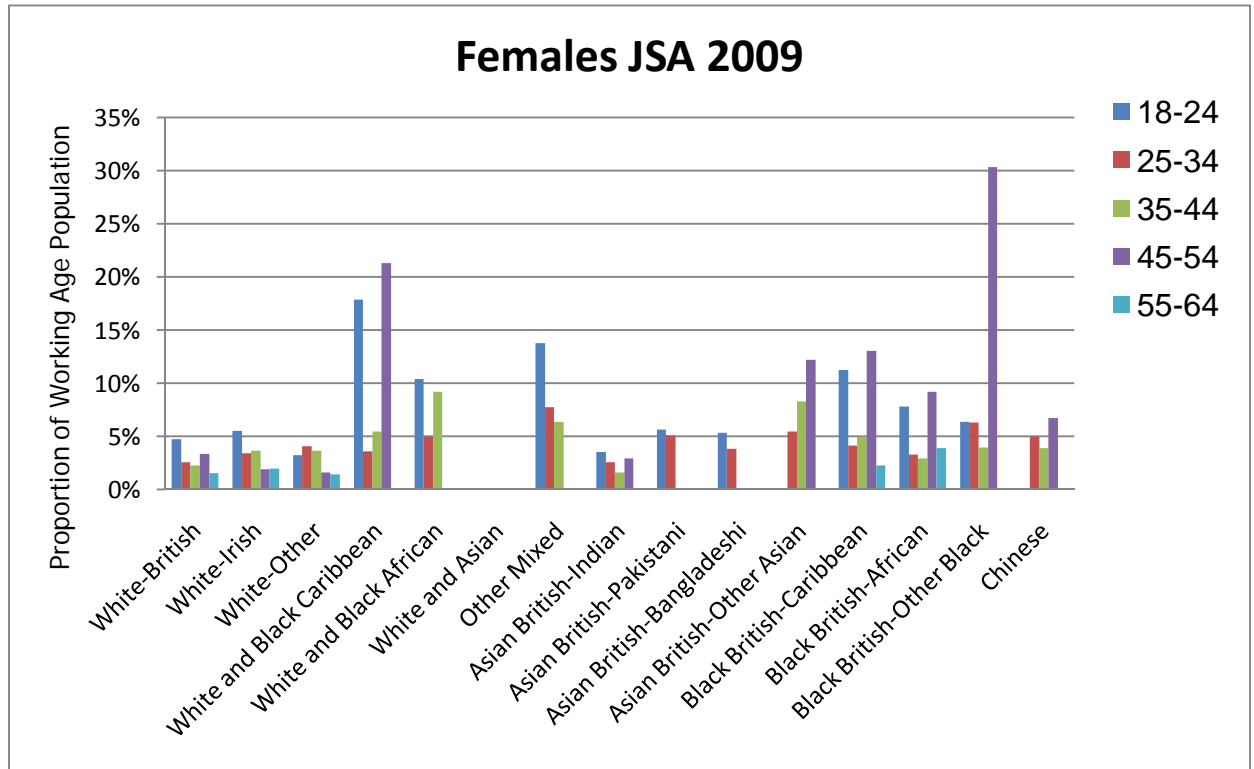
For women, rates remain at a lower magnitude than men and the 18-24 segments are still represented at higher rates on JSA, but when we add

²⁵ Heath, A and Cheung, Dr Sin Yi (2006). *Ethnic penalties in the labour market: Employers and discrimination*. (Research Report No 341). Norwich: Department for Work and Pensions

²⁶ Centre for Economic Exclusion (2010). *An Anatomy of Economic Inequality in the UK* London: National Equality Panel

Gender, Age, and Ethnicity together, it is specifically young black women and women 50+ who makes up the largest proportions on JSA. Sample sizes in this segment are incredibly small, as low as 10 claimants in some groups, but the population segments are equally small. The Other Black 45-54 category is made of 90 people with one-third of the population on benefit, hence the spike in Graph 17 below.

Graph 17 Age/Ethnicity/Gender: Females on JSA 2009



White and Black Caribbean, White and Black African, Other Mixed and Black Caribbean women are the top claimants in their working age population for the 18-24s, their rates are 10% or more than the rest of the segments. JSA claimant rates drop for some women between the ages of 25-44, the ages where we found the highest rates of lone parent claimants. An ethnicity analysis of Lone Parent benefit would clarify if the 25-44 segments from these ethnicities were still claiming benefit, but a different benefit.

