
Chair of the UK Statistics Authority, Andrew Dilnot CBE

Rt. Hon. Iain Duncan Smith MP
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1 November 2012

Dear Secretary of State

INTERIM REPORT ON STATISTICS ABOUT WELFARE TO WORK SCHEMES

I am enclosing with this letter an interim report prepared by the UK Statistics Authority on the development of official statistics relating to the Welfare to Work Schemes.

We fully appreciate that both the development of the statistics themselves and the views of the Authority on their adequacy and coherence, should be seen as work in progress and may be overtaken in the near future by the release of further statistical outputs. Nonetheless, the Authority is committed to the public availability of its reviews and this particular one has now been considered by the Board of the Authority and thus will be placed on our website along with this covering letter.

I understand that DWP statisticians have had sight of earlier drafts of the report and may already have been able to take some account of the suggestions made in it. We will revisit the observations made in the report as soon as it is appropriate to do so.

One point in particular may have wider relevance. At paragraph 15 we suggest that your Department's approach to the publication of ad hoc statistical releases should be reviewed to ensure that all statistics which are likely to be regarded by Parliament as 'official statistics' are released in line with the Code of Practice for Official Statistics. We do appreciate that this is an area of uncertainty for both government departments and ourselves. The formal position is that Ministers decide whether statistical material should be treated as official statistics, not the Statistics Authority. However, the Authority has a statutory responsibility to advise Parliament on any concerns we have about the comprehensiveness of official statistics. I would be happy for Authority officials to work with DWP statisticians in finding a way forward that is mutually supportable.

In view of the interest of the Work and Pensions Committee of the House of Commons in these issues, I am copying this letter and review report to the Chair of the Committee, Dame Anne Begg, and also to the National Statistician, Jil Matheson and to David Frazer in DWP.

Yours sincerely



Andrew Dilnot CBE

Monitoring Review

Monitoring Review 8/12

1 November 2012

Interim report on statistics about Welfare to Work schemes

Introduction

1. As part of the Programme for Government¹, the Department for Work and Pensions (DWP) introduced a range of new 'welfare to work' schemes in 2011, with the aim of helping unemployed people to gain sustained employment. Among these schemes, the Work Programme, aimed at the long term unemployed, is the one with the greatest number of places. Other schemes aimed at people unemployed for less than one year are grouped together under the label 'Pre-work Programme'. Table 1 identifies the schemes and statistics to which this Review relates. Further background to the schemes is given in paragraphs 27-30 and Annex 1.

Table 1: Welfare to Work Schemes²

Programme type	Name of scheme	Official statistics
Work Programme	Work Programme	DWP Work Programme Official Statistics ³
	Work Experience	Get Britain Working Measures Official Statistics
New Enterprise Allowance		
Sector-based work academies		
Pre-work Programme ⁴	Mandatory Work Activity	Mandatory Programmes Official Statistics
	Skills Conditionality	
	Work Clubs	No Official Statistics published
	Enterprise Clubs	
	Work Together	

¹ http://www.cabinetoffice.gov.uk/sites/default/files/resources/coalition_programme_for_government.pdf
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² This Review covers a number of specific welfare to work schemes rolled out during 2011, it does not for example include newer schemes such as that announced by DWP on August 28 2012
<http://www.dwp.gov.uk/newsroom/press-releases/2012/aug-2012/dwp093-12.shtml>

³ <http://statistics.dwp.gov.uk/asd/index.php?page=wp>

⁴ <http://statistics.dwp.gov.uk/asd/asd1/pwp/index.php?page=pwp>

2. The Committee of Public Accounts of the House of Commons noted⁵ in April 2012 that “reliable data on the performance of contractors in the [Work] Programme will not be available before autumn 2012”. This monitoring review is an interim report pending publication of those statistics. It explores concerns about the progress being made; whether the statistics will meet the needs of Parliament and the public; and whether more could be done to ensure full compliance with the *Code of Practice for Official Statistics*⁶.
3. The following sections set out our findings; some observations relating to points made in public debate; and an evaluation of the available statistics against the *Code of Practice*.

