

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 24 September 2014
Subject: Update on the Work Programme
Report of: Head of Regeneration

Summary

Introduced in June 2011, the Work Programme replaced previous Department of Work and Pensions (DWP) programmes with a single framework that covers all benefit claimants. Since the last report to Economy Scrutiny in February 2014 on the Work Programme, the Department for Work and Pensions (DWP) has published performance data up to March 2014.

In summary, performance on job outcomes for JSA (Job Seekers Allowance) claimants has improved but is still below the national average in terms of percentage. The total number of referrals of long-term claimant groups represents a very small percentage of the total number of Work Programme referrals and overall referral numbers have continued to decrease. Employment outcomes for some of the payment groups i.e. JSA ex Incapacity Benefit (IB); ESA (Employment Support Allowance) ex IB and Incapacity Benefit and Income Support volunteers are still low. The appendix to the report provides an update based on the most recent performance of the prime contractors in Manchester. It also provides some examples of recent activity and changes implemented to support ESA claimants in particular. Representatives of the three prime contractors: Avanta, G4S and Seetec have been invited to the meeting along with Jobcentre Plus.

Recommendations:

Members are requested to note and comment on sustainable job outcome performance of the delivery of the Work Programme in Manchester.

Wards affected: All

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1. Introduction

Key features of the Work Programme have been described in previous papers to Economy Scrutiny. In summary, the Work Programme introduced in June 2011, is a nationally contracted programme which has rolled out a payment by results model on a large scale, where Prime Contractors are paid on sustainable job outcomes. The payments are designed to incentivise the contractors to work with the full range of benefit claimants with larger payments on securing job outcomes and ongoing payments for up to two years for those furthest from the labour market. All referrals to the Work Programme are through Jobcentre Plus. There are different thresholds for referrals to the Work Programme depending on age and benefit type. Manchester is in the Greater Manchester, Cheshire and Warrington CPA (contract package area).

1.1. The DWP has recently released data, covering referrals, attachments and job outcomes to the Work Programme for the period June 2011 to March 2014, by Local Authority area and payment group. An attachment is recorded when the Prime Contractor successfully engages with a claimant. A job outcome payment can be claimed after a participant has been in a job for three or six months and subsequent sustainment payments claimed every four weeks for up to one year, eighteen months or two years when a participant sustains work. The payment group for a claimant is the group that Jobcentre Plus assigns the claimant to, on the basis of the benefit they receive.

1.2. This report looks at the performance of the Work Programme since its inception in June 2011 and includes the latest data available up to March 2014. A comparison of the performance of the three Prime Contractors for Manchester (Avanta, G4S and Seetec) is included in Appendix 1.

1.3. The most recent DWP unemployment figures (February 2014) show that there were 56,490 Manchester residents claiming an out of work benefit, which represents 15.5% of the city's working age population. Of those claiming, 15,560 were claiming Jobseekers Allowance (JSA), 32,240 claiming Incapacity Benefit (IB) or Employment Support Allowance (ESA) and 7,000 were lone parents claiming Income Support (IS).

2. Work Programme Results

2.1. National results:

- 1.55 million referrals have been made to the Work Programme nationwide since June 2011
- The national attachment to referral rate is 97.5%
- 295,790 job outcomes have been registered
- The national job outcomes to referrals rate is 23.3%

2.2. Manchester results:

- 21,290 referrals have been made to the Work Programme since June 2011
- The overall attachment to referral rate is 97.9%
- 2,540 job outcomes have been registered
- The overall job outcomes to referrals rate is 13.3%

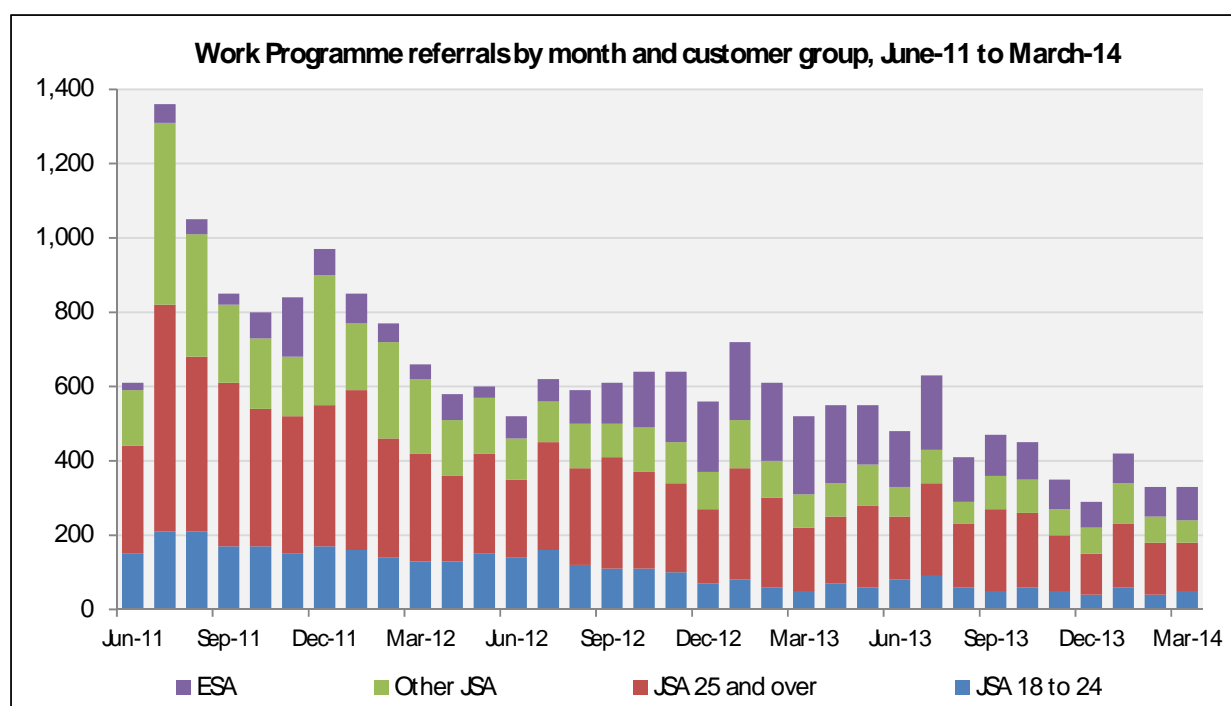
3. Cumulative performance of the Work Programme: June 2011 to March 2014

3.1. Referrals

3.1.1. In Manchester there have been 21,290 referrals to the Work Programme between June 2011 and March 2014. The table below shows that referral volumes have declined since the programme's introduction, with almost half the average number of monthly referrals in 2013/14, as compared to the first year of the programme.

| | Total number of referrals | Average number of referrals per month |
|-------------------------|---------------------------|---------------------------------------|
| June 2011 – March 2012 | 8,820 | 882 |
| April 2012 – March 2013 | 7,190 | 599 |
| April 2013 – March 2014 | 5,300 | 442 |

