
**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 28 October 2015

Subject: Update on the Work Programme

Report of: Head of Work & Skills

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 September 2014 on the Work Programme, the Department for Work and Pensions (DWP) has published performance data up to June 2015.

In summary, performance on job outcomes for JSA (Job Seekers Allowance) claimants has improved and is now only marginally 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. Overall referral numbers have continued to decrease dramatically, mainly because of the decrease in 18-24 JSA claimants and fewer referrals into the Programme. 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 have not improved.

The appendix to the report provides an overview of the delivery model utilised by the Work Company, which is part of the Manchester Growth Company and delivers the Work Programme on behalf of Avanta and G4S. A case study has also been included. Representatives of The Work Company, who deliver the Work Programme in the city and a Work Programme participant have been invited to join the meeting.

Recommendations

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

Wards Affected

All

Contact Officers:

Name: Angela Harrington
Position: Head of Work and Skills
Telephone: 0161 234 1501

E-mail: a.harrington@manchester.gov.uk

Name: Karin Connell

Position: Regeneration Coordinator

Telephone: 0161 234 1541

E-mail: k.connell1@manchester.gov.uk

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 June 2015, 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 June 2015.

1.3. The most recent DWP performance figures (February 2015) show that there were 50,250 Manchester residents claiming an out of work benefit, representing 13.8% of the city's working age population. Of those claiming, 8,860 claimed Jobseekers Allowance (JSA) as their main benefit, representing 17.6% of all out of work benefit claims. The proportion of JSA claimants is down from 18.7% in November 2014 when there were 9,570 JSA claimants out of 51,090 Manchester residents claiming out of work benefits. In February 2015, 33,330 claimed Incapacity Benefit (IB) or Employment Support Allowance (ESA), representing 66.3% of all claimants, compared to 65.2% in November 2014. It is worth noting that in February 2015 there were an additional 1,609 claimants of Universal Credit who were not in employment; when these claimants are added to the out of work benefits claimant figures the overall claimant rate increases from 13.8% to 14.3%. Also, of those Universal Credit claimants who are recorded as in work, we do not have information on how many hours they are working for so it is not possible to state how many were working for 16 hours or more and would therefore count as a job outcome under the Work Programme.

2. Work Programme Results

2.1. National results:

- 1.76 million referrals have been made to the Work Programme since June 2011.
- 459,370 job outcomes have been registered

- 26.9% of those who had been on the programme for the minimum length of time necessary, attained a job outcome
- 11.9% of referrals achieved a job outcome within one year of joining the programme
- 25.3% of referrals achieved a job outcome within two years of joining the programme
- Of those who have completed the programme, 75% have been referred back to JCP

2.2. Manchester results:

- 24,130 referrals have been made to the Work Programme since June 2011
- 6,290 job outcomes have been registered
- 26.8% of those who had been on the programme for the minimum length of time necessary, attained a job outcome
- 11.7% of referrals achieved a job outcome within one year of joining the programme
- 24.2% of referrals achieved a job outcome within two years of joining the programme
- Of those who have completed the programme, 75% have been referred back to JCP

