

The Work Programme – Job Outcome Statistics

Intelligence Update 27-2012

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Introduction

The Work Programme is the Coalition Government's flagship welfare-to-work programme that launched throughout Great Britain in June 2011. The programme is based on a payment-for-results system that is designed to incentivise providers to help those who are, or who are at risk of becoming, long-term unemployed to find work. It replaces previous programmes such as the New Deals, Employment Zones and Flexible New Deal.

Today's statistical release from the Department for Work and Pensions presents data looking at the performance of the Work Programme over its first full year. This paper examines the key findings for London and compares performance in the capital with the rest of Great Britain.

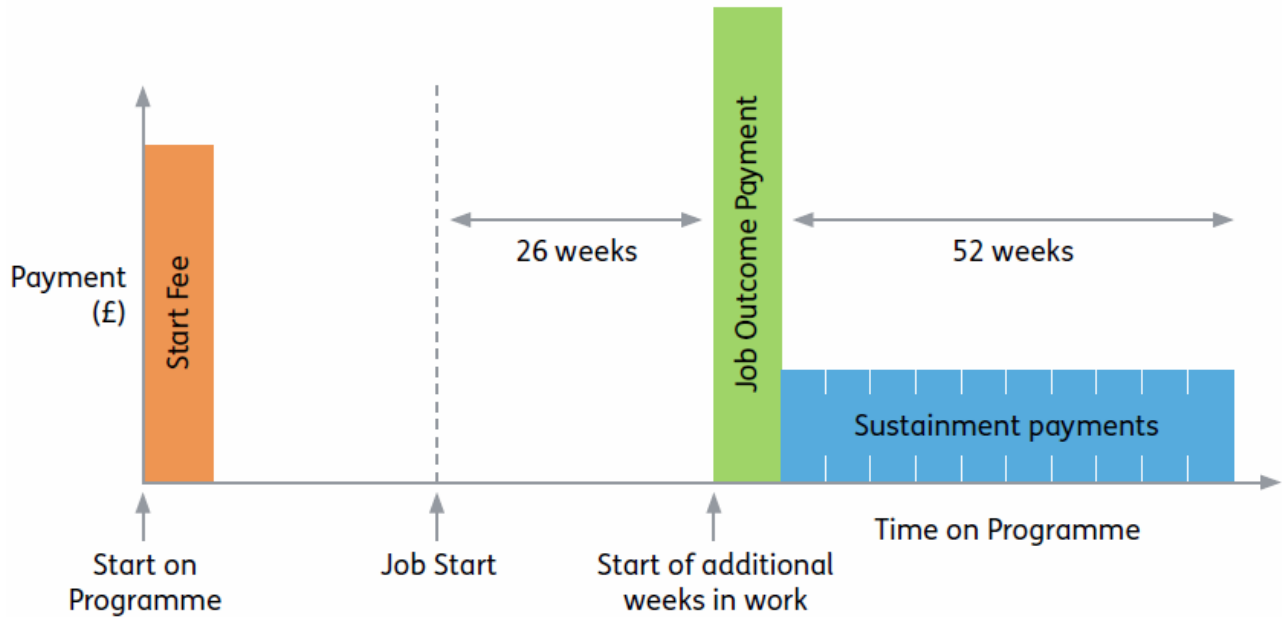
Key findings

- **Nearly 5,000 Work Programme participants in London have achieved a job outcome, representing a similar percentage to the national rate.**
- **Job outcome rates for three boroughs were around the national target level – Richmond, Hillingdon and Hounslow.**
- **People with a disability have much lower job outcomes rates from the first year of the Work Programme.**
- **Ingeus UK in West London has one of the highest job outcome rates in the country, but it is still below the national target of 5.5 per cent for the first year.**

Results

Nationally, more than half of the jobseekers who started on the Work Programme in June and July 2011 spent some time off benefits in the first year. Work Programme participants have started more than 200,000 jobs, with 31,000 staying in a job long enough by July 2011 to trigger an “outcome payment” to the Work Programme provider. Payments are made to providers at several different points along the pathway to sustained employment. These are summarised for an example participant in the diagram below.