In the 25-34s, Other Mixed claimants are the highest proportion of the working age population. Although 25-34 White British women are 8% of the total claimants on benefit, it is a very small proportion of the working age, 3%. For the 35-44s, Other Asian claimants appear as the highest proportion of the working age for the first time, due to a very small population, 8% is only 10 people; however, it reflects how few women are on JSA at this age in total. The highest claimant levels in this segment are the White and Black Caribbean women at 9% of the working age population.

Overrepresentation is still strong, even with the lower levels of claimant rates. For White and Black Caribbean women 18-24, their proportion on benefit is 3 times their number in the population. Black Caribbean and White and Black African are both overrepresented on benefit by twice their numbers in the

working age population. For the 45-54s, White and Black Caribbean women are such a small proportion of the working age population that their high presence of 21% claimant rate generates an overrepresentation level of 4 times their portion of the population. In other words, there are only a few of these women in the population, but nearly one-quarter of them are on benefit. The next highest claimant rate, Black Caribbean women, are numerous enough that their overrepresentation by 2.5 times their rate in the working age population represents a substantial number of people.

Conclusions

The findings from the combinations of age, gender and ethnicity give policymakers the ability to directly target the specific populations who are driving the high rates of JSA and IB claimants in Hackney. Given the steady rates of the working age population on benefit, it seems we are not reaching the populations we need to in the ways we need to if we want to reduce worklessness in the borough. Understanding the characteristics of the population helps us find them, speak to them in ways they can respond to and diagnose the causes of their continued worklessness.

In every age group and every ethnicity of males, the absolute majority of benefit claimants are White and 25-34. However, in terms of severity and consistency, Black male claimants are at higher levels of the working age population in every age group and are significantly overrepresented compared to their total numbers in the population. For women, the ethnicity of Lone Parent benefit claimants remains a major unknown as the very ages who claim the highest levels of this benefit are at low levels of JSA. The overrepresentation of the ethnic groups who are on JSA, Black women, is still strong. Young Black women are claiming at a rate of 15% lower than their male counterparts are, but they still drive Hackney's stubborn JSA claimant rates on the whole.

The policy literature and comparative data confirms Hackney's findings, but offers few suggestions for intervention. The following sections of this Review offer ideas from Team Hackney, Hackney Council service providers and service user groups to address the various determinants of worklessness for these groups.

Section 3: Discussion and Recommendations

3.1 Findings Overview

While the last section suggests an overrepresentation of benefit claimants, who are Black males currently, 2009 evidence from Bristol University study on attainment and ethnicity demonstrated worsening educational achievement for young, white boys in recent years. It examined several contributing factors to educational performance and identified poverty acted as the strongest drag on school achievement.²⁷ This result signifies that job training and skills development alone cannot reduce worklessness.

Closer assessment of the barriers to work cited by Hackney residents exposes two major stories underlying Hackney's worklessness trends. The older men and women who have been on benefit for an extended period illustrates the culmination of a series of past failures on the part of public services, parents and community investment to prevent the cycle of poverty.

The second aspect is the potential of their children to repeat the same history. Less than five years ago, Hackney secondary schools and further education institutions were observing underachievement in the same population of 18-24s we see on benefit now.²⁸ If the older age groups are any indication, these groups will sustain high claimant numbers.

Like sustainability and cohesion, poverty, by its very nature, is a complex cross-cutting issue. Lifting people out of poverty is a task that requires innovative, strategic and coordinated service delivery²⁹ and a key strategy is preventative service delivery across time. Studies on intergenerational transmission of poverty note that people with no educational qualifications are five times as likely to be in a non-earning family as families where parents have higher education degrees.³⁰ If young Black men in Hackney have poor outcomes in secondary school, are on benefit between 18 and 24, and then become older men who experience health conditions and long-term unemployment, we should recognise the cycle.

The Cross-cutting Review findings demonstrate that particular groups have fallen through our service safety net for years and in order to prevent the 18-24 year olds from reproducing this cycle again the Partnership will need to push collaborative innovation to the next level.