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

3.1. Referrals

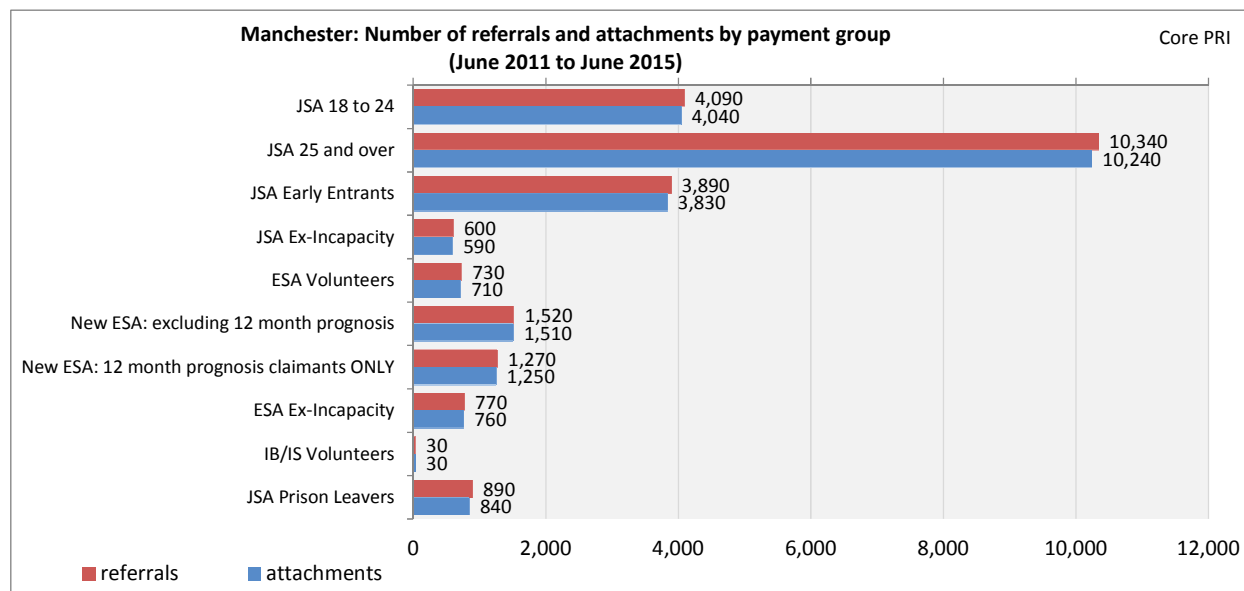
In Manchester there have been 24,130 referrals to the Work Programme between June 2011 and March 2015. The table below shows that referral volumes have declined significantly since the programme's introduction, with less than a quarter of the average number of monthly referrals in year four compared to the first year of the programme.

	Total number of referrals	Average number of referrals per month
1. June 2011 – March 2012	8,830	883
2. April 2012 – March 2013	7,150	596
3. April 2013 – March 2014	5,260	438
4. April 2014 – March 2015	2,550	213
5. April 2015 – June 2015	380	127

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 24,130 referrals to the Work Programme between June 2011 and June 2015, 98.7% resulted in an attachment, compared to 98.1% nationally. The graph below shows that the highest proportion of referrals is concentrated within the three main JSA payment groups.