Findings

4. **There is, as yet, a limited range of published statistics.** The statistics presented in the releases are restricted to the numbers starting on each programme by month, together with a brief demographic breakdown. We think that there may be scope for DWP to extend the releases to include additional data held on its databases, to provide a more complete picture of the activity for each welfare scheme. [See paragraph 15.]
5. **There is an unavoidable lag in releasing official statistics on employment outcomes.** The Work Programme and Pre-work Programme schemes were introduced in 2011. The statistical releases do not yet (October 2012) contain information about the initial employment outcomes. DWP published some statistics on outcomes of early cohorts for Work Experience^{7 8}, Mandatory Work Activity⁹ and the Work Programme^{10 11} in ad hoc releases. The Department has said that it will publish more comprehensive official statistics on outcomes for the Work Programme as soon as practicable, with the release of official statistics scheduled for autumn 2012^{12 13}. DWP has not published plans for releasing official statistics on outcomes for the Pre-work Programme schemes.
6. Some management data have been released by Work Programme providers¹⁴ which may have tended to confuse the public messages in the early months, but the position should be clarified by the end of 2012. DWP plans to update the official statistics every six months thereafter.
7. **There is a need, and scope for, greater coherence across statistical releases and research.** DWP has issued an updated release strategy, *Statistics on Employment Programme Support*¹⁵. This sets out plans for releasing official statistics on some of the welfare to work schemes. However, the statistics are issued in a range of releases and ad hoc reports. These seem to lack a coherent structure or framework, which is likely to make it more difficult for the reader to assess the effectiveness of the schemes.

⁵ <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmpubacc/1814/181402.htm>

⁶ <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/code-of-practice-for-official-statistics.pdf>

⁷ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2011/work_experience_participant_outcomes.pdf

⁸ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/early_impacts_of_work_experience.pdf

⁹ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/early_impacts_mwa.pdf

¹⁰ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/wp_early_entrants.pdf

¹¹ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/wp_yp_job_entries.pdf

¹² http://research.dwp.gov.uk/asd/asd1/work_programme/release_strategy.pdf

¹³ On 30 October DWP published plans for releasing official statistics on outcomes for the Work Programme on 27 November 2012

¹⁴ <http://www.ersa.org.uk/hub/details/682>

¹⁵ http://research.dwp.gov.uk/asd/asd1/work_programme/release_strategy.pdf

8. Supplementary information, including the outcomes of certain programmes, is released in ad hoc papers which are not referred to in, or linked from, the statistical releases. For example, statistics on Mandatory Work Activity (MWA) are presented in *Mandatory Work Official Statistics*; while figures for sanctions imposed on those referred to that scheme are presented in *DWP Quarterly Statistical Summary*¹⁶; and information about the outcomes of the MWA scheme, and further detailed statistics, are presented in an ad hoc release, *Early Impacts of Mandatory Work Activity*¹⁷.
9. The release strategy does not include plans for improving the coherence of the releases, or for providing links to official statistics on sanctions which were imposed on benefit claimants as a result of their non-compliance with any of the welfare to work schemes. New legislation for Job Seeker Allowance sanctions came into force on 22 October 2012¹⁸ and DWP has recently opened a consultation in relation to presenting statistics on these sanctions via its Tabulation Tool from May 2013^{19 20}. It is not clear from the consultation document how the proposed changes will improve coherence or linkage across the releases.
10. **There is scope to improve compliance with the Code of Practice for Official Statistics.** Paragraphs 12-23 below describe the current statistical series and make some specific recommendations aimed at improving compliance with the *Code*. These relate to: publishing the statistics in a systematic and orderly fashion; understanding the use made of them and using this information to tailor the statistical releases; providing users with more accessible information about the quality of these statistics; and providing commentary and cross-referencing in order to present a coherent overview of the statistics.
11. In 2013, DWP will introduce Universal Credit²¹, bringing together a range of benefits and credits into a single system. This change will in turn impact upon the official benefit statistics. This Review contains suggestions about clarity, timeliness, and coherence with related statistical releases that DWP statisticians will wish to consider when planning the presentation of new statistics for Universal Credit.

Code compliance

12. Under the provisions of the *Statistics and Registration Service Act 2007*, official statistics assessed as compliant with the *Code of Practice for Official Statistics* are designated as National Statistics. Bodies that produce National Statistics are required to ensure that the *Code* continues to be observed. For other official statistics, compliance with the *Code* is not a formal requirement. This section reviews compliance of the DWP welfare to work official statistics with the *Code* (see Annex 2 for a detailed review of the releases in relation to the Statistics Authority's *Standards for Statistical Releases*²²). This is not a formal assessment under the provisions of the Act but may be regarded as an initial indication of what such an assessment would conclude. The Statistics Authority will pursue formal assessment when the statistics on the new schemes are more fully developed.