Evaluations of Hackney's worklessness programmes have revealed that we have continued to miss these segments.³¹ The Council's unemployment

²⁷ Burgess, S, Wilson, D, and Worth, J, (2009) *Passing through school: the evolution of attainment of England's ethnic minorities* London: CMPO, University of Bristol and the Government Equalities Office

²⁸ In 2007 34.4% of black pupils and 40.2% of Mixed pupils in Hackney got 5 good GCSEs including English and Maths compared to 41.5% for all pupils (42.2% for white pupils). Department for Children, Schools, and Families, 2009.

²⁹ Meadows P. (2007) *What works with tackling worklessness*. London: London Development Agency and GLA Economics

³⁰ Berthoud, R. (2003) *Multiple Disadvantages in Employment: A Quantitative Analysis*, York: Joseph Rowntree Foundation.

³¹ Centre for Economic and Social Inclusion (2009). 'Ways into Work' Evaluation and Successor Programme, ERS, (2008), Moving On Evaluation, ERS (2010), Hackney Longitudinal Survey, Final Update Report

interventions are sending the people who are ready for work to job interviews. The segments that need more service support and soft skills cannot make it through our worklessness programmes, let alone employment training and jobs. If the same segment was on JSA or IB before we focused on reducing worklessness, we either failed to prevent the next age segment from the same experience or we did not reach the core of the problem. Some of these groups may be moved off benefit through changes in conditionality, but off benefit does not mean back to work.

Efficient service delivery in the 21st Century should have moved away from simplistic cost cutting and service reduction to a new approach that maximises existing resources, especially those of stakeholders. Hackney's Strategic Commissioning Beacon award is the foundation of creative service delivery that produces results, especially for problems that require multi-agency, cross-sectoral solutions.

The recommendations in this Review suggest ways we can further recognise the vital roles played by health and housing services, local schools and colleges, the police, and the local business and community sectors in solving complex problems together. In practice, this means going to the next level of partnership, where sharing data and budgets, working flexibly across sectors and within services, and, crucially, treating the whole person with integrated interventions across families and life stages is the norm.³² This will be the primary role for the local authority under the new specifications of the Single Work Programme.

The recommendations below are set first as general ideas for all services and their partnerships as they contribute to multi-agency problem solving on issues such as poverty. These are accompanied by a specific set of recommendations for service evolution linked to the findings in the worklessness assessment. We applaud the partnership for coming this far, and achievements will create the willingness to raise our game to the next phases of partnership. We can only insulate our most vulnerable residents from poverty if we are real with each other about the level of commitment we can provide.

³² London Councils (2010). *Total Place – towards a new service model for Londoners* London: London Councils

3.2 Specific Recommendations

1. Providing for Emotional and Mental Health Issues in Employment

A large portion of our Incapacity Benefit claimants cite mental health issues, and as a result, Team Hackney has commissioned several employment and mental health projects. The evaluation from the Moving On project highlighted the success of partnership collaboration in moving clients through the pre-conditions of work into employment. The evaluation's primary suggestion for improvement was phasing these support services and leaving appropriate time for achievements within health and wellbeing rather than a rush of emphasis on sustainable employment.

A similar idea is suggested in Hackney's three-year Longitudinal Survey of clients who have participated in our worklessness programmes³³, "*The strongest trend in terms of suggested improvement across interventions was a need or desire for delivery agents to remain responsive to client needs for a greater length of time. This extends to both in-work mentoring to help ensure that beneficiaries achieve sustainable employment and also to progress clients into other or 'better' opportunities.*" Extended contact between employment advisors and clients has been recommended in NEETS programmes as well.

Ingeus, the Pathways to Work provider, suggests that a typical IB case could require anywhere from 6 months to 1.5 years and they maintain an open door policy if the client requires assistance in the future. We believe this a key finding for employment sustainability. The higher cost in supporting a client for a longer time period could be recovered in reduced expenditure on benefit and health care.

1.1. Develop research and guidance for service providers working with SMEs

An immediate option for small and medium firms would convene a discussion with employment advisors and develop a specific plan for arbitration and mediation for clients who request support with their new placements. Currently, Ingeus supplies ad-hoc mediation when their clients require extra support. Specific commissioning and training for this intervention could increase for employment sustainability. Formation of projects around these principles would also utilise the Expert Patient Model that places experienced clients with new clients in a peer mentoring relationship. Ingeus employ this method on occasion as well.