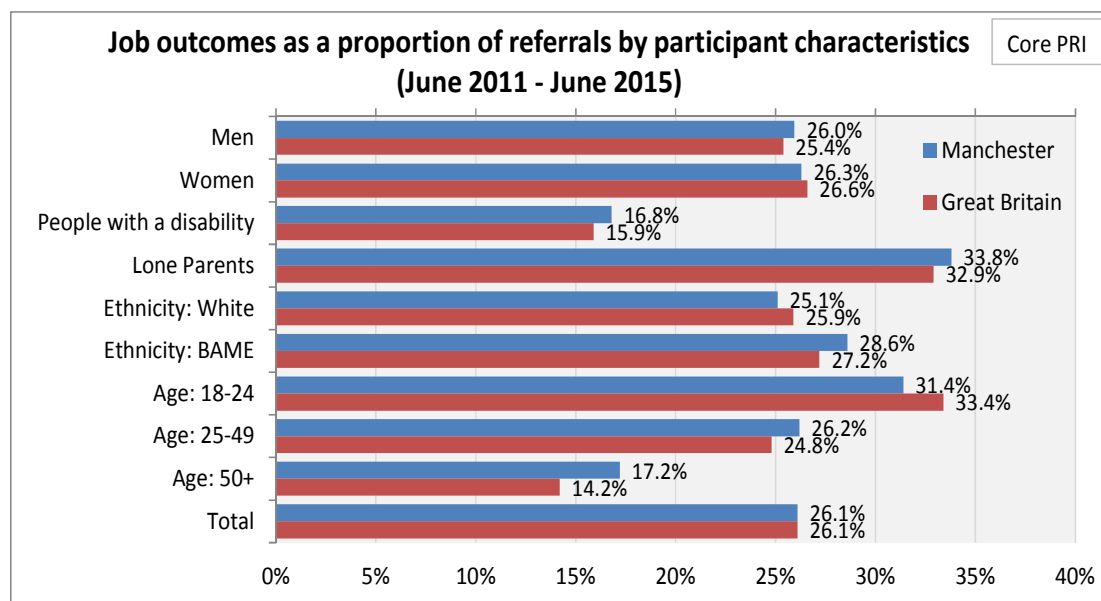
3.3. Job Outcomes

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 6,290 participants between June 2011 and June 2015. Of those participants who had been on the programme for the minimum length of time necessary to attain a job outcome, 26.8% did so, compared to 26.9% nationally. This represents an improvement on previous figures with the Manchester figure being 25.5% and the national figure being 25.9%.

3.3.3. The graph below shows job outcomes as a proportion of referrals over the entire Work Programme (June 2011 to June 2015) by participant characteristics. Generally:

- Women have a slightly higher job outcome rate than men.
- People with a disability have low job outcome rates.
- By ethnicity, black and minority ethnic participants have slightly higher job outcome rates than white participants.
- Within the age groups, young participants have the highest performance and the over 50's have the lowest performance.
- In Manchester, the lone parents group is the best performing (33.8%) and the people with a disability group is the worst performing (16.8%), although this is still better than the Great Britain rate of 15.9%.
- In Great Britain, those aged 18-24 are the best performing group (33.4%) and those aged 50+ are the worst performing group (14.2%).



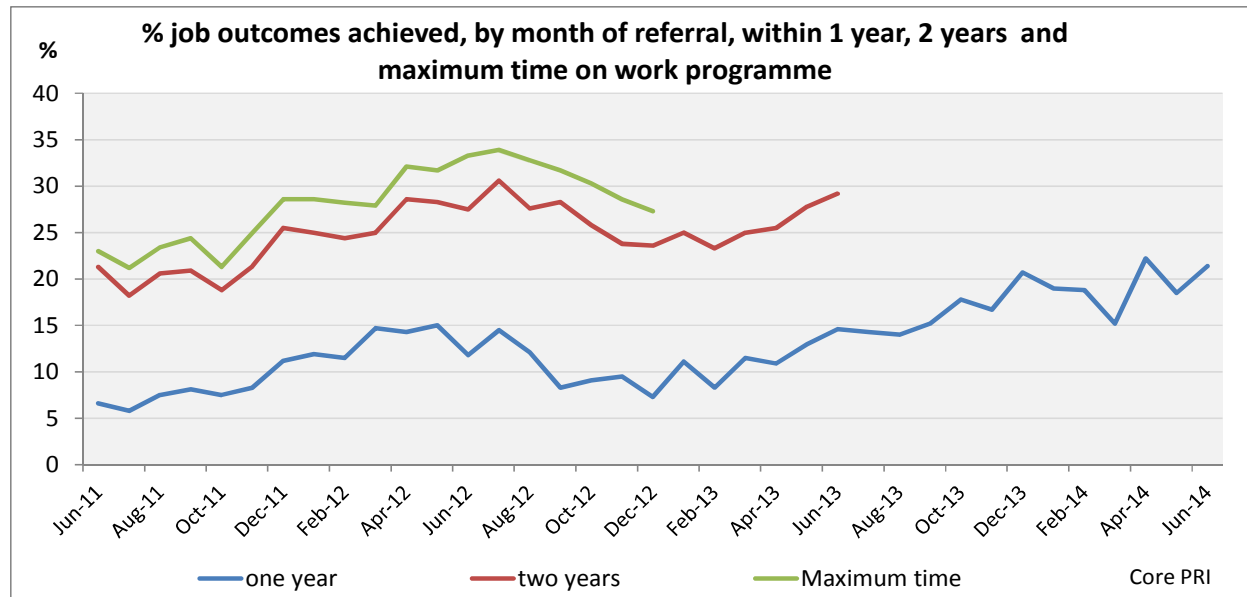
*BAME (Black and Minority Ethnic Groups)

