

WIRRAL Council

REGENERATION & ENVIRONMENT POLICY & PERFORMANCE COMMITTEE

3RD DECEMBER 2014

SUBJECT:	DWP WORK PROGRAMME
WARDS AFFECTED:	ALL
REPORT OF:	STRATEGIC DIRECTOR OF REGENERATION & ENVIRONMENT
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PAT HACKETT

1.0 EXECUTIVE SUMMARY

1.1 This report provides Members with information on the Department for Work and Pensions (DWP) Work Programme launched throughout Great Britain in June 2011. Locally DWP has contracted with two 'prime' contractors (A4E and Ingeus) to deliver this provision which aims to support local people in receipt of DWP benefits into sustainable employment. The report will provide the latest performance data for delivery in Wirral as published by DWP and will seek to provide comparators where available.

2.0 BACKGROUND

2.1 The DWP 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.

2.2 DWP contract with providers over large geographical areas known as Contract Package Areas (CPA) with Wirral being part of the Merseyside, Halton, Cumbria & Lancashire CPA. The payment group for a claimant is the group that Jobcentre Plus assigns the claimant to, on the basis of the benefit they receive.

2.3 The most recent DWP worklessness data for May 2014 show that Wirral has 28,750 people claiming an out of work benefit; this is 14.6% of the working age population. Of those claiming an out of work benefit, 5,560 are claiming Jobseekers Allowance (JSA) in Wirral, with 18,870 claiming Employment Support Allowance or Incapacity Benefit (IB) and 3,440 people are claiming Lone Parents claiming income support (IS).

3. METHODOLOGY

3.1 DWP has recently released official Work Programme Statistics to June 2014. In order to analyse this data the following DWP definitions should be noted:

- **Referral:** Referrals made by Jobcentre Plus by payment group.
- **Attachment:** Recorded when the Prime Contractor successfully engages a participant on the Work Programme
- **Job Outcome:** Participant has been in a job for three or six months (duration varies by payment group)
- **Sustainment Payment:** Claimed every four weeks for up to one year, eighteen months or two years when a participant sustains work
- **Completer:** Status of participants on leaving the Work Programme (104 weeks following referral).

3.2 DWP has published cumulative data, covering referrals, attachments and job outcomes to the Work Programme to June 2014 by Local Authority area and payment group and this data is included in this report. However DWP do not release cumulative performance data at local authority level relating to sustainment payments and completers. This can be calculated from the DWP 'stat tool' by lengthy interrogation of monthly data, however over a 3 year period this can be distorted owing to issues relating to rounding. This report provides data relating to sustainment and completers at Contract Package Area level.

4.0 WORK PROGRAMME LATEST DATA

4.1 National Results

- 1.60 million referrals have been made to the Work Programme nationwide since June 2011
- The national referral to attachment rate is 97.7%
- 331,290 job outcomes have been registered to date
- The national referrals to job outcomes rate is 20.5%

4.2 Wirral Results

- 9,370 referrals have been made to the Work Programme in Wirral since June 2011
- The referral to attachment rate in Wirral is 97.0%
- 1,790 job outcomes have been registered to date
- The referrals to job outcomes rate is 19.1%

5.0 Performance by Payment Groups

5.1 Referrals

Type	Wirral			Contract Package Area			National
Payment Group	A4E	Ingeus	TOTAL	A4E	Ingeus	TOTAL	TOTAL
JSA 18 to 24	850	880	1,740	9,950	10,200	20,150	282,350
JSA 25 and over	1,690	1,790	3,490	23,780	23,890	47,670	683,070
JSA Early Entrants	620	650	1,270	6,470	6,480	12,950	291,340
JSA Ex-Incapacity Benefit	70	80	160	1,200	1,210	2,410	29,980
ESA Volunteers	240	230	470	1,960	1,700	3,660	62,110
New ESA claimants: Unlikely to be fit for work In the short term	370	400	770	3,740	3,800	7,540	105,520
New ESA claimants: Likely to be fit for work within 3-12 months	310	310	630	2,990	2,870	5,860	56,680
ESA Ex-Incapacity Benefit	270	280	560	2,610	2,480	5,090	53,620
IB/IS Volunteers	-	-	-	30	30	60	2,860
JSA Prison Leavers	150	150	300	1,910	2,110	4,020	41,920
TOTAL	4,560	4,790	9,370	54,640	54,770	109,410	1,609,440