1.2 Explore education and employment potential in the care economy

Social care support is being transformed nationally and locally, with an increased emphasis on self directed and personalised care support for people living with long-term health conditions and impairments. An increased emphasis on independent living for disabled people and people with long-term health conditions means enabling individuals and their families to regain choice and control over their lives in a wide range of ways. These include participation in family, social, community, civic and work life alongside their non-disabled peers, despite their impairment.

³³ ERS (2010), Hackney Longitudinal Survey, Final Update Report

This shift creates a number of opportunities for the local economy. Firstly, as a result of direct payments and individual budgets, more disabled people should be offered the potential to control and direct the support mechanisms they require to allow them to continue in or return to work. Further, rather than a one-size fits all approach to care support provided by traditional agencies, new models of care present a range of opportunities for the local economy.

We see the rapidly growing care sector as a major opportunity for an economy where the PCT represents a large portion of available jobs in the area. These could be in the form of flexible employment opportunities, personalised support service delivery, management skills for disabled people and training and accreditation for new skills gained by support workers.

2. Services, especially education and employment should take a whole family approach to delivery.

Like employment, education and training also have preconditions. Housing, safety, health and crucially, parental support, must be in place in order to attend and concentrate in any learning program. The following recommendations concentrate on linking these services to support employment training. Linkages between adult and young people's employment initiatives will ensure positive interventions can maximise benefit through mutual reinforcement.

2.1. Relevant partners should ensure vertical links between parent employment programmes, adult skills provision, and the parenting strategy.

Additionally, horizontal links with the various employment programmes delivered through children's centres and other family sites will ensure wrap around delivery with the family as the unit of intervention instead of the individual.

The Equality Impact Assessment for the Employment and Skills Strategy identified that *"We recognise that there is a need to monitor take-up of all these new opportunities to ensure that they are being made available equally to all groups and individuals, and to track the benefits that will ensue for different groups and individuals...a substantial amount of quantitative evidence has been gathered to show the needs of people across the different equality strands."*

We believe this needs to be linked to the new information from this Review regarding the demographics of benefits claimants. A key aspect of this is appreciating the spaces where people learn informally and linking delivery to these such as the grocery store, the bank or on a sports team.

2.1 Employment services should be expanded beyond estates to ensure multiple access points are maximised.

Focusing only on estates could be missing many preventative opportunities. This also limits collaboration with family employment programmes delivered in libraries, schools and health centres. Feedback from services reported that clients require as many interface points as possible to meet them where they are, which not necessarily at home. Distributed organisations that have

mainstreamed employment and training programmes may be more effective with those who are not responding to the CSP programme. We note that while, nearly 50,000 people were contacted by Ways into Work in the first two years, only 975 moved to employment³⁴. This suggests a possible engagement gap.

2.2 Increase the role of fathers in all service programmes

Many of Hackney's education and training programmes are designed to be delivered to the mother. Service providers discussed only pilot projects and ad-hoc approaches to target fathers and the father/child relationship. For boys' achievements especially, 'lads-and-dads' technical projects where learning is integrated and less academic have proven to show success in Hackney. These projects should be scheduled for weekends to further extend the reach to fathers.

A better understanding of the characteristics of the population also enables services to adapt delivery appropriately. As part of the consultation feedback on Hackney's Parenting Strategy, the Parent Involvement Officer working in schools with a higher proportion of Black African and Black Caribbean children and young people suggested parents in work, but on low incomes, would welcome employment and skills training opportunities. These programmes could be more helpful if they were more affordable and were operated at times that could be organised around work and childcare responsibilities.

2.3. Family centred approaches should lead to the early identification of at-risk young people.

Increased monitoring and deeper collaboration around a family unit will enable early intervention when children are still young. Risk ladders have been a tool for medical researchers to understand where prevention programmes should identify groups most likely to suffer from particular disease or health complications. This same methodology can target intergenerational poverty as well. Services should seek to identify children from families with complex needs as early as possible to support resilient young people and mitigate the cultural influences of those who are not. Services for children and young people reported that the best time to intervene is before year 7 or 8. This could be accomplished through collaborative employment and support services delivered to parents and their children.

3. Identify and agree Priority Target Groups to ensure services are reaching those who need them most in ways they can access them.

An environment of decreased resources necessitates targeting in service planning. The collection and utilisation of data enables a more precise understanding of where the problem lies within complex issues such as worklessness. If a clear pattern emerges from this data, targeting, equalities monitoring and quality assurance would also enable services to check if they are fit for purpose for various segments of the population. At the same time, better utilisation of organisations that are successful at reaching these populations could maximise resources even further.