4. Centre for Economic and Social Inclusion Job Outcome Measures

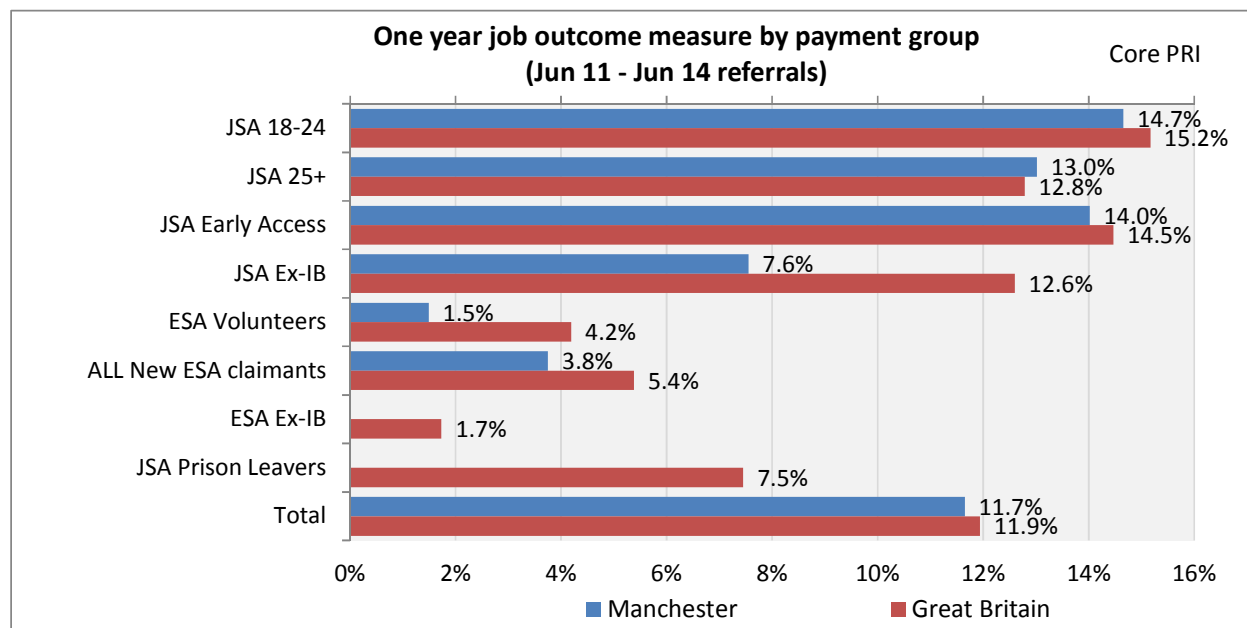
The Centre for Economic and Social Inclusion (Inclusion) job outcome measures monitor the proportion of customers achieving a job outcome within a year, two years, or their maximum time on the programme. It should be noted that there is currently only 19 months of data that represents overall cohort performance. The table below shows that around 1 in 4 participants secure a sustained job outcome within two years of joining the programme.