¹⁶ <http://statistics.dwp.gov.uk/asd/index.php?page=statistics>

¹⁷ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/early_impacts_mwa.pdf

¹⁸ http://www.legislation.gov.uk/ukdsi/2012/9780111526149/pdfs/ukdsi_9780111526149_en.pdf

¹⁹ http://statistics.dwp.gov.uk/asd/asd1/jsa/jsa_sanctions_consultation.pdf

²⁰ The Tabulation Tool allows users to create their own tables for Work Programme Official Statistics using pre-defined variables. There is a lag in the statistics made available; as of October 2012 the most recent statistics for the Work Programme on the Tabulation Tool are for January 2012. The Tabulation Tool can be found at <http://83.244.183.180/WorkProg/tabtool.html>

²¹ <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/universal-credit/>

²² <http://www.statisticsauthority.gov.uk/news/standards-for-statistical-releases.html>

13. DWP first released statistics on the welfare to work schemes in November 2011 with the publication of statistics on the Work Programme and Work Experience. As of October 2012, it has released statistics on the New Enterprise Allowance, sector-based work academies, Skills Conditionality and Mandatory Work Activity. The updated release strategy²³ outlines DWP plans for the release of these statistics. DWP stated that it has no plans to present statistics for Work Clubs, Work Together and Enterprise schemes²⁴.
14. Currently, DWP presents statistics on the schemes in the following releases:
 - *DWP Work Programme Statistical Release (Work Programme)*;
 - *Get Britain Working Measures Official Statistics (GBW Measures)* - statistics on Work Experience, New Enterprise Allowance and sector-based work academies; and
 - *Mandatory Programmes Official Statistics (Mandatory Programmes)* - statistics on Mandatory Work Activity and Skills Conditionality.

In addition, statistics on the numbers of sanctions imposed on claimants who did not comply with the conditions of the Work Programme and Mandatory Work Activity are presented in the quarterly National Statistics publication *DWP Quarterly Statistical Summary*.

15. Looking at the statistical publications in turn:
 - **Work Programme**²⁵ presents statistics on the numbers of people referred to the Programme and attached²⁶ to one of the main providers over the first five months. It provides some context for interpreting the statistics by describing the Programme and the types of claimants who are eligible to join, but does not set this in the wider context of the overall welfare to work strategy. It provides brief commentary supported by summary tables and charts; it would be helpful if this included comparisons by claimant and provider characteristics. Additional statistics are available through the Tabulation Tool.

Work Programme providers are required to meet minimum performance levels. DWP has identified the key performance measure as: *the number of job outcomes as a percentage of the number of people who have started on the programme in the previous 12 months*²⁷. The number of job outcomes has yet to be released but DWP has provided assurance to the National Statistician, as well as to the Public Accounts Committee²⁸, that it will publish statistics on the outcomes of the Programme as soon as practicable. The timing of the release is partially dependent on allowing sufficient time for completion of the work outcome period, as well as for the compilation of data from providers, data cleaning and the production of the statistics.
 - **GBW Measures** includes two tables. The first table presents the numbers of people who: started Work Experience; attended meetings with a New Enterprise Allowances mentor; claimed the New Enterprise Allowance weekly allowance; and who started sector-based work academies pre-employment training. The second table presents a breakdown of these starters by sex, age group, disability, ethnicity

²³ http://research.dwp.gov.uk/asd/asd1/work_programme/release_strategy.pdf

²⁴ http://research.dwp.gov.uk/asd/asd1/work_programme/release_strategy.pdf

²⁵ <http://research.dwp.gov.uk/asd/index.php?page=wp>

²⁶ Following the referral of a participant to a Work Programme provider, that provider is responsible for contacting the participant to discuss the programme and begin planning the steps needed to support them into sustained employment

²⁷ Page 8: www.dwp.gov.uk/docs/the-work-programme.pdf

²⁸ <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmpubacc/1814/181402.htm>

and geographic area. The release explains how the start dates are defined, the source of the statistics, retrospection²⁹, a publication schedule, and links to the revisions policy and to *Mandatory Programmes*. Explanations for the different schemes are included in an annex. DWP has published two sets of ad hoc analysis on the impact of Work Experience^{30 31}. The statistical releases do not provide links to these ad hoc publications.