³⁴ Hackney Council (2010) *Annual Report*

The London Borough of Wandsworth has developed a system for priority group identification and monitoring focusing on the spatial areas and specific populations experiencing persistent inequality and deprivation. They developed a baseline for a target population such as young, black males and employment and education. Funding bids and service projects have been developed accordingly. This same approach has been successful in other boroughs throughout the country.

3.1. In order to address the needs of priority groups most efficiently, we recommend consulting with a broad range of organisations supporting these groups as a next step to service delivery.

This approach would build on existing knowledge and could reach out to service users for their input through focus groups and customer surveys. Newly focussed consultation with groups currently supporting priority residents would provide preliminary intelligence for new service collaboration and design.

This recommendation was emphasised in the evaluation of Hackney's At Work Young Black Males employment project, commissioned in 2007. Findings included:

- Establishing better linkages with community safety projects as territoriality issues prevented initial success in recruitment of beneficiaries. An office located in Hoxton, while central and accessible to some, was a barrier to entry for others precisely due to its location. At the same time, estate based agencies also failed to produce eligible candidates. In the end, distributed social networking contacts proved to be more effective.
- Innovation, flexibility and local adaptation in delivery. The programme changed engagement approaches several times as initial tactics failed to produce take-up.
- Partnership collaboration was imperative to ensure accessibility and awareness of the project from all support services and all locations, not only estates.
- Presumption on the part of delivery agents. The Black males involved in the project did not believe they had a lack of skills, confidence or self esteem barriers; in fact their most commonly listed barrier was a lack of access to information about job opportunities and work experience. This is borne out in national and international evidence as a lack of social and bridging capital is cited as one of the most common barriers to work. Most positions are not advertised externally and the lack of professional linkages can be a massive hurdle for gaining employment, or even an interview.

Enterprise has also been identified by Hackney organisations as an option for young Black males as a successful alternative given structural labour market conditions which perpetuate employment discrimination. Local economies require a vibrant local business base, this population has expressed interest in local business ownership and several programmes exist to build on this preference.

A refined policy, based on intelligence from and about priority groups would illuminate the different angles of intervention. The prevalence of older age

groups on JSA and Incapacity Benefit may be better treated with enterprise development projects, volunteering, health and cultural activities. Leading with employment and training for this group may not be the most appropriate, but enterprise or training options embedded into existing programmes could reach a larger population.

Early indications of targeted strategies for this group would include:

- Stronger links between the Older People's Strategy and employment programmes especially Job Centre Plus Pathways to Work programme for IB claimants and any volunteer programme providing training or employment experience.
- Solid links and joint delivery of male mortality programmes with employment programmes with the recognition that work is key to well being. This would include appreciating the similar masculinity issues in employment and health and targeting delivery so that these services reinforce each other.

The appreciation of longer periods for a return on investment in projects addressing the preconditions of work would apply to outcome targets established for priority groups. For example, targets set for estimated time between engagement and work readiness for projects such as ESOL. Such courses could take several years to gain enough competencies for work, depending on the client group. This was mentioned as especially true for women who may be more isolated at home. Pre-entry level training is sometimes required to get people up to a basic standard to be able to do a formal course but there is no central funding for this kind of provision.

4. Learning and analysis for the Cross-cutting Worklessness Review should be incorporated into the Children and Young People's Plan and the Child Poverty and Family Wellbeing Review, specifically recommendations 2 and 3.

Relevant aspects of this research will be further investigated through the development of the upcoming plans and reviews to further elaborate findings.

The call for integrated data management and evidence based strategic planning will need to mirror the levels of coordination in the East London Connexions service where the hard work was done to align data and bring the NEETs figure down by 10%.³⁵ Our suggestion for creative, family centred delivery should build on employment services delivered in Children's Centres and at the school gate and link in the Saturday sports programmes aimed at fathers and sons.

The Ways into Work programme demonstrates the power of targeting as social housing based delivery opened up a new avenue for service links. Equally, targeting employment services at priority groups such as those who are disproportionately claiming benefit will mean adapting design to their circumstances and connecting with them through familiar and trusted channels across their lifetimes. Finally, we promote the idea of working through theme based, cross partnership groups so the cross-cutting aspects of complex problems are not delinked and we can move toward prevention.