Job outcome within...	Manchester	Great Britain
One year of joining Work Programme	11.7%	11.9%
Two years of joining Work Programme	24.2%	25.3%
Maximum time on Work Programme	27.3%	28.0%

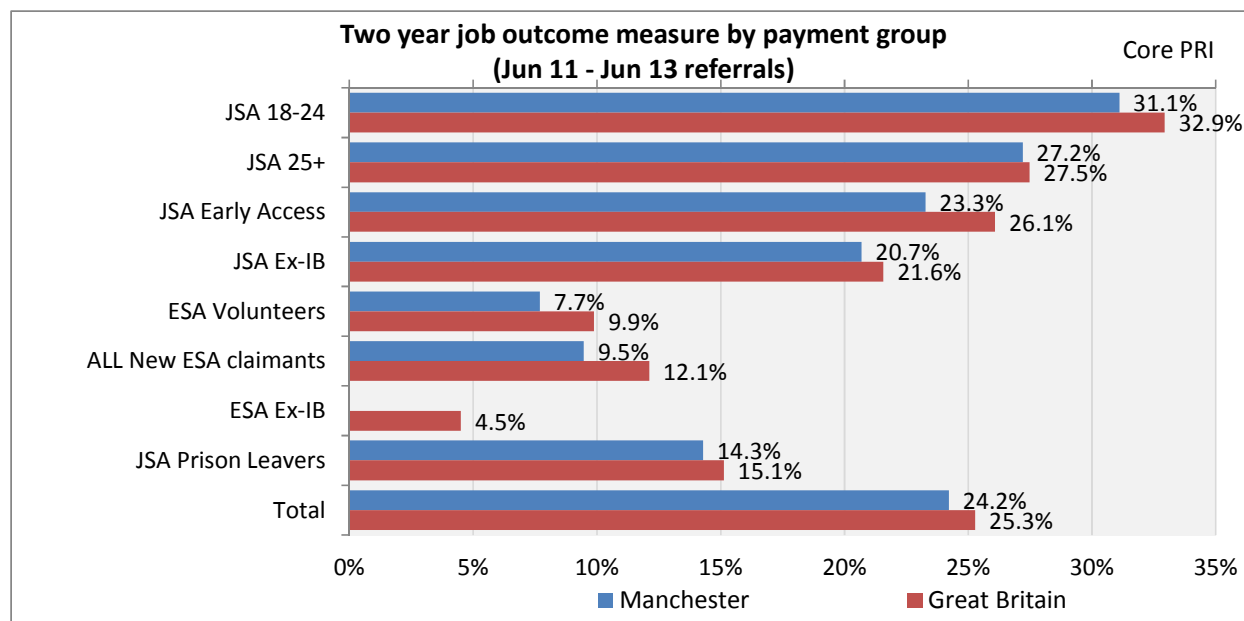
4.1. The graph below shows job outcome performance over time for all participants in Manchester. Of those referred to the Work Programme in the month of June 2013, 21.4% achieved a job outcome within one year and 29.2% achieved a job outcome within two years of joining the programme.



4.2. The graph below shows the proportion of participants who achieved a job outcome within one year of being on the programme. For all payment groups apart from JSA 25+ Manchester performed below the national average. There were no one year job outcomes recorded in Manchester for the ESA ex-IB and JSA prison leavers payment groups. It is worth noting that the prison leaver payment group was only introduced in March 2012.



4.3. 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, although the gaps in performance are relatively small for some payment groups including the JSA 25+ group. There were no two year job outcomes recorded in Manchester for the ESA ex-IB payment group.



5. Work Programme Completers

5.1. Individuals remain on the Work Programme for 104 weeks after referral. Based on referrals up to the end of June 2013, there have been 17,180 participants in Manchester who have finished their two years on the programme. Of these, 25% were in work and 75% were referred back to JCP, the same as reported nationally. 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.

6. Conclusion

6.1. Overall, Work Programme performance in Manchester has improved with the overall gap between national and local performance reducing over time, particularly for the large volume payment groups i.e. JSA 18-24 and JSA 25+. The large reduction in referrals to the Work Programme, particularly of the main payment groups mean that proportionately more of the live caseload are those with more complex needs, including health conditions.

6.2. The introduction of Universal Credit for some claimants means that it is more difficult to understand the impact of the Work Programme in supporting the overall reduction of Out of Work benefit claims within the city.