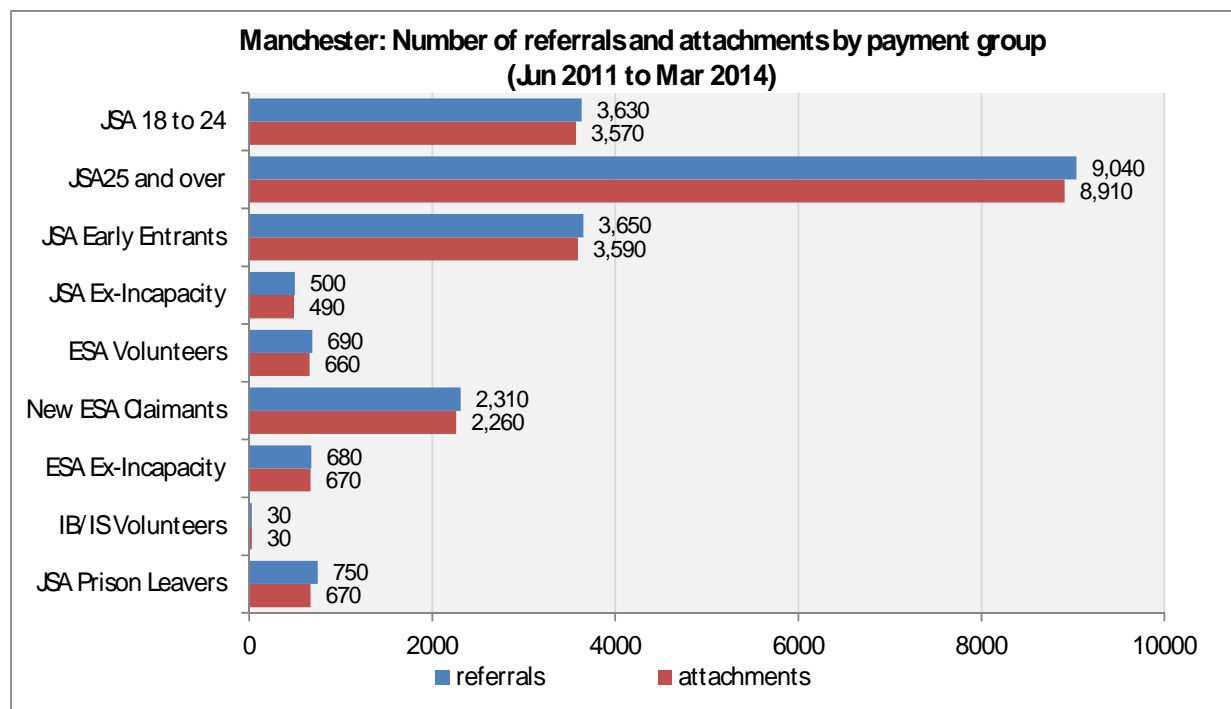
3.1.2. The graph below shows that the profile of referred claimants has also changed for Manchester, which is in line with national trends. The number of referrals for the JSA Early Entrants customer group has declined significantly since the start of the programme (having initially been much higher than expected) while the number of referrals for the ESA customer groups increased between August 2012 and October 2013. It is worth noting that increases in ESA referrals may be due to DWP expanding the eligibility conditions for the 'new ESA claimants' customer group. Initially claimants, who were expected to be ready to work within three months, were required to join the programme. This was extended to include those expected to be ready for work within six months from October 2011 and within twelve months from November 2012.



3.2. Attachments

3.2.1. Once a person has been referred to a Work Programme provider, the provider is responsible for contacting that person to discuss the programme and begin planning the steps needed to support them into sustained employment. Once this activity has taken place, the provider registers an attachment to the Work Programme.

3.2.2. In Manchester, of the 21,290 referrals to the Work Programme between June 2011 and March 2014, 97.9% resulted in an attachment, compared to 97.5% nationally. The graph below shows that the highest proportion of referrals are concentrated within the three main JSA payment groups.



3.3. Job Outcomes

3.3.1. Providers delivering the Work Programme receive a job outcome payment after a participant has spent a minimum amount of time in employment (six months for the 'JSA 18-24' and 'JSA 25 and over' customer groups and three months for all other customer groups).

3.3.2. In Manchester, job outcome payments have been made for 3,720 participants between June 2011 and March 2014. Of those participants who had been on the programme for the minimum length of time necessary to attain a job outcome, 19.1% did so, compared to 20.6% nationally. The table below shows that Work Programme performance in Manchester was ranked seventh within the Core Cities group and that performance is lower than the average for all Core Cities.

| Core Cities Group & Great Britain | Total number of people who have been referred | Number of referrals that could have achieved a job outcome* | Number of referrals that did achieve a job outcome | % of the referrals that could achieve a job outcome that did |
|--|--|--|---|---|
| Newcastle | 10,370 | 9,510 | 1,920 | 20.2% |
| Birmingham | 52,740 | 48,840 | 9,820 | 20.1% |
| Sheffield | 18,760 | 17,420 | 3,500 | 20.1% |
| Leeds | 25,210 | 23,120 | 4,540 | 19.6% |
| Nottingham | 16,330 | 15,040 | 2,890 | 19.2% |
| Liverpool | 23,550 | 21,650 | 4,140 | 19.1% |
| Manchester | 21,290 | 19,500 | 3,720 | 19.1% |
| Bristol | 12,590 | 11,620 | 2,000 | 17.2% |
| Great Britain | 1,553,630 | 1,434,400 | 295,790 | 20.6% |

* Includes all referrals in 'JSA 18-24' and 'JSA 25 and over' payment groups up to 26 weeks before the end of the period and all referrals in all other payment groups up to 13 weeks before the end of the period.

3.3.3. The table below shows a payment group breakdown of Manchester participants who had been on the programme for the minimum length of time necessary to attain a job outcome. Job outcome rates are highest for the three main JSA payment groups. Job outcome rates are still very low for the ESA / IB payment groups, giving an indication of the difficulties in moving people with health conditions into work, particularly as those with a longer-term prognosis have joined the programme.

| Manchester Payment Groups | Total number of people who have been referred | Number of referrals that could have achieved a job outcome* | Number of referrals that did achieve a job outcome | % of the referrals that could achieve a job outcome that did |
|----------------------------------|--|--|---|---|
| JSA 18 to 24 | 3,630 | 3,350 | 900 | 26.9% |
| JSA 25 and over | 9,040 | 8,150 | 1,740 | 21.3% |
| JSA Early Entrants | 3,650 | 3,560 | 800 | 22.5% |
| JSA Ex-Incapacity | 500 | 430 | 40 | 9.3% |
| ESA Volunteers | 690 | 660 | 40 | 6.1% |
| New ESA Claimants | 2,310 | 2,120 | 140 | 6.6% |
| ESA Ex-IB | 680 | 590 | 10 | 1.7% |
| IB/IS Volunteers | 30 | 20 | 0 | 0.0% |

| | | | | |
|--------------------|-----|-----|----|------|
| JSA Prison Leavers | 750 | 660 | 50 | 7.6% |
|--------------------|-----|-----|----|------|

* Includes all referrals in 'JSA 18-24' and 'JSA 25 and over' payment groups up to 26 weeks before the end of the period and all referrals in all other payment groups up to 13 weeks before the end of the period.

4. DWP Minimum Performance Level

4.1. DWP's primary measure for contract management is the Minimum Performance Level (MPL). Performance is measured using the total number of referrals and job outcomes taking place during each financial year of the programme for the three largest payment groups: JSA claimants aged 18-24, JSA claimants aged 25 and over, and new ESA claimants.