³⁵ Audit Commission (2009). *Is there something I should know: Making the most of your information to improve services*, London: HMSO

3.3 General Recommendations

1. Increased cross-partnership and cross-department collaboration in service delivery.

With a solid partnership infrastructure in place, Team Hackney is ready to move to a deeper level of collaboration. This could be facilitated by increased virtual and physical co-location of teams and theme based strategic planning. The new Services Centre will facilitate this within the Council; however, the partnership needs to move in this direction. Capability will require flexible teams with representatives from all disciplines working on a complex problem from identification to delivery. Tower Hamlets has integrated their health and social care services using a single assessment. Staff from different organisations work together on-site, which enables a single point of entry for customers, alignment of work practices and joint management.

1.1 Moving to themed based project teams

Active collaboration can also enable the development of issue rather than department based strategies. If strategies are combined along themes clear enough to mean something, but broad enough to coordinate service delivery, less people fall through the net. For example, a whole family approach would link several service disciplines together so adults and children in the same family would receive synchronized employment and/or health services.

This would also enable preventative policy where children from unemployed households can receive extra help to stay in school. Collaboration in this manner could focus the unit of treatment on an issue or community instead of just a single individual. Value for money gains would be made from services reinforcing each other and transfer of information. This approach was quite successful for Hackney's response to high infant mortality rates. Separate programs exist across the partnership; the next major step is to link them.

Streamlined collaboration can assist with transition points. As people move from service to service depending on their needs, it is the partnership's responsibility to ensure that services must follow them from one point to the next. For example, NEETs moving from the Connexions service to Job Centre Plus should be seamlessly moved to a new advisor who is prepared with adequate background information.

1.2 Joint performance and accountability for collaboration should be included in programme monitoring and reported to leadership.

Partners should be expected to communicate service offers and strategies across disciplines and sectors such that links between efforts are purposely made.

1.3 These recommendations would also coincide with similar procedures being enacted within Hackney Council in terms of cross-departmental collaboration and integrated strategic planning.

A key distinction at this tier of planning and delivery would be the addition of leadership champions of priority themes. Director and Cabinet level leadership on a particular theme coupled with widespread reporting would anchor these efforts to business plans and performance monitoring.

2. Increase monitoring across all services for their contribution to employment and other complex themes.

To facilitate collaboration, data should be collected and analysed from a cross-cutting work groups, relevant information should be included in future service design. This has been fundamental part of decreasing NEETs in Hackney. Accurate, accessible data across sectors and disciplines enabled better identification and monitoring of the target population, the result was better communication between the key services available to NEETs.

2.1 Beyond Equalities Impact Assessments, equalities and segmentation data should be collected and analysed as part of performance data.

Quarterly results should be reported to leadership and, crucially, fed back into service design and development; no service should ever be designed without clearly identifying the background information of the population and considering potential programmes impacts of population segments. This data, processed properly is key intelligence for service and business planning. The partnership has existing experience of having taken this kind of approach before, when education data analysis identified differential outcomes for Black Caribbean and Turkish boys. Family and community learning interventions were designed and funded to address these, including the family learning provision in Shoreditch.

2.2 Staff should have joint training sessions on data development and management for complex problems such as worklessness.

Current partnerships could be further maximised through active exchange and co-production of strategies to align along themes. Performance monitoring would expand to include information sharing and partnership engagement for data collection and analysis.

3. Embed employment

Employment is a secondary condition. Health, community safety, education and housing all contribute to employment. These determinants must be aligned in order to give rise to employment. Efficiency would include employment advice with the appropriate services. Recent examples of projects include the placement of employment advisors in health centres, building connections between employers and schools, and equipping housing advisors with employment information.

The ethic behind these projects should become the overriding principle in design, foregrounding the services' contribution to employment and deliberately designing employment advice in.

In all, the primary theme of our findings is more intense use of multi-pronged approaches delivered from a personal and community development perspective. Our research highlighted some immediate gains, which could contribute to the broader culture change suggested above. These are listed in the next section.

Section 4: Consultation with Team Hackney

4.1 Partnership Response to Recommendations

The recommendations above were taken to each of the Team Hackney partnership meetings and the Team Hackney board for discussion. The points highlighted below demonstrate a willingness to work together and detailed suggestions for working together further.