- **Mandatory Programmes** presents statistics on the numbers of people who were referred to the Mandatory Work Activity and Skills Conditionality schemes; the numbers who started on these schemes; and a demographic breakdown by gender, age group, disability, ethnicity and geographic area. Commentary in the release does not provide context for the statistics (such as reasons for the differences in the figures between those who are expected to start on a work placement and those who actually did so).
 - A report providing some indication of the outcomes for an early cohort of those referred to Mandatory Work Activity³² was released as ad hoc analysis on the same day as the most recent statistical release, but the statistical release does not include a link to this. The ad hoc research provides greater detail on aspects such as the quality of the DWP statistics and the characteristics of those referred to Mandatory Work Activity – detail that could usefully be incorporated into the statistical release. Statistics on the numbers of referrals for JSA sanctions for claimants who refused to participate in Mandatory Work Activity are presented in *DWP Quarterly Statistical Summary*. *Mandatory Programmes* does not provide links to this *Summary*. These statistics, as for other Pre-work Programme statistics, are not yet available through the Tabulation Tool.
16. As noted elsewhere in this Review, DWP has released several sets of welfare to work statistics in the form of ad hoc reports, arguing that this is the quickest approach to the release of the statistics. The absence of pre-announced publication dates, compounded by publication at times other than the standard 09.30, leaves DWP open to suggestions of political influence on the timing and handling of the release. We think that this is unhelpful in terms of building confidence in the statistical evidence. **We think the approach to the publication of ad hoc statistical releases should be reviewed to ensure that all statistics are released in line with the *Code of Practice*³³.**
17. There was some variation in the extent and nature of user consultation on the introduction of the statistics about these schemes, from a full external consultation for the Work Programme³⁴ to some targeted internal and external consultation for Work Clubs³⁵. It is not clear how user feedback has informed the design and content of the statistical releases. It is also unclear what steps DWP statisticians have taken to engage users of these releases, to understand their statistical needs and the types of decisions informed by the statistics. **The needs of users, the use made of the statistics and the**

²⁹ Data subject to retrospection are collected not only at the reference date but also during further extracts which occur during a following set amount of time, permitting late information to be added to the database

³⁰

http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2011/work_experience_participant_outcomes.pdf

³¹ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/early_impacts_of_work_experience.pdf

³² http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/early_impacts_mwa.pdf

³³ In relation to Protocol 2 of the *Code of Practice*

³⁴ <http://www.dwp.gov.uk/consultations/2010/the-work-programme-your/>

³⁵ <http://www.dwp.gov.uk/docs/eia-work-clubs.pdf> Para 17

types of decisions they inform should be investigated and documented, as required by the Code of Practice³⁶.

18. Forthcoming publications are announced on the Publication Hub³⁷. For the recent release of MWA statistics both the release date and content of the release were changed at short notice without explanation. **Public attention should be drawn to any change to a pre-announced release date and the reasons for the change should be explained at the same time³⁸.**
19. The DWP strategy paper³⁹ clarified the contents of future releases and the publication dates, moving to releasing statistics every six months instead of every quarter. DWP has not published feedback about users' experience of the statistics. **Information about users' experience of these statistics should be gathered and published, specifically in relation to data quality, and the format and timing of reports⁴⁰.**
20. DWP has an organisational revisions policy⁴¹ and has noted some revisions clearly on the website; for example the revisions applied to the May 2012 release of Work Experience statistics. However, this approach has not been applied consistently across the statistical releases. DWP does not make clear that the Work Programme statistics are subject to scheduled revision. **The nature and extent of revisions should be made clear at the time the statistics are released⁴².**
21. The releases on these programmes contain little information about quality – specifically, the completeness and coverage of the releases – although for the Work Programme a separate background note⁴³ provides some information about accuracy. More detailed quality information has been released in ad hoc studies but this has not been signposted from the releases. **Users should be informed about the quality of the statistical outputs, including estimates of the main sources of bias and other errors, and other aspects of the European Statistical System definition of quality^{44 45}.**
22. DWP publishes statistics on the Work Programme and aspects of the Pre-work Programme across a range of statistical releases and ad hoc papers. There is no guidance to indicate where the most complete statistics for each single scheme can be found. A lack of signposting and links in these releases and papers and commentary makes it difficult to obtain a clear overview of the statistics. **The releases should be reviewed to consider how each meets users' requirements, and how their coherence with other relevant statistics can be enhanced⁴⁶.**
23. The commentary in the releases does not present the statistics in the context of the DWP welfare to work strategy (see Annex 2 for detailed comments). An increased level of detail, with accompanying commentary, would enable the programmes to be better understood and their effectiveness monitored. DWP has made commitments to capture more data than has been published in the statistical releases. In the Equality Impact Assessment for Mandatory Work Activity, DWP states that it will “ensure it captures vital information including the number of customers referred, the numbers completed,