6.3. The learning from the introduction and delivery of the Work Programme from 2011 onwards will be used to inform the co-design of the GM Devolution Work Programme which MCC officers from the Work and Skills Team will be supporting. We would like to use the learning from Troubled Families, Working Well and other GM reform programmes to determine the entry points for Work Programme support, using a broader range of factors to assess suitability rather than just an individual's benefit type. This would support clients to receive the right support at the right time and for an integrated approach to be put in place. The ability for the GMCA to

monitor and manage performance locally would also enable us to address local blockages in support services and support improved performance.

Appendix 1 – Overview of Work Programme Delivery model, The Work Company

The Work Company has in recent years built a reputation for performing well in mainstream DWP programmes such as the Work Programme. We also have a very strong track record of high performance with ESA (previously IB) customers, disabled customers and those, for example, with offending or substance misuse issues. We have brought together the learning from our experience of delivering specialist programmes to ensure that we are able to provide a more tailored and effective approach to working with a range of customer groups.

Our model is focused on delivering a highly intensive, individualised and supportive package of services to our customers to enable them to develop their skills, confidence and remove all barriers that have prevented them from moving into, or staying in, employment. We have achieved strong results against national averages and excellent feedback from our customers, partners and employers on our approach to delivering the service

Described below are the key elements to our customer journey and package of employer and training support

Customer Journey:

- We have specific and dedicated advisers who work with cohorts of customers based on benefit type, i.e. 18-24 Year Old advisers, Jobseeker's Allowance (JSA) Advisers, Prison Leavers and Employment Support Allowance (ESA) advisers. This allows the team to build specialist knowledge, develop strong relationships with referral partners and routes for specialist support. This also enables a focus not only on the final goal of job entry, but progression steps towards that goal for customers within each cohort.
- All initial appointments are one-to-one with advisers within a week of referral, ensuring an individual approach for each customer. A diagnostic assessment is carried out, along with a CV and 'Better off Calculation' to illustrate the financial benefit of employment, with travel reimbursed for all appointments and interviews.
- Not all customers immediately engage with the programme, so a range of innovative engagement strategies and dedicated resources are required to engage with customers. Specially trained staff engage with customers through a range of different activities, including home visits, coffee mornings, Polish-speaking job search clubs, newsletters, debt advice, Health Works sessions, external providers, Mind, courses to address barriers such as self-esteem and confidence building courses.
- Collaborative working with various agencies including JCP, GPs/Health teams and Local Authorities is crucial to support our customers in accessing a range of services. We have strong relationships with all JCP offices and work closely with community venues.

Employer Engagement & Training:

- Job search facilities are embedded within all sites, along with a wide range of account-managed vacancies to support customers into roles within the 'hidden jobs market'. We provide access to funding for interview clothes, Construction Skills Certification Scheme (CSCS) cards, deliver pre-recruitment training to raise awareness of opportunities in a range of sectors, offer work trials and source jobs with guaranteed interviews after training. Our employer engagement activity has been a huge success and currently 48% of all our job starts come from account-managed vacancies which are primarily with local SMEs.
- The Work Company are one of the only Work Programme providers to provide specialist self-employment advice and support for customers. We identified that customers on the Work Programme are unable to access other provision for self-employment and in response we designed and developed our own self-employment programme of support through the Business Growth Hub. We are aware from previous health related contracts that the majority of customers going into self-employment are ESA customers and prison leavers as this is a key and more flexible route to employment for them. In the last 12 months alone we have supported 274 customers into self-employment and 97% have sustained for 6 months or more
- We support a group of ESA customers on our own version of the Intermediate Labour Market programme, which we have developed and financed ourselves. This allows the first 13 weeks of a customer's employment to be subsidised and therefore offers an incentive to employers to give an individual a chance to return to the labour market.
- In addition to this, we have employed Placement Officers to support the progression of customers who have a skills gap in their CV and would benefit from work experience. We have seen the success of this approach within our Community Work Placement team in Liverpool and have therefore made some adaptations to allow our Work Programme customers to progress through this route. We have a database of over 3,000 supportive employers that we work with across Greater Manchester.
- During the lifetime of the Work Programme contract we have developed an integrated approach to our delivery of employment support and our skills provision to ensure that we are providing a seamless service to customers to address any skills gaps, including sector specific training, basic skills and confidence and motivation.