The partnership boards believed that the core longstanding issue in the borough is poverty and health needs or unemployment are merely symptoms. An evidenced based approach was widely accepted especially considering the reduction in resources. The Partnership needs to know what works and what does not as there is no value in spending money where it does not help.

Economic Development Partnership cannot take the issue of worklessness on alone. It is limited and needs stronger collaboration across the Partnership boards. There was concern that while we all agree on the solutions to service breakdown in theory, integration always remains a practical problem. Leadership, partnership, delivery and joint evidence are always the stumbling blocks, this time we should figure out how to get around these.

We should treat people in the categories they present their needs in, mentally ill clients, offenders and drug and alcohol clients share many of the same problems. Their children will be at risk for repeating these cycles; we could have quick wins if we identify which families these are and work with them holistically. It requires a long term view and a systematic approach. We need to see how different aspects of poverty reinforce each other to create a larger problem.

Service integration and coordination will save money and help keep everyone moving in the same direction. This will include the 3rd sector, not only integration within the sector, but with the public sector. The family centred approach was seen as a good way to organise services and to force the links that need to be made, but continue to be disconnected. This will especially benefit the 18-24s since family is seen as such a high predictor of poor outcomes.

A prime place for savings will be outreach workers and promoters. They should be cross trained by multiple services and share a variety of messages. With a family intervention approach, we can start small with services that are less intimidating and earn their trust, we can then graduate to more difficult discussions for example from children's outdoor play to employment.

4.2 Cross-cutting Task Group on Worklessness

The qualitative and quantitative research in this Review found that while the nature of the economy is difficult for policy to affect, some of the barriers to work and the services to remedy them are directly under the Partnership's control.

Team Hackney suggested the need for a forum to discuss and plan the practical logistics of service integration such as data exchange and staff training. A final recommendation was approved by the Team Hackney Board to create a cross-cutting forum to push past the typical problems that result in disconnected services.

Ideas for group participants included a broad range of officers and programme managers, including Third Sector front line staff. Members from across each partnership are invited including the Chief Executive of Hackney Homes, The Learning Trust, Children's Services and Community Safety. Requests for inclusion in the group came from DAAT, Reducing Reoffending, and different programmes within Health and Social Care.

Specific workshops will cover:

- Sharing common data
- Joint communication and outreach
- Best practice for particular populations
- Joint strategies and service plans for families
- Producing joint funding bids between teams and partners
- Local information exchange within different services

Recognising that the actions from the Cross-cutting Review of Worklessness will need to be delivered during a period of radical political and economic change; with much tighter resources a forum may be too much of a 'loose' vehicle for implementation. The Chief Executive's Directorate recommends a systematic approach, to include:

- Identification of an LSP member to hold accountability for the work programme and act as a sponsor for the implementation;
- Prioritise the activities, recognising that whilst all the work is vital, some elements are more urgent, and some will not be deliverable in the current environment.
- To facilitate this we recommend developing a clear terms of reference to include clear objectives and a timeframe for delivery within the next year; with a membership designed to support delivery, not discussion.

Section 5: Conclusion

As this publication goes to print, welfare reform has begun. Announcements of estimated savings of £7 billion per year, initiation of the Single Work Programme and the specification of the Universal Credit system have been released. Details for all these changes still have yet to make it through the legislative process. All of these reforms are occurring against a backdrop of local government savings of £60 million before the end of this fiscal year.

The relevance of partnership and the value of collaboration are higher than ever. From identification and implementation to evaluation, shared intelligence and delivery can keep the borough efficient and effective in coping with the impacts of reform. The new heroes of employment policy for this government are Registered Social Landlords and Third Sector organisations. Most of the subcontracting will take place outside the local authority, which makes partnership links even more important.

We hope local providers will take up the recommendations in this Review as we all work toward shifting Hackney's workless population. Conditionality and sanctions will have a major effect in changing the overall numbers, but moving the population off benefit does not necessarily put them into work. With a clear evidence base detailing the population characteristics and needs, the organisations with the strongest ties to these segments will be in a solid position to advocate for their own proven approaches.

Hackney's benefit population is driven by the high numbers of IB claimants, additionally welfare reform will hit them the hardest; therefore, our future research will include an in-depth study of Incapacity Benefit claimants and service providers. We will examine successful approaches in our borough that are meeting the needs of this population. We will also consider the parallel service journey that underlies participation in employment and skills programmes. As these findings become available, we hope to continue to work with local organisations to turn the research in to practice.