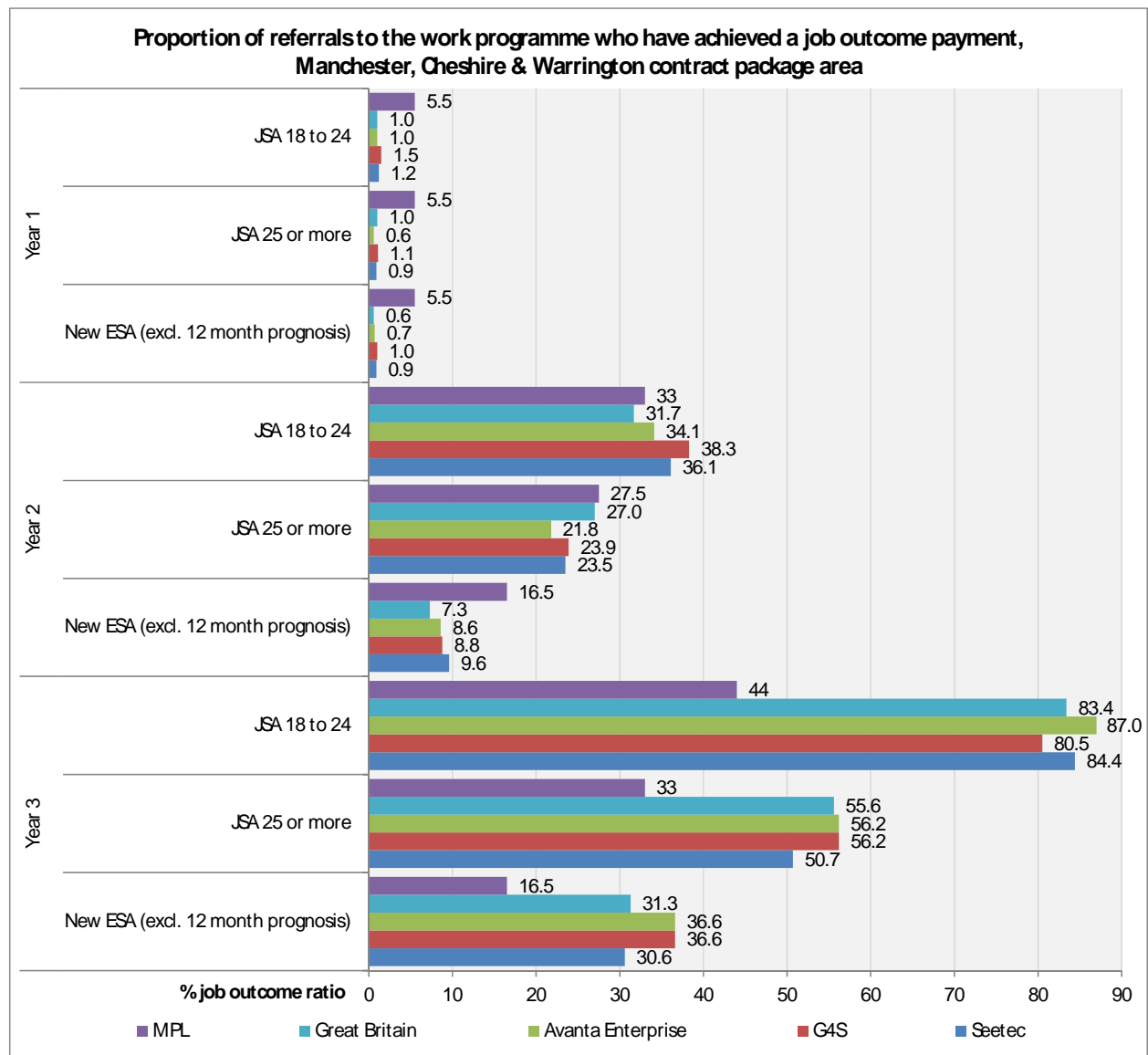
4.2. DWP have now accepted that the Minimum Performance Level 'has limitations' because it is affected by the numbers joining the programme as well as job outcomes. By comparing current job outcomes with current referrals the measure is highly sensitive to changes in referral volumes over time. As referral volumes have declined this has led to an increase in the measure across all contractors that is unrelated to underlying performance.

4.3. The table below shows performance for Manchester and Great Britain for year three of the programme (April 2013 to March 2014) set against the DWP Minimum Performance Levels. Although this shows positive progress both nationally and in Manchester, the limitations of this performance measure should be noted, as described above.

| DWP Minimum Performance Level Year 3: April 2013 - March 2014 | Minimum Performance Level | Great Britain Job Outcomes | Manchester Job Outcomes |
|--|--|---|--|
| JSA 18 to 24 participant group | 44% | 83.4% | 73.2% |
| JSA 25 and over participant group | 33% | 55.6% | 51.2% |
| New ESA claimants participant group* | 16.5% | 31.3%* | n/a |

*excluding 12 month prognosis

4.4. The graph below compares the performance levels achieved in Great Britain against the Manchester, Cheshire and Warrington contract package area for year one, year two and year three of the programme. Nationally, in the first year of the programme (June 2011 to March 2012), providers failed to meet minimum performance levels for any of the three payment groups. Nationally, in the second year of the programme (April 2012 – March 2013), some providers exceeded the Minimum Performance Levels for the JSA 18-24 and JSA 25 and over, payment groups. However no providers met the Minimum Performance Level for the new ESA claimants payment group. Nationally, in year three of the programme some providers exceeded Minimum Performance Levels in all three payment groups, which included providers within the Manchester, Cheshire and Warrington contract package area.