³⁶ In relation to Principle 1, Practice 2 of the *Code of Practice*

³⁷ <http://www.statistics.gov.uk/hub/index.html>

³⁸ In relation to Protocol 2, Practice 5 of the *Code of Practice*

³⁹ http://research.dwp.gov.uk/asd/asd1/work_programme/release_strategy.pdf

⁴⁰ In relation to Principle 1, Practice 4 of the *Code of Practice*

⁴¹ http://research.dwp.gov.uk/asd/policy/DWP_Revisions_Policy_final.pdf

⁴² In relation to Principle 2, Practice 6 of the *Code of Practice*

⁴³ http://research.dwp.gov.uk/asd/asd1/work_programme/work_prog_note.pdf

⁴⁴ The six dimensions of the ESS Quality Framework are: relevance, accuracy, timeliness and punctuality, accessibility and clarity, comparability, and coherence

⁴⁵ In relation to Principle 4, Practice 2 of the *Code of Practice*

⁴⁶ In relation to Principle 4, Practice 3 of the *Code of Practice*

alongside the characteristics of those referred and information on those who don't attend or complete Mandatory Work Activity"⁴⁷. Including such information in the statistical releases would enhance their value. **We think that DWP statisticians should do more to prepare and disseminate commentary and analysis that aid user interpretation and make statistics available in as much detail as is reliable and practicable**⁴⁸.

Issues raised in public debate

24. Public debate has focused on both the prospective effectiveness of the schemes and what would have happened in the absence of the Work Programme. DWP has told us that comparison with previous programmes is particularly difficult given the differences in approach, design and economic context; it says that it has undertaken impact assessments, released as ad hoc statistics, to demonstrate the net impact of programmes such as Work Experience^{49 50} and Mandatory Work Activity⁵¹.
25. The Public Accounts Committee⁵² (PAC) and Work and Pensions Committee⁵³ (WPC) have both published reports on the implementation of the Work Programme and emphasised the public requirement for data on outcomes at the earliest possible opportunity. A number of issues which impact on the statistics were identified by PAC and WPC, as well as other organisations including the National Audit Office⁵⁴ and National Council for Voluntary Organisations⁵⁵:
 - the need for regular data relating to referrals, job outcomes, job sustainment outcomes, payments to providers, geographical context and benefit sanctions;
 - the need for timely release of statistics to evaluate performance of the providers;
 - the need for information about payments to providers to be published; and
 - the need for the completion of the IT system to support the Work Programme. DWP told us that this system went live in March 2012 with the first reports available in June 2012. The delay between the start of the programme and the implementation of the IT system might have impacted on the central recording of job sustainment outcomes until that time.
26. A number of the schemes (Work Experience; Mandatory Work Activity; the Work Programme; and sector-based work academies) involve unpaid work experience placements. For some of the schemes, these placements are mandatory and claimants can be subject to benefit sanctions for failing to comply fully with the rules of the schemes. There has been media attention relating to organisations withdrawing their involvement in schemes where claimants were subject to sanctions. Following discussions with employers, DWP removed the potential for sanctions from the work

⁴⁷ <http://www.dwp.gov.uk/docs/eia-mandatory-work-activity.pdf> - Para 50

⁴⁸ In relation to Principle 8, Practices 2 and 3 of the *Code of Practice*

⁴⁹ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2011/work_experience_participant_outcomes.pdf

⁵⁰ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/early_impacts_of_work_experience.pdf

⁵¹ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/early_impacts_mwa.pdf

⁵² <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmpublic/1814/181402.htm>

⁵³ <http://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/Publications/previous-sessions/Session-2010-12/>