Key Success Factors

We believe the key to our success with customers includes;

- The right staff
- Personalised, intensive support
- Small caseloads
- Holistic assessment and support
- Case Management/Key worker led
- Wraparound support
- Strong focus on health interventions

- Strong partnerships
- Integration
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Work Programme Client Case Study – The Work Company

Michael was referred by Job Centre Plus to the Work Programme delivered by The Work Company in late December 2013. Michael came to The Work Company with complex barriers; he was suffering from severe alcohol dependency and in addition suffered with depression. Michael had relocated to Manchester from Ireland in May 2012 and he had last worked at the end of 2011 but was unfortunately dismissed from this role and had not secured employment since moving to the UK.

Michael was referred as a mandatory Employment Support Allowance (ESA) customer in the Work Related Activity Group (WRAG), however, following a Work Capability Assessment, he moved into the Support Group whilst on programme. Michael chose to stay on the Work Programme as he valued the support that he was receiving.

Michael met his specialist ESA advisor, Nikki, in early January and said he was not thinking about work as his main concern was his drinking; he was un-motivated and had no ambitions and no desire to return to work. Michael was attending AA meetings sporadically which he said helped and Nikki encouraged and supported him to continue with this support.

During the first meeting, they also discussed that Michael had been self-employed for a few years and his family had a successful construction business. He said that he might think about becoming self-employed in the future once he felt that his health conditions were under control.

Bearing in mind his health conditions and his future aspirations, Nikki booked Michael in with the National Careers Service for a skills health check and to create a CV so that they could look in depth at what he had done in the past and construct a long term action plan and goal to increase his motivation to get better.

Keen to keep Michael motivated, in March 2014, Nikki completed a “better off” calculation with Michael for self-employment and discussed self-employment and the benefits of it in more detail. Michael explained that his family owned land in Manchester with planning permission to build houses and that they had said that he could have this land if and when he sorted himself out.

Nikki and Michael discussed self-employment further and decided together that he would benefit from further advice so Nikki arranged for our self-employment adviser to call him. They created an action plan regarding self-employment and Michael was set an action to think about self-employment and any questions or concerns he may have regarding this.

Taking into account that Michael still had a pertinent health condition, they continued to discuss Michael’s alcohol dependency and the fact that Michael had been made bankrupt for a large amount of money, which continued to be a barrier and concern for Michael.

With Nikki's encouragement and support, Michael started attending AA meetings more frequently and in addition, Nikki booked a three-way meeting for Michael to see our self-employment advisor, Lee and herself to discuss the detail of the building scheme.

Lee referred Michael to The Business Growth Hub to get further advice on funding for the project. He began meeting with his Business Growth Hub Advisor on a weekly basis.

During this time Michael told Nikki that he had stopped drinking completely. Michael's family were so pleased with his progress that they gave him the land to allow him to progress with his goal of self-employment.

With help from The Business Growth Hub, Michael got a Lending Offer in Principle in September 2014. Michael then got involved with another builder who owned the land next to his and wanted to team up with him. This delayed things slightly however Michael started the building work on his land in May 2015.

Nikki and Michael were able to sign him off ESA and he applied for Working Tax Credits. Michael has since approached The Work Company in September to ask for help recruiting staff - he was referred to the Employer Engagement team who are currently helping him with recruitment.

Michael gave this feedback about his time on programme with The Work Company:

"Before I met you and Lee, I had no hope"