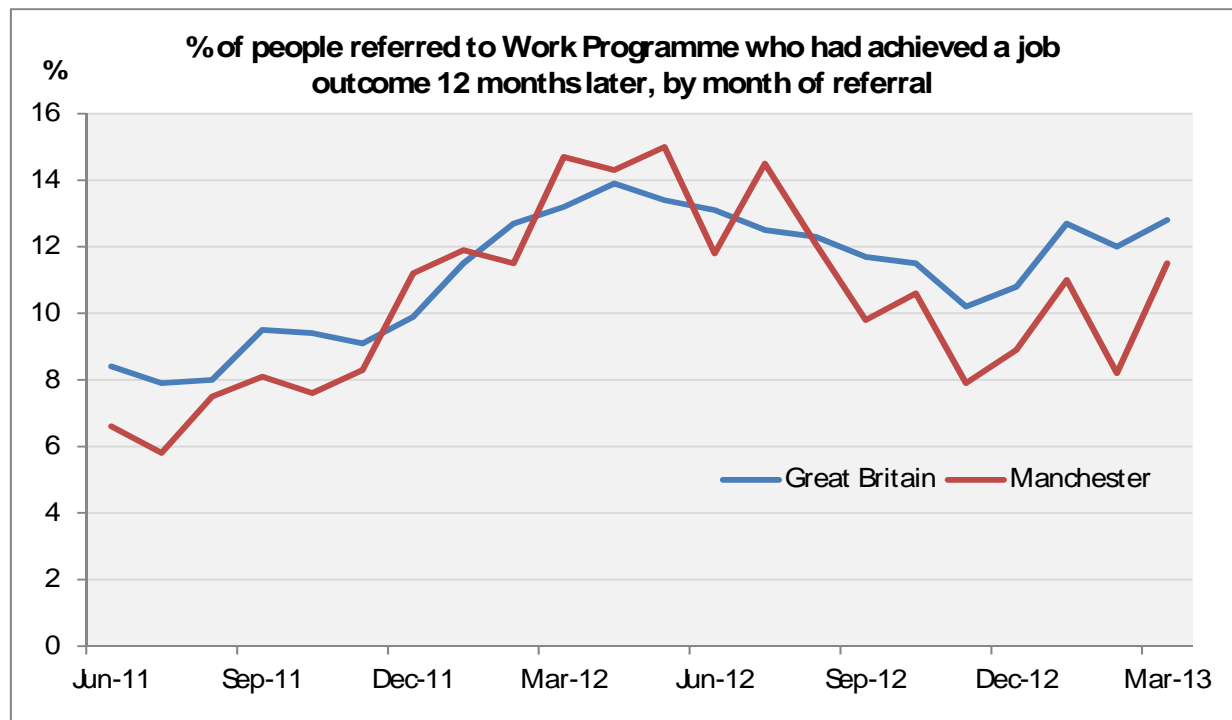


5. DWP Business Plan Measure

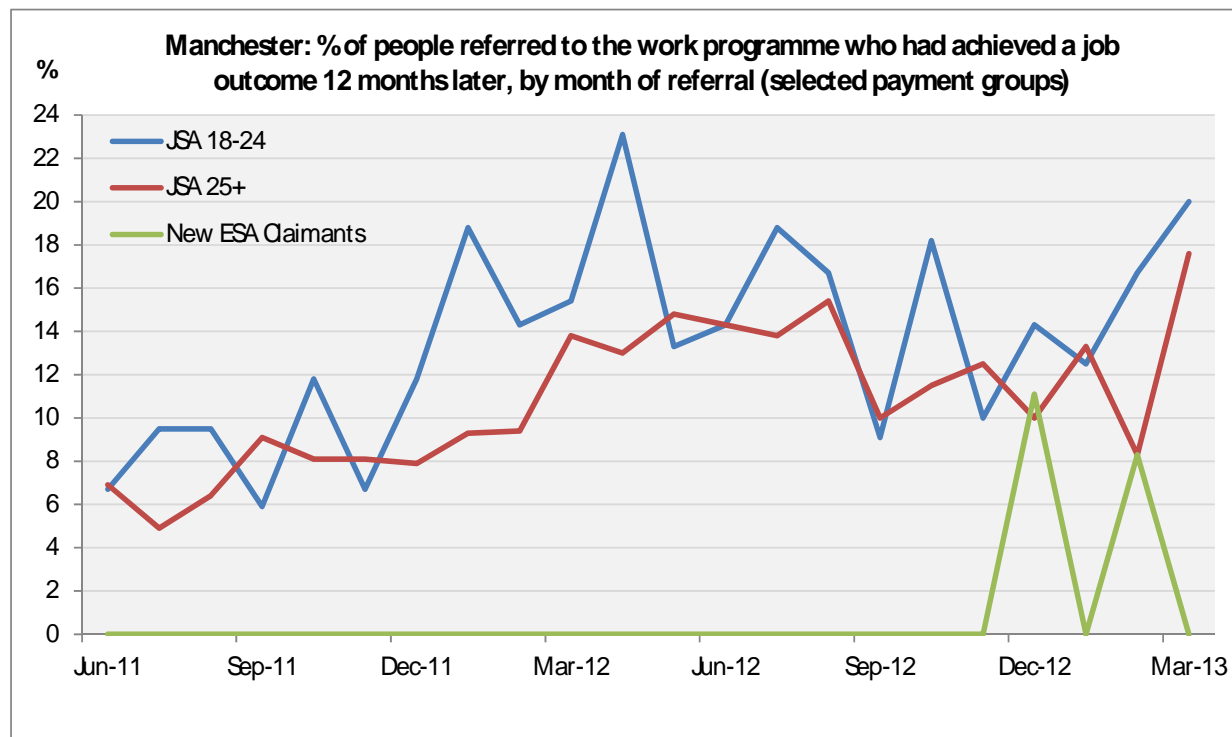
5.1. The DWP business plan measure is a measure of how each monthly cohort of referrals is succeeding in getting a job within 12 months of joining the programme. This measure is not directly affected by referral volumes and so is not subject to the distortions within the Minimum Performance Level.

5.2. In Manchester, 10.1% of people referred to the Work Programme between June 2011 and March 2013 achieved a job outcome within twelve months of joining the programme, compared to 10.9% nationally. 11.5% of individuals referred in the month of March 2013 had achieved a job outcome within 12 months of referral, compared to 12.8% nationally.

5.3. The graph below shows a decrease in the proportion of participants achieving a job outcome within twelve months, both nationally and in Manchester, which may be partly the result of more ESA claimants joining the programme.



5.4. The graph below shows the job outcome rate for selected payment groups. In Manchester, of the 140 job outcome payments made to participants in the new ESA claimants payment group up to March 2014, 20 of these were achieved within twelve months of joining the programme.



6. Centre for Economic and Social Inclusion Job Outcome Measures

6.1. The Centre for Economic and Social Inclusion (Inclusion) job outcome measures monitor the proportion of customers achieving a job outcome within a year, two years, or their maximum time on the programme. It should be noted that there is currently only ten months of data for participants who have been on the programme for two years and have subsequently left, and only four months of data that represents overall cohort performance. Therefore, these measures remain a partial view of performance based on the first few months of the Work Programme when performance was at its weakest. As with the DWP Business Plan measure, these measures are not subject to the distortions within the Minimum Performance Level. Please note that the Inclusion one-year job outcome measure is the same measure as the DWP business plan measure.

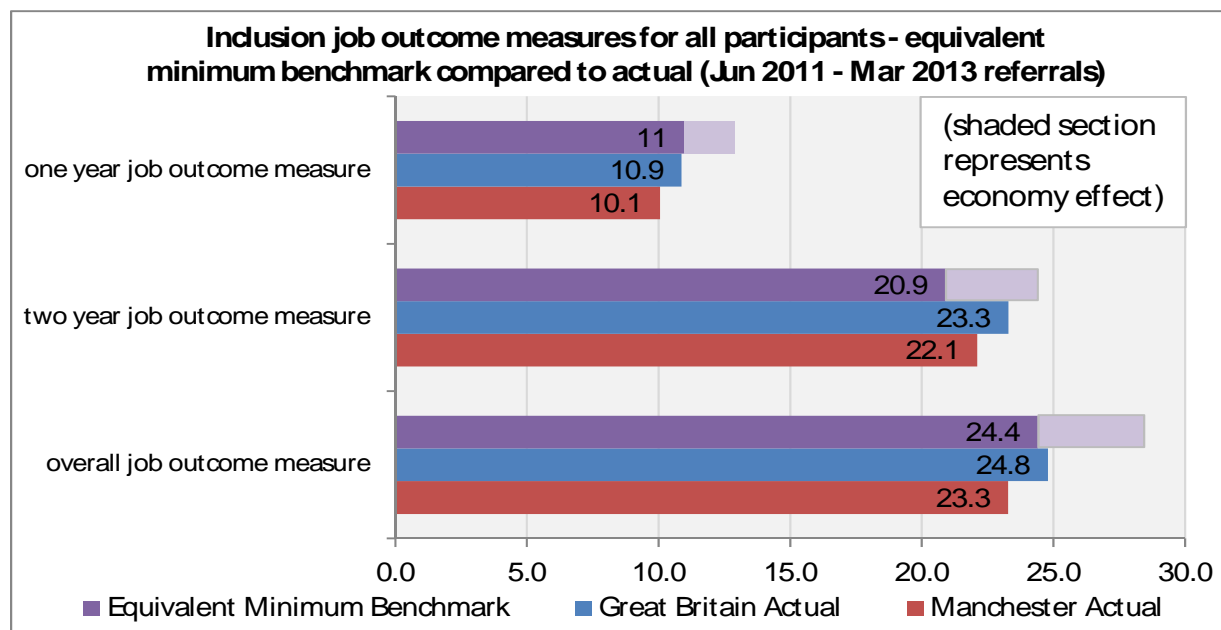
6.2. Inclusion uses benchmark indicators to assess overall performance. Inclusion estimate that for all participants, the equivalent of DWP's performance expectations are:

- 12.9% on the one-year job outcome measure.
- 24.5% on the two-year job outcome measure.
- 28.5% on the overall job outcome measure.