⁵⁴ <http://www.official-documents.gov.uk/document/hc1012/hc17/1701/1701.pdf>

⁵⁵ http://www.ncvo-vol.org.uk/sites/default/files/work_programme_concerns.pdf

experience scheme⁵⁶. However it is not possible to count how many employers left or joined the scheme around this time and therefore the impact on the statistics. DWP told us that while some employers sign up to these schemes at national level, meaning that the agreement covers all their branches nationwide, other employers sign local agreements with a Jobcentre. There is no central reporting method to capture these local level agreements

Background

27. The current Government undertook to carry out large scale reform of the welfare system. As part of this, the existing array of welfare to work schemes, pilots and projects were replaced by the Work Programme and a series of other measures, together referred to as the 'Pre-work Programme'. The Work Programme is a large scale scheme, primarily aimed at the long-term unemployed (those who have been unemployed for 12 months or more). The remaining schemes are targeted at those who have been unemployed for less than 12 months. Annex 1 provides an outline of each of the schemes covered in this Review.
28. The Work Programme provides tailored support for claimants who need more help to undertake active and effective job-seeking and/or move closer to the labour market through tailored work related activity. Participants receive support to overcome barriers that prevent them from finding and staying in work. It is delivered by DWP-contracted service providers who have been given complete autonomy to decide how best to support participants while meeting service delivery standards.
29. The Pre-work Programme comprises a range of employment support provided through Jobcentre Plus⁵⁷ under the following schemes:
 - **Work Experience** – a voluntary⁵⁸ scheme targeted at 16-24 year olds, providing a work experience placement lasting between two and eight weeks.
 - **New Enterprise Allowance** – provides access to business mentoring and offers some financial support to unemployed people who want to set up their own business.
 - **Sector-based work academies** – these offer sector-specific pre-employment training, work experience placements and a guaranteed job interview in sectors with current local vacancies.
 - **Mandatory Work Activity** – a non-voluntary scheme involving a work placement that lasts four weeks. Individuals could be subject to benefit sanctions for failing to participate.
 - **Skills Conditionality** – an initiative by which benefits are made conditional on recipients attending training, where a Jobcentre Plus advisor considers an identified skills need as being the main barrier preventing the person from finding employment. The schemes involves attendance at a National Careers Service interview (England only), an Initial Provider Interview (England only),

⁵⁶ See <http://www.bbc.co.uk/news/uk-politics-17200688> and <http://www.publications.parliament.uk/pa/cm201212/cmhansrd/cm120319/text/120319w0002.htm> Column 493W

⁵⁷ Jobcentre Plus supports people of working age from welfare into work and helps employers to fill their vacancies. It is part of the Department for Work and Pensions (DWP)

⁵⁸ Originally the scheme was compulsory once the participant entered the second week of the placement <http://www.dwp.gov.uk/docs/eia-work-experience.pdf#page=5> Para 16.

and/or training (England and also Scotland since June 2012) to address the identified skills needs.

- **Work Clubs** – these encourage people who are out of work to share their skills and experience in a locally run group.
- **Enterprise Clubs** – locally run clubs to help unemployed people who are interested in setting up their own businesses.
- **Work Together** – an initiative which encourages unemployed people to take up volunteering.

30. 'Conditionality' is intrinsic to several of the welfare schemes, as outlined in the Green Paper *21st Century Welfare*⁵⁹. Conditionality is a principle of the benefit system, meaning that individuals who are able to look for work, or prepare for work, are required to do so as a condition for receiving benefits; failing to comply could lead to a sanction involving loss of, or reduction in, benefits. For the statistics covered in this Review, conditionality applies where individuals are obliged to participate in schemes which have a work experience or training element in order to maintain their benefits. Legislative changes⁶⁰, which came into force on 22 October 2012, introduced a revised tiered JSA sanction regime, incorporating three levels of sanctions ('Higher', 'Intermediate' and 'Lower'), with differing levels of severity depending on the reason that the sanction is applied. For the majority of the welfare schemes covered in this Review, a failure to participate in the scheme will lead to a 'lower' tier sanction (for a period of 4 to 13 weeks depending on how often a person receives a sanction). The exception to this is a failure to participate in Mandatory Work Activity which will lead to a 'higher' level sanction of between 13 and 156 weeks depending upon the frequency that a person is sanctioned⁶¹ (see para A1.9). This focus on conditionality and associated sanctions has implications for monitoring and evaluating the mandatory welfare schemes – and thus has implications for the statistics required.