Figure 1: Provider incentives for sustained job outcomes, for an example participant



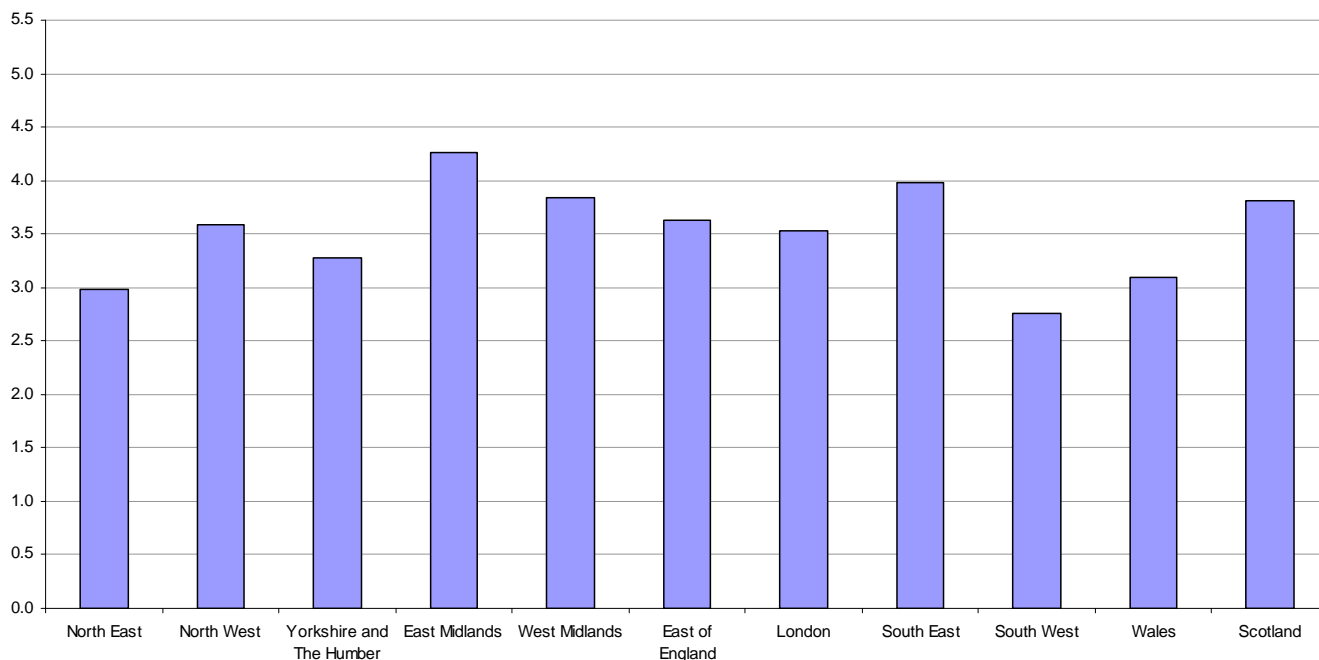
Source: Department for Work and Pensions

Note: The example participant here is someone who had been referred to the Work Programme because they had been long-term unemployed, ie claiming Job Seeker’s Allowance (JSA) for nine months if aged 18-24 or 12 months if aged 25+. Work Programme participants from other Payment Groups achieve a job outcome after 3 months of employment.

Comparable figures have not been released for London on the number of participants who have spent time off benefits or the number of job starts. However, 4,800 Londoners have been in work long enough to trigger the job outcome payment. Indeed, London was the first region to show Work Programme participants with job outcomes, as early as September 2011. This means that 3.53 per cent of all people referred to the Work Programme in London in the first year had found a job and stayed in work for the appropriate time. While this may seem a very small proportion, the time requirement means that most people referred to the Work Programme after December 2011 would not have had time to complete six months’ sustained employment by the end of July 2012. This percentage is very close to the GB average of 3.56 per cent. These figures are, however, below the 5.5 per cent target of the proportion of Work Programme referrals who would achieve job outcome payments set for the first year of the Work Programme.

Nationally, 19 per cent of those who joined the Work Programme in the first month have spent six months off benefit, but not all of these people have moved into employment. Altogether, 29 per cent of these early starters had entered a job by October 2012, though they may not have stayed there. Sustainment payments are also paid for each four week period the Work Programme participant stays in a job after the initial job outcome payment and 58,000 such payments have been claimed for 20,000 participants nationally. Again these figures are not available for London.

Figure 2: Job Outcomes for Work Programme participants by region (percentages)



Source: DWP Information, Governance and Security Directorate (IGS) Work Programme Statistics. Cumulative Totals to July 2012 produced via the DWP Tabulation Tool

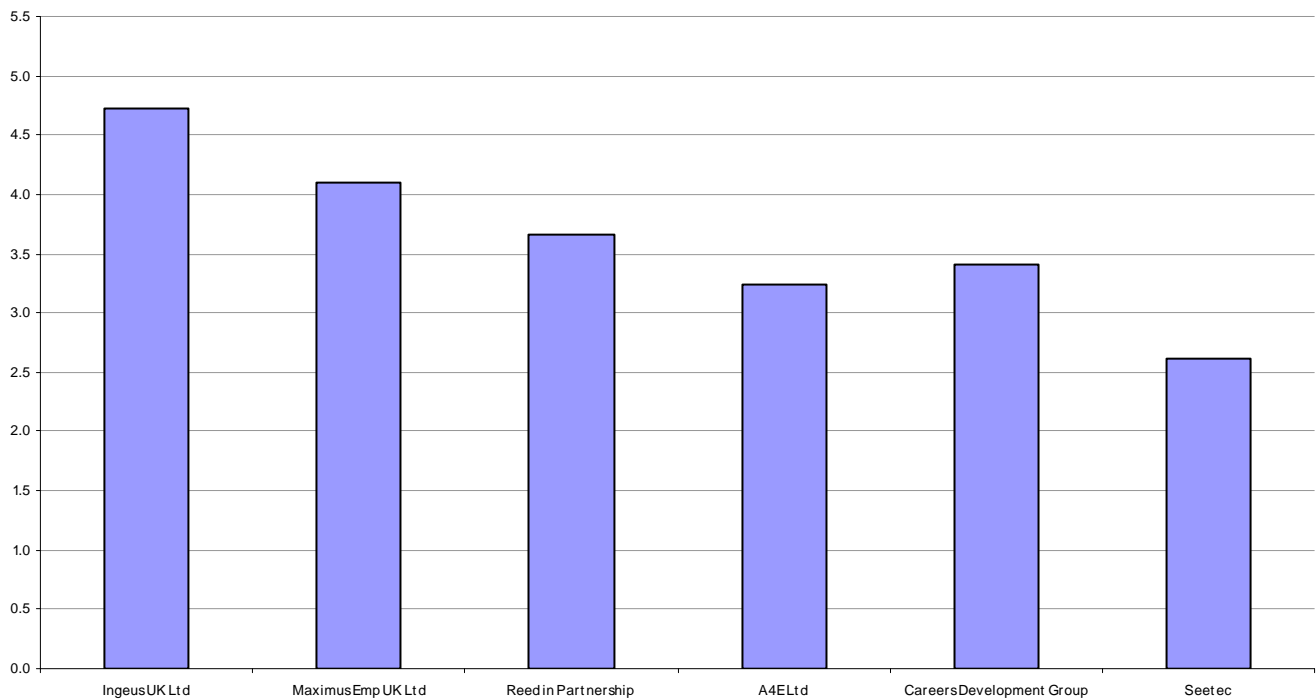
Similar figures at borough level show that, outside the City which had extremely small numbers, the highest job outcome rates were for Richmond upon Thames, Hillingdon and Hounslow, which all showed job outcome rates around the national target of 5.5 per cent.

In London, job outcomes were most likely for the 25-34 age group, whereas in most other regions, the 18-24 age group had the highest job outcome rate, though the differences were not particularly large. There are no strong patterns in the job outcome data associated with ethnicity at this stage, partly because numbers for most groups were quite small, whereas in most areas lone parents were slightly less likely to have a job outcome than others.

However, there were clear differences in job outcomes associated with disability, health condition and payment group, which are related. Overall, people with a disability were half as likely to have a job outcome as people without a disability. In total, around 800 Londoners with a disability achieved a job outcome, but most of these were receiving Job Seeker’s Allowance (JSA) or Income Support (IS), as only 150 people claiming Employment Support Allowance (ESA) or Incapacity Benefit (IB) had been in employment for three months, which is the qualifying period necessary to trigger the job outcome payment. The percentages mirrored the national picture, at closer to one per cent for most ESA/IB claimant groups, though a little higher for claimants whose conditions resulted from external causes, at around three per cent. The payment group data supports this, showing over four per cent of Londoners on the Work Programme claiming IS or IB with a job outcome, though the numbers are very small.

Within London there are six prime Work Programme providers, three each in east and west London. Their success rates in the first year in terms of job outcomes are illustrated in Figure 3. The three west London contractors, Ingeus UK, Maximum Emp UK and Reed in Partnership, have all had higher job outcome rates than the east London contractors, though clients are not exclusively from east or west London boroughs. Even within this split, there are clear differences with Ingeus UK showing one of the highest rates in the country for its west London contract.

Figure 3: Job Outcomes for Work Programme providers, London (percentages)



Source: DWP Information, Governance and Security Directorate (IGS) Work Programme Statistics. Cumulative Totals to July 2012 produced via the DWP Tabulation Tool

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