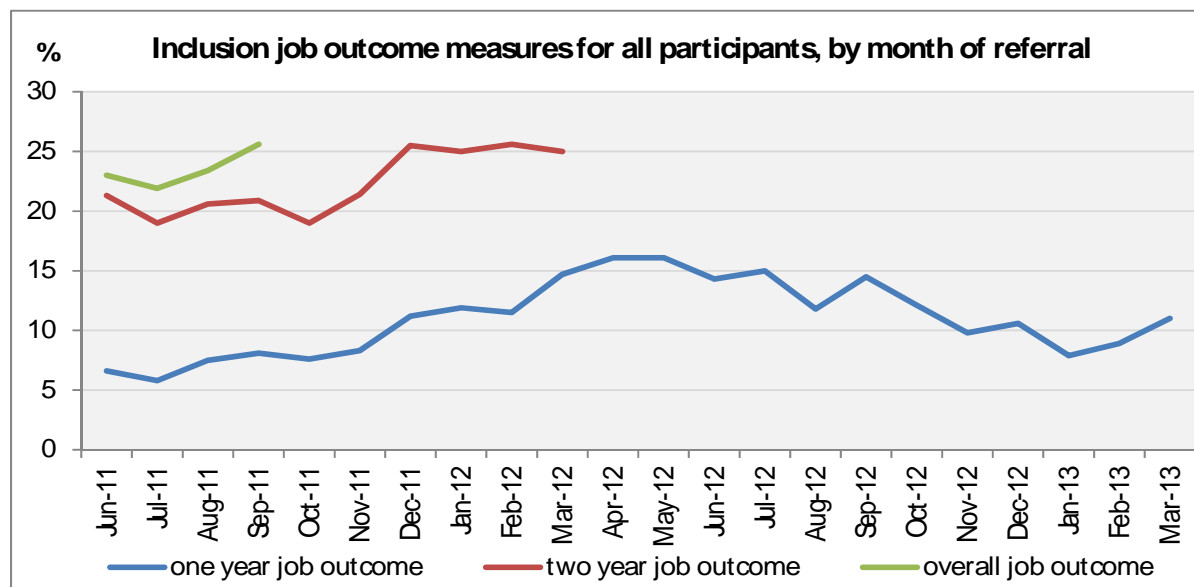
6.3. Inclusion also makes an adjustment for the economy because economic growth weakened after the Work Programme was commissioned and DWP's expectations were set. Inclusion's economy adjusted benchmarks are:

- 11.0% on the one-year job outcome measure.
- 20.9% on the two-year job outcome measure.
- 24.4% on the overall job outcome measure.

6.4. The graph below compares Manchester with Great Britain against Inclusion's equivalent minimum benchmarks. For all the job outcome measures, Manchester is performing below national performance and below Inclusion's equivalent minimum benchmarks. However, of those participants who had been on the programme for two years, 22.1% had achieved a job outcome in Manchester, which exceeded the economy adjusted benchmark of 20.9%.



6.5. The graph below shows job outcome performance over time for all participants in Manchester. Of those referred to the Work Programme in the month of March 2012, 14.7% achieved a job outcome within one year and 25% achieved a job outcome within two years of joining the programme.



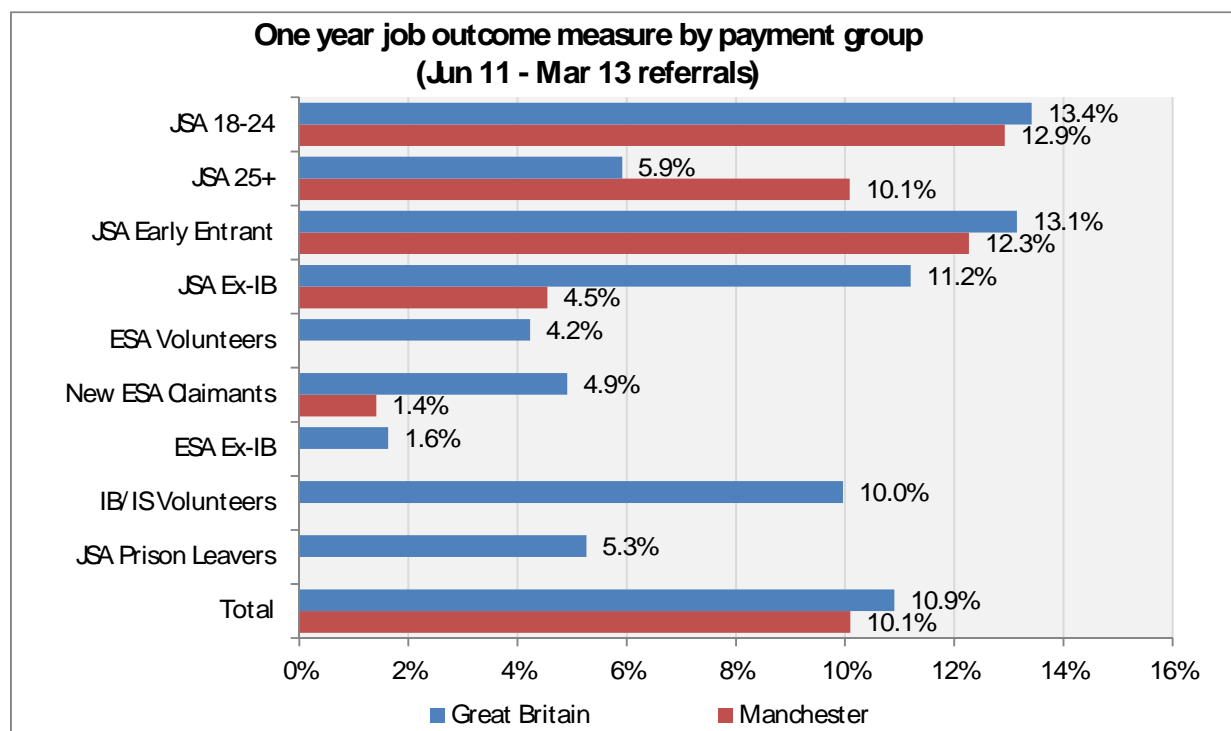
6.6. The table below compares performance for Inclusion’s one-year measure, two-year measure and overall performance measure for the Core Cities group (Source: Centre for Economic & Social Inclusion). Performance is very similar across the Core Cities for all three job outcome measures, with Leeds and Bristol performing slightly behind Manchester.

| Core Cities Group | Two-year job outcome measure | One-year job outcome measure | Overall job outcome measure | Unemployment rate based on population aged 16 to 64* |
|-------------------|------------------------------|------------------------------|-----------------------------|--|
| | | | | |