⁵⁹ <http://www.dwp.gov.uk/consultations/2010/21st-century-welfare/chapter-4-other-areas/> Chapter 4.

⁶⁰ http://www.legislation.gov.uk/ukdsi/2012/9780111526149/pdfs/ukdsi_9780111526149_en.pdf

⁶¹ http://statistics.dwp.gov.uk/asd/asd1/jsa/jsa_sanctions_consultation.pdf

Annex 1: The Welfare to Work Schemes

- A1.1. The **Work Programme**⁶² was launched by DWP in June 2011 to support long-term unemployed people and Employment and Support Allowance⁶³ (ESA) claimants in finding sustainable employment. It replaced previous welfare to work programmes including the New Deals⁶⁴ and Pathways to Work⁶⁵. All people receiving Jobseeker's Allowance (JSA) are eligible for referral to the Programme after claiming JSA for 12 months; some are eligible sooner than this, particularly those seen to be at greatest disadvantage in finding work. These include young people and JSA early entrants such as: ex-offenders; disabled people; homeless people; and those with mild-moderate mental health issues. ESA claimants in the Work-Related Activity Group (ESA WRAG) can also be referred to the Work Programme; those in the Support Group (ESA SG), and those still on Incapacity Benefit, may choose to participate. Some others, such as lone parents with young children, are also eligible to participate.
- A1.2. The Programme⁶⁶ is delivered by providers from the private, public and voluntary sectors. Eighteen main providers are contracted by DWP to place participants in work. They have established partnerships with local providers and other organisations, including local government to deliver the services. Jobcentre Plus advisors first refer claimants to the Work Programme at a referral interview. Claimants are then allocated to a provider in their area who arranges work-related activities, such as training and work experience, to help participants find work.
- A1.3. Providers receive an attachment fee for each participant starting the programme, and then a job outcome payment after a participant has been in a job for three to six months (payments are greater when placing claimants who are seen to be at greatest disadvantage in finding work). Providers can claim sustainment payments every four weeks when a participant stays in work for longer (up to a maximum of two years, again depending on how far the participant was from the labour market). Payments are incentive-based, the amount varying for the different types of claimants. They are greater for jobseekers who are seriously disadvantaged in finding work and the ESA SG than for other types of participants.
- A1.4. **Work Experience** was introduced in January 2011 and extra places have been made available since April 2012 as part of the Youth Contract⁶⁷. This scheme is aimed at people aged 18-24, especially those who have not worked before. The work experience placements are brokered by Jobcentre Plus, either through a national agreement via the National Employer Service Team or through local agreements within the Jobcentre Plus District⁶⁸. The scheme is administered by Jobcentre Plus which matches individuals with a work experience placement lasting between two and eight weeks, of up to 30 hours per week. If an employer offers to take the participant onto an apprenticeship, the placement can be extended for up to four weeks (from October 2011). Claimants are not treated as if they are in remunerative work and must still actively seek employment. Entry to the scheme is voluntary. Originally the participants were subject to benefit sanctions if they either failed to

⁶² <http://www.dwp.gov.uk/policy/welfare-reform/the-work-programme/>

⁶³ <http://www.dwp.gov.uk/employment-and-support/>

⁶⁴ <http://webarchive.nationalarchives.gov.uk/20100210072046/dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/flexible-new-deal/>

⁶⁵ http://statistics.dwp.gov.uk/asd/workingage/index.php?page=p2w_pl

⁶⁶ <http://research.dwp.gov.uk/asd/index.php?page=wp>

⁶⁷ <http://www.dwp.gov.uk/youth-contract/>

⁶⁸ http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2012/early_impacts_of_work_experience.pdf

attend a placement without good cause, or dropped out of the scheme after the first week of the work experience. However, as noted in Paragraph 26, following media reports in February 2012, DWP stated that sanctions would no longer apply, unless a person lost their place through misconduct⁶⁹.