Key Headlines:

- There have been 9,370 referrals in Wirral since June 2011; which is 8.5% of the contract package area total.
- 37% of these are referred from the JSA over 25 payment group, compared to 44% for the contract package area.
- To date Ingeus have had slightly more referrals in Wirral than A4E at 51.1%, this is slightly higher than the rest of the contract package area.
- 2,430 referrals in Wirral are for an ESA/IB related payment group this is 26% of the total referrals compared to 20% for the contract package area and 17% nationally.

5.2 Attachments

Type Payment Group	Wirral			Contract Package Area			National
	A4E	Ingeus	TOTAL	A4E	Ingeus	TOTAL	TOTAL
JSA 18 to 24	840	870	1,720	9,690	10,040	19,730	276,590
JSA 25 and over	1,660	1,760	3,430	23,290	23,610	46,900	672,120
JSA Early Entrants	600	640	1,240	6,260	6,340	12,600	285,550
JSA Ex-Incapacity Benefit	70	80	150	1,160	1,190	2,350	29,360
ESA Volunteers	200	220	410	1,770	1,660	3,430	60,090
New ESA claimants: Unlikely to be fit for work In the short term	350	400	750	3,600	3,750	7,350	103,620
New ESA claimants: Likely to be fit for work within 3-12 months	290	310	600	2,800	2,820	5,620	55,000
ESA Ex-Incapacity Benefit	260	280	530	2,460	2,440	4,900	52,210
IB/IS Volunteers	-	-	-	20	30	50	2,750
JSA Prison Leavers	120	150	270	1,680	1,890	3,570	36,280
TOTAL	4,380	4,690	9,090	52,740	53,770	106,510	1,573,580

Key Headlines:

- Of the 9,370 referrals in Wirral since June 2011; there have been 9,090 attachments which is a rate of 97.0% and 17% of the contract package area total.
- The highest attachment rate comes from the JSA 18-24 payment group as 98.8% of referrals for this group become an attachment, compared to 97.7% for the contract package area and 97.9% nationally.
- To date Ingeus have had slightly more attachments from referrals in Wirral than A4E at 97.9%, this is slightly higher than A4E at 96.0%,

5.3 Job Outcomes

Type	Wirral			Contract Package Area			National
Payment Group	A4E	Ingeus	TOTAL	A4E	Ingeus	TOTAL	TOTAL
JSA 18 to 24	270	250	520	2,720	3,000	5,720	80,310
JSA 25 and over	440	340	780	5,080	5,340	10,420	154,230
JSA Early Entrants	160	170	330	1,470	1,610	3,080	70,900
JSA Ex-Incapacity Benefit	10	10	10	120	140	260	3,860
ESA Volunteers	10	20	30	110	120	230	3,980
New ESA claimants: Unlikely to be fit for work in the short term	20	50	70	390	450	840	11,000
New ESA claimants: Likely to be fit for work within 3-12 months	-	-	10	70	90	160	1,730
ESA Ex-Incapacity Benefit	-	-	10	40	40	80	1,220
IB/IS Volunteers	-	-	-	10	10	20	570
JSA Prison Leavers	10	20	30	170	210	380	3,480
TOTAL	920	860	1,790	10,180	11,000	21,180	331,290

Key Headlines:

- There have been 1,790 job outcomes in Wirral since June 2011; which is a rate of 19.1% and makes up 16.2% of the of the CPA total.
- The payment group with the highest job outcome rate is the JSA 18-24 group, with a job outcome rate of 29.9% over 10% higher than the Wirral average, and outperforms the CPA and national figures.
- The payment group with the lowest job outcome rate in Wirral is those new ESA claimants who are likely to be fit for work within 3-12 months at only 1.6% compared to 2.7% of the CPA and 3.0% for national figures.
- A4E job outcome rate is 20.1% and Ingeus job outcome rate is 18.0%