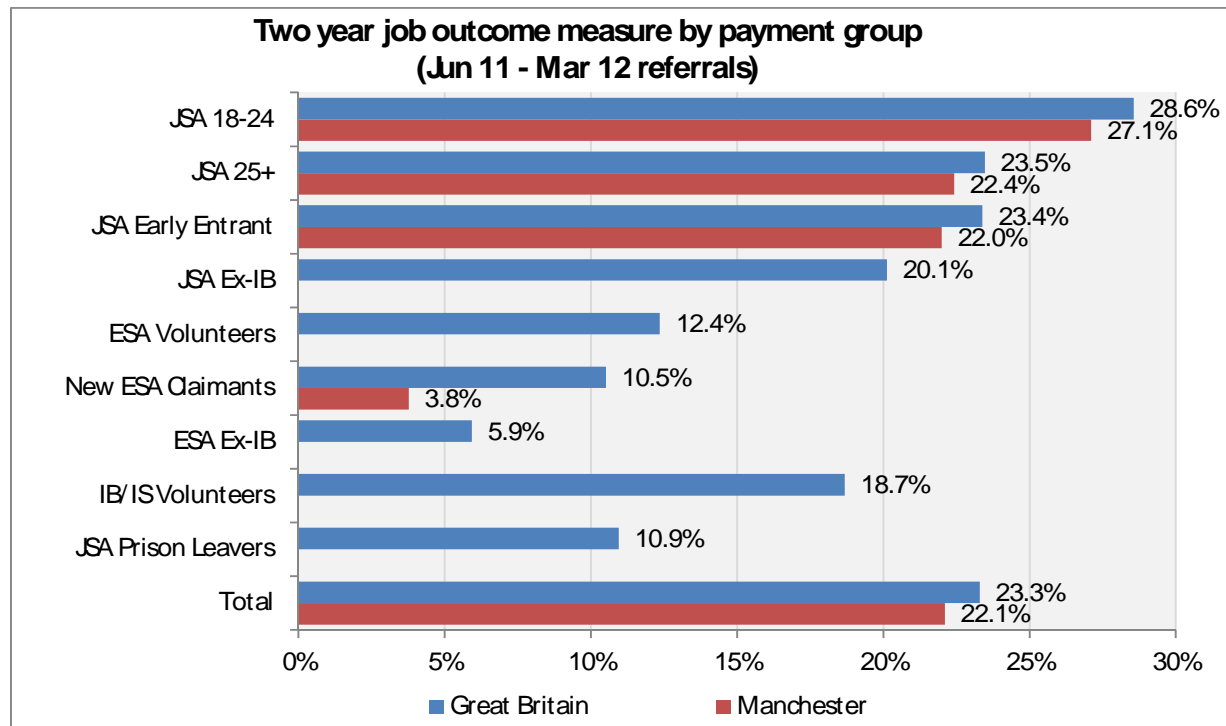
| Core Cities Group | Two-year job outcome measure | One-year job outcome measure | Overall job outcome measure | Unemployment rate based on population aged 16 to 64* |
|-------------------|------------------------------|------------------------------|-----------------------------|--|
| Sheffield | 22% | 10% | 25% | 11.2% (+/-2.2%) |
| Newcastle | 23% | 11% | 24% | 10.6% (+/-2.1%) |
| Birmingham | 22% | 11% | 24% | 14.5% (+/-2.3%) |
| Nottingham | 23% | 11% | 23% | 11.9% (+/-2.2%) |
| Liverpool | 22% | 10% | 23% | 12.4% (+/-2.3%) |
| Manchester | 22% | 10% | 23% | 9.5% (+/-1.9%) |
| Leeds | 21% | 9% | 22% | 9.1% (+/-1.8%) |
| Bristol | 19% | 8% | 21% | 7.0% (+/-1.9%) |

*Sourced from the ONS Annual Population Survey (April 2013-March 2014), reported within a margin of error (+/-%)

6.7. The graph below shows the proportion of participants who achieved a job outcome within one year of being on the programme. In Manchester 10.1% of the JSA 25 and over payment group achieved a job outcome within one year, compared to 5.9% nationally. For all other payment groups Manchester performed below the national average. There were no one year job outcomes recorded in Manchester for the ESA volunteers, ESA ex-Incapacity Benefit, Incapacity Benefit/Income Support volunteers and JSA prison leavers payment groups. It is worth noting that the prison leavers payment group was only introduced in March 2012.

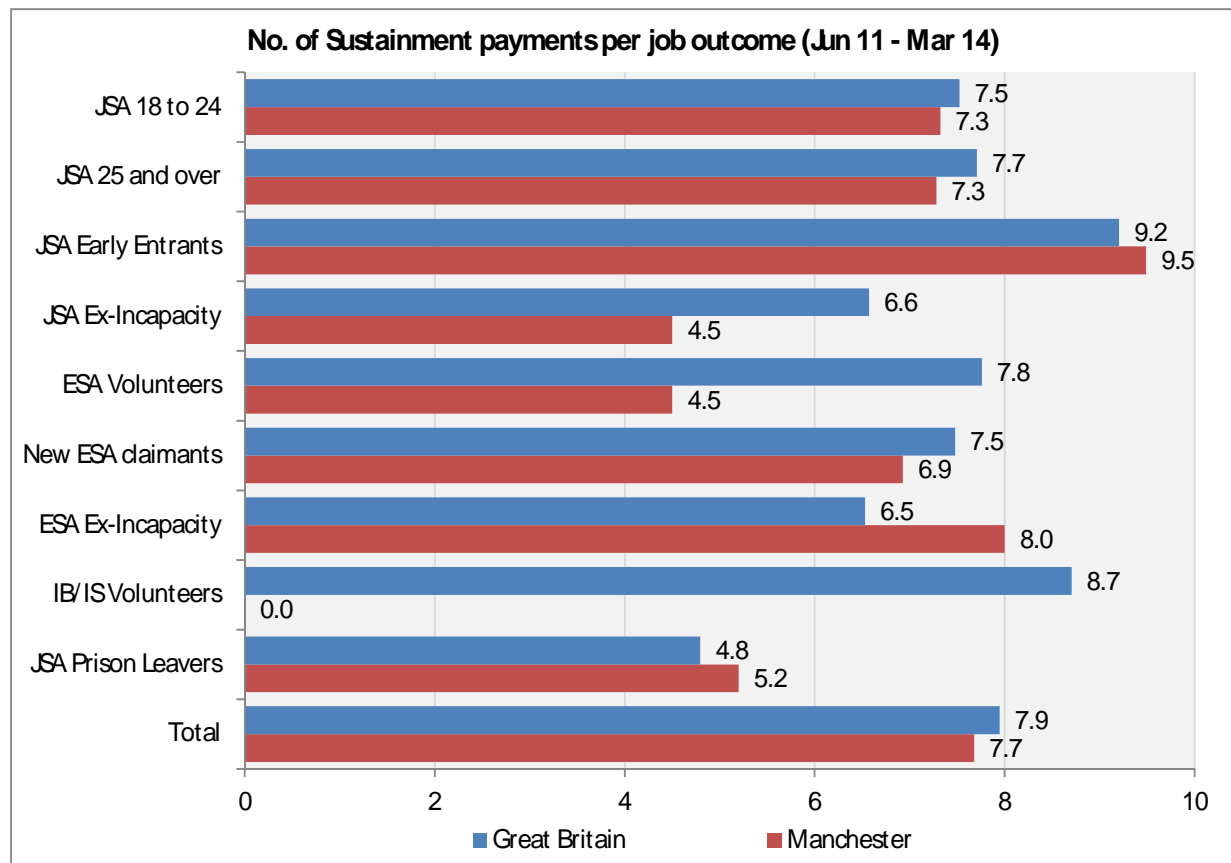


6.8. The graph below shows the proportion of participants who achieved a job outcome within two years of being on the programme. For all payment groups Manchester performed below the national average. There were no two year job outcomes recorded in Manchester for the JSA ex-Incapacity Benefit, ESA volunteers, ESA ex-Incapacity Benefit, Incapacity Benefit /Income S volunteers and JSA prison leavers payment groups.