- A1.5. **Sector-based work academies** are collaboration between Jobcentres, employers, colleges and training providers and were introduced to address job vacancies in high-demand sectors of the local economy. The scheme is available in England (from August 2011) and Scotland (from January 2012). A placement on the scheme lasts up to six weeks and includes:
- Sector-based pre-employment training;
 - A work experience placement with an employer in that sector; and
 - A guaranteed job interview with an employer in that sector.
- A1.6. The decision for an individual to participate is voluntary, but once a claimant has accepted a place, attendance in certain elements then becomes mandatory. JSA claimants are required to complete the pre-employment training and the guaranteed job interview. The work-experience placement is voluntary. ESA (WRAG) claimants are required to complete the pre-employment training element only. Claimants who fail to comply with these requirements can be subject to benefit sanctions.
- A1.7. **New Enterprise Allowance** provides access to business mentoring and offers some financial support to unemployed people who want to set up their own business. The claimant's business idea is assessed by a mentoring organisation, and if considered viable they are matched with a volunteer business mentor. The mentor is expected to provide guidance and support in the development of the business idea. Individuals who have been claiming JSA for six months or more are eligible. During the mentoring phase (8 weeks) the claimant still claims JSA and then if their business plan is approved they can then instead claim the New Enterprise Allowance weekly allowance for 26 weeks. This is paid at £65 for 13 weeks and then at £33 per week for a further 13 weeks. One difference in the benefits compared with JSA is that claimants will no longer receive mortgage payments if they were entitled to housing costs before signing off.
- A1.8. **Skills Conditionality** is an initiative by which benefits are made conditional on recipients attending training, where a Jobcentre Plus advisor considers an identified skills need as being the main barrier preventing the person from finding employment. It is applicable in England (from August 2011) to JSA and ESA (WRAG) claimants aged 19 and over. DWP told us that it was introduced in Scotland in June 2012 for JSA claimants and ESA (WRAG) claimants aged 18 and over and that it is due to be introduced in Wales in autumn 2012, for training that is not funded by the Welsh Government. Claimants have their potential skills needs identified at the Jobcentre. Where these needs are assessed as being the main barrier to finding work the claimant is referred to a mandatory interview with a training provider and if the provider agrees that training is both appropriate and available, the claimant is then mandated to start the training and to complete it. In England where the skills need is not clear to the Jobcentre adviser, the claimant is mandated to attend an interview with the National Careers Service. If an individual subsequently fails to attend, take part or to complete skills training without good cause, they could be subject to a benefit sanction. A pilot study⁷⁰ carried out by DWP in April 2010 made a number of policy recommendations, and highlighted the need for accurate data on training

⁶⁹ <http://www.bbc.co.uk/news/uk-politics-17200688>

⁷⁰ <http://research.dwp.gov.uk/asd/asd5/rports2011-2012/rrep768.pdf>

provision when assessing outcomes. In December 2010 DWP and BIS carried out a public consultation to gather views on the implementation of Skills Conditionality. The DWP response to the consultation noted that the work was underway to develop the parameters for sharing feedback on attendance and participation⁷¹. DWP has stated that it will not be able to measure the net impact of Skills Conditionality on job outcomes due to the lack of a control group⁷².

A1.9. **Mandatory Work Activity** was introduced from May 2011 across Great Britain for individuals in receipt of JSA. It allows Jobcentre Plus advisors the authority to mandate claimants to a work experience placement. The placement is for up to 30 hours a week, lasts for 4 weeks and delivers a contribution to the local community. Participation in the scheme is mandatory. Any failure without good cause to participate, including a failure to undertake any specified task, leads to a benefit sanction. From 22 October 2012, a new three tiered JSA sanction regime came into force. Sanctions for those who fail to participate in Mandatory Work Activity (MWA) without good reason are 'higher' level sanctions⁷³, the most severe level of benefit reductions. The following fixed period sanctions can apply:

- 13 weeks for a first failure; or
- 26 weeks for a second failure committed within 52 weeks of the previous failure; or
- 156 weeks (3 years) for a third or subsequent failure committed within 52 weeks of the previous failure, and where that previous failure resulted in a 26 or 156 week sanction⁷⁴.

A1.10. Jobcentre Plus advisors can refer JSA claimants to the MWA scheme at any point in their claim. Prior to the start of the scheme, DWP expected that most referrals would be for claimants who have been unemployed for 13 weeks or more and who do not find work quickly⁷⁵. The scheme is run by external providers who source placements and assign claimants to these placements. While undertaking MWA individuals are subject to the normal conditions