6.0 **DWP MINIMUM PERFORMANCE LEVEL**

6.1 Providers are expected to meet minimum performance levels for participants in 3 payment groups - 18-24 JSA Claimants, 25+ JSA Claimants and new ESA claimants. DWP set these levels nationally for each financial year with performance determined by the number of job outcomes as a percentage of the number of referrals in the given year. As referral volumes fluctuate and are highly sensitive to changes over time, this impacts on the achievement of the minimum performance levels, both positively and negatively, which can at times be unrelated to the Prime Contractors actual underlying performance.

6.2 DWP contract with Prime Contractors to achieve minimum performance levels for the wider Contract Package Area and not at local authority level. That said the table

below sets out the national minimum performance levels for the latest complete financial year of Work Programme delivery (year 3 from April 2013 to March 2014) and provides a calculation of the performance in Wirral. Members should note that in addition to some of the limitations of this data as described in paragraph 6.1, performance at local authority level can also be further distorted by issues related to rounding monthly data over a 12 month period.

Payment Group	Year 3: Minimum Performance Level			
	National Target	Wirral Performance		
		A4E Ltd	Ingeus Ltd	Total
JSA 18-24	44.0%	80.0%	81.3%	80.6%
JSA 25+	33.0%	68.9%	56.3%	62.2%
New ESA Claimants	16.5%	0%	7.69%	7.69%

7.0 MARKET SHARE

7.1 DWP reviewed the market shares of Work Programme providers, based on their performance in the 12 months ending 31 March 2013. There has been an adjustment made which affects all future referrals to the Work Programme in the relevant payment groups for contract package areas. Therefore 5% of referrals will be diverted to the highest performing provider from the lowest performing provider. In the Merseyside, Halton, Cumbria & Lancashire contract package area Ingeus was the highest performing provider and therefore now receives 55% of all referrals in the relevant payment group (18-24 JSA)

8.0 SUSTAINMENT PAYMENTS

8.1 Sustainment payments follow on from job outcome payments and are paid every 4 weeks if the participant continues in employment. Up to and including June 2014 there have been 178,640 sustainment payments for participants in the contract package area for sustaining work beyond a job outcome. That equates to 8.43 payments following every job outcome that has been achieved so far within the Contract Package Area.

9.0 WORK PROGRAMME COMPLETERS

9.1 Individuals remain on the Work Programme for 104 weeks after referral. Based on referrals up to the end of June 2012 there have been 840,840 nationally and 53,620 participants in the Contract Package Area who have finished their two years on the programme.

10.0 RELEVANT RISKS

10.1 Report for information only: no risk implications as a result.

11.0 OTHER OPTIONS CONSIDERED

11.1 Report for information only: no options to consider.

12.0 CONSULTATION

12.1 Report for information only: no consultation implications as a result.

13.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

13.1 Report for information only: no implications as a result.

14.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

14.1 Report for information only: no implications as a result.

15.0 LEGAL IMPLICATIONS

15.1 Report for information only: no implications as a result.

16.0 EQUALITIES IMPLICATIONS

16.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) Yes by the Department for Work & Pensions:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220250/eia-work-programme.pdf

17.0 CARBON REDUCTION IMPLICATIONS

17.1 Report for information only: no implications as a result.

18.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

18.1 Report for information only: no implications as a result.

19.0 RECOMMENDATIONS

19.1 The Regeneration & Environment Policy & Performance Committee note the contents of the report.

20.0 REASON/S FOR RECOMMENDATION/S

20.1 To update Members on the performance of the DWP Work Programme locally.

REPORT AUTHOR: Sarah Dodd
Investment Strategy Team
Telephone: 0151 691 8205
Email: sarahdodd@wirral.gov.uk

REFERENCE MATERIAL

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/49884/the-work-programme.pdf

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
N/a	n/a