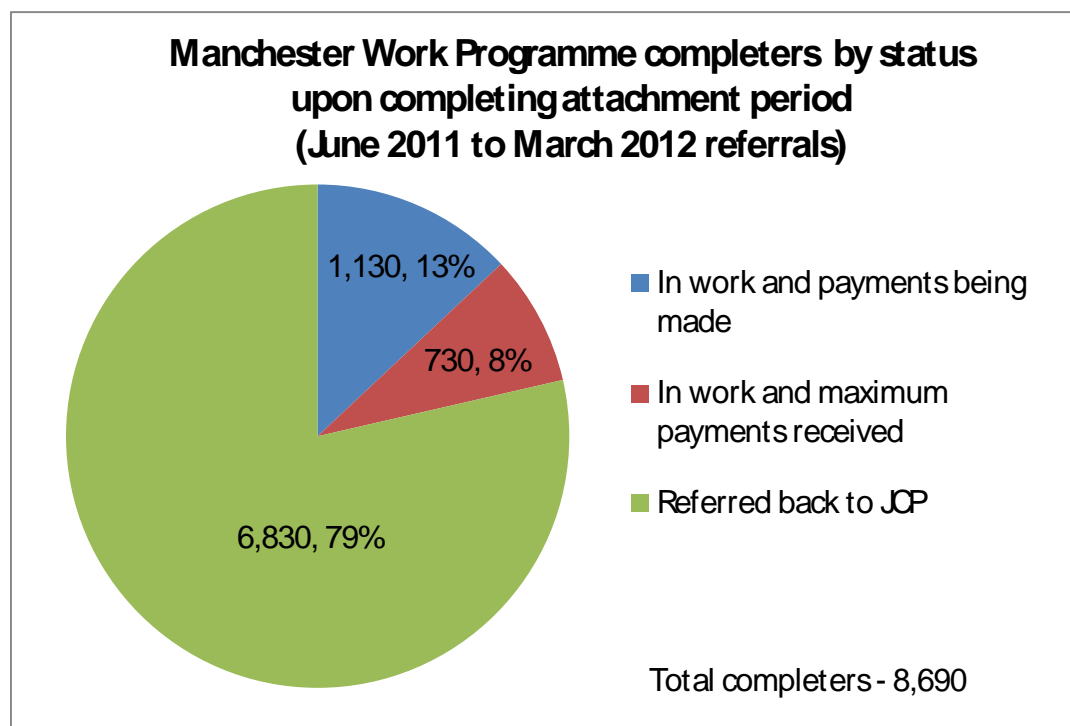
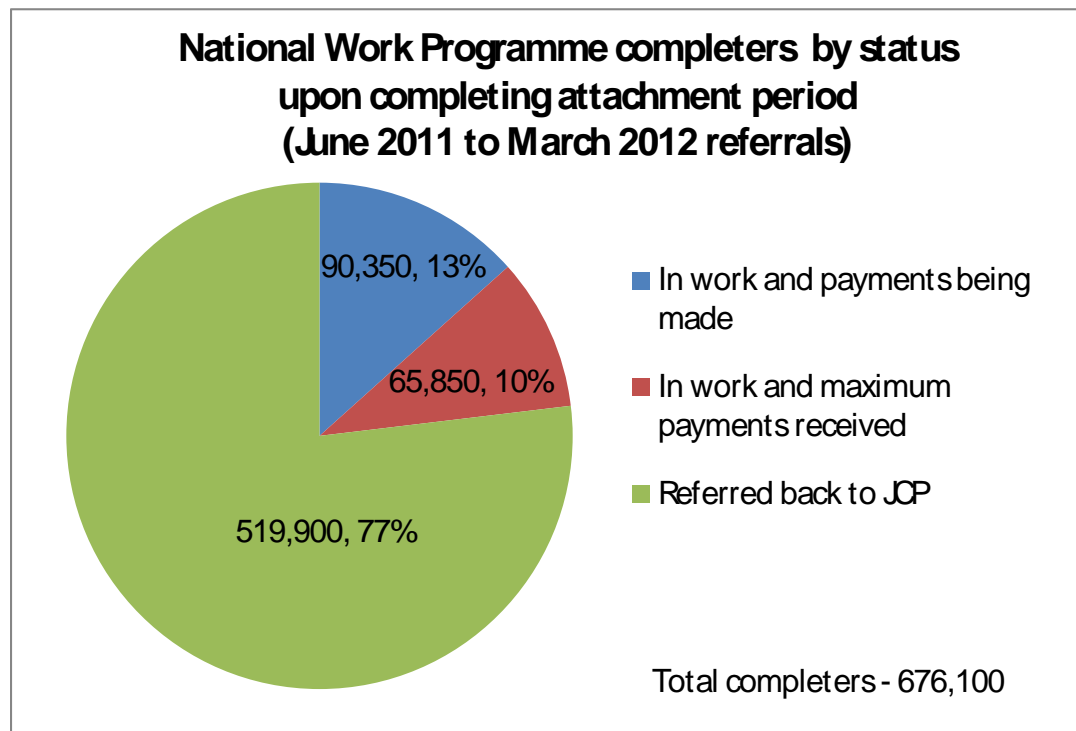
7. Sustainment Payments

7.1. Sustainment payments follow on from job outcome payments and are paid every four weeks if the participant continues in employment. Up to the end of March 2014, DWP had made 28,560 sustainment payments for participants in Manchester sustaining work beyond a job outcome. This equates to an average of 7.68 payments following every job outcome that has been achieved so far, compared to an average of 7.95 nationally. The graph below compares the average number of sustainment payments per job outcome for each payment group for Manchester and Great Britain.



8. Work Programme Completers

8.1. Individuals remain on the Work Programme for 104 weeks after referral. Based on referrals up to the end of March 2012, there have been 676,100 Work Programme participants nationally and 8,690 participants in Manchester who have finished their two years on the programme. The pie charts below show the status of all those who have left. Compared to the national figures, in Manchester there has been a slightly higher proportion of those referred back to Job Centre Plus and a slightly lower proportion of those in work for whom Prime Contractors have received maximum payments. It should be noted that there is some growing anecdotal evidence that Work Programme leavers are not necessarily presenting themselves at Job Centre Plus and are therefore deciding to sign off benefits. The Council will be able to track this in terms of ESA claimants through the Working Well programme.



9. Conclusion

9.1. Overall, Work Programme performance in Manchester has improved, although performance is generally below the national average and there is some way to go in terms of supporting those with health conditions into work in particular. The Working Well service being delivered by Big Life in the city since March 2014 is targeting these groups. A separate report to this meeting provides more information on the Working Well model and progress to date. The City Council will continue to work with

the Work Programme Prime Contractors to coordinate services to support more residents into work.

Appendix 1 – Information on Prime Contractor performance

| Work Programme Performance: June 2011 - March 2014 | | Total | JSA 18 to 24 | JSA 25 and over | JSA Early Entrants | JSA Ex- Incapacity Benefit | ESA Volunteer s | New ESA claimant s | ESA Ex- Incapacit y Benefit | IB/IS Volunteer s | JSA Prison Leavers |
|---|---|--------------|-----------------------------|------------------------------------|-----------------------------------|---|--------------------------------|---------------------------------------|--|----------------------------------|-----------------------------------|
| Avanta | Total number referred | 7,120 | 1,200 | 3,020 | 1,210 | 160 | 230 | 800 | 230 | 10 | 260 |
| | Number of Attachments | 6,890 | 1,160 | 2,950 | 1,180 | 160 | 220 | 780 | 220 | 10 | 220 |
| | Number of referrals that could have achieved a job outcome* | 6,560 | 1,120 | 2,720 | 1,170 | 140 | 230 | 740 | 200 | 10 | 230 |
| | Number of referrals that did achieve a job outcome | 1,270 | 290 | 610 | 260 | 20 | 10 | 50 | 0 | 0 | 20 |
| | Attachment Rate (%) | 96.8% | 96.7% | 97.7% | 97.5% | 100.0% | 95.7% | 97.5% | 95.7% | 100.0% | 84.6% |
| | % of the referrals that could achieve a job outcome that did* | 19.4% | 25.9% | 22.4% | 22.2% | 14.3% | 4.3% | 6.8% | 0.0% | 0.0% | 8.7% |
| G4S | Number of Referrals | 7,000 | 1,220 | 2,970 | 1,180 | 160 | 230 | 730 | 240 | 10 | 260 |
| | Number of Attachments | 6,920 | 1,220 | 2,950 | 1,170 | 160 | 220 | 720 | 240 | 10 | 230 |
| | Number of referrals that could have achieved a job outcome* | 6,430 | 1,100 | 2,690 | 1,150 | 140 | 230 | 670 | 210 | 10 | 230 |
| | Number of referrals that did achieve a job outcome | 1,260 | 310 | 600 | 280 | 10 | 10 | 40 | 10 | 0 | 10 |
| | Attachment Rate (%) | 98.9% | 100.0% | 99.3% | 99.2% | 100.0% | 95.7% | 98.6% | 100.0% | 100.0% | 88.5% |
| | % of the referrals that could achieve a job outcome that did* | 19.6% | 28.2% | 22.3% | 24.3% | 7.1% | 4.3% | 6.0% | 4.8% | 0.0% | 4.3% |
| Seetec | Number of Referrals | 7,150 | 1,210 | 3,040 | 1,260 | 170 | 230 | 780 | 220 | 10 | 220 |
| | Number of Attachments | 7,030 | 1,200 | 3,000 | 1,230 | 170 | 230 | 760 | 210 | 10 | 210 |
| | Number of referrals that could have achieved a job outcome* | 6,580 | 1,110 | 2,720 | 1,220 | 150 | 230 | 720 | 200 | 10 | 210 |
| | Number of Job outcomes | 1,200 | 300 | 540 | 260 | 10 | 10 | 50 | 0 | 0 | 20 |
| | Attachment Rate (%) | 98.3% | 99.2% | 98.7% | 97.6% | 100.0% | 100.0% | 97.4% | 95.5% | 100.0% | 95.5% |
| | % of the referrals that could achieve a job outcome that did* | 18.2% | 27.0% | 19.9% | 21.3% | 6.7% | 4.3% | 6.9% | 0.0% | 0.0% | 9.5% |

* Includes all referrals in 'JSA 18-24' and 'JSA 25 and over' payment groups up to 26 weeks before the end of the period and all referrals in all other payment groups up to 13 weeks before the end of the period. N.B. Due to rounding, the figures do not exactly match those in the main body of the repo

Appendix 2

Information on employment support and Case Studies from Avanta, G4S and Seetec

Avanta - From Pre Employment Training to Poundland in 4 weeks!

Today we had 18 Job Seekers take the first few steps on the path to sustainable employment ..

18 Job Seekers all with different barriers, including lone parents and ESA claimants all attended a 1 week Pre Employment Training course in Retail Principles with our tutor. This involved making sure that they had all been prepared appropriately for interview and to understand the basics of customer service skills needed for retail roles. The training was specifically tailored to meet Poundland's exacting standards. All of our customers responded brilliantly to this and came out of the course brimming with confidence about the upcoming interviews.

Avanta provided interview clothes and missing identification for customers who required it. Following this we held another one day refresher course for further last minute tweaking of interview techniques.

On the days of the interviews there was a fantastic buzz around the office with both staff and customers getting involved and providing support to customers who got those inevitable last minute jitters! Customers were coming out of the interviews giving really enthusiastic feedback about how well they felt the interviews had gone and could not wait to hear if they had been successful or not.

We had a nervous week of waiting to receive the much anticipated feedback. We received the overwhelming news that all 18 have been successful and have been given a start date for the company induction.

G4S - Changes to the ESA delivery model - I2i who are one of the G4S sub-contractors have developed 13 week hubs specifically for ESA Customers, with a focus on getting them ready for work over a longer period, rather than the more intensive job search activity applied to JSA customers. These also allow for advisors to determine what level of support is needed and to make referrals on to third parties if needed. Other changes within the supply chain approach include coffee sessions and out of hours sessions for ESA Customers. These are often at alternative venues where customers may feel more at ease and will also be attended by an ESA Customer who has had a positive Work Programme experience to help sell the benefits of engaging fully with the service. These have been particularly successful and there is currently a waiting list for the i2i out of hours sessions.

Centres often advertise that they have private rooms available in reception so that customers can disclose sensitive information away from the main office if they wish.

Brokers have started drawing on their European Social Fund and Skills Funding Agency knowledge and are looking more at delivering (non-funded) courses around

confidence building etc., rather than more job focused courses for customers who are still some distance from the job market.

Seetec – Social enterprise employment for young Work Programme clients

Seetec have worked in partnership with the Growth Hub and one of their clients, a young social entrepreneur on a mission to tackle youth unemployment with her street market catering business 4Lunch. Amy Win set up 4Lunch, a Mediterranean street food and catering business that runs *Cook Inspire Change* cooking and enterprise workshops with communities across Manchester. Amy and her team work with young people to improve their skills, confidence and employability at various markets across Manchester including Levenshulme and Moss Side. A young chef herself, Amy is passionate about good food and is teaching young people about food by helping them to work in a team, to create new dishes and to explore the opportunities that working in the catering industry might offer.

4Lunch has launched a pilot programme this summer in partnership with Trinity Youth Centre in Moss Side and a cohort of Seetec's young unemployed Manchester Work Programme customers. The first cohort are close to completing the 'Ready, Set, Sell' workshop programme (8 workshops, plus work experience day at the market stall), and have been involved with a number of foodie events in the region. Three of them have already secured employment as a direct result of the initiative-one working for Amy's business.

Amy said: "Understanding food, nutrition and how to cook is an essential part of learning to live independently. Food brings people together and cooking is an activity that delivers an almost immediate sense of achievement. Participants at our workshops are given autonomy and individual responsibility and they actively contribute to the 4Lunch market stalls and catering service, helping to prepare the food, designing the menus and through work experience days. They really enjoy the days they spend with us and we have already been able to help a number of young people take their first steps towards a new career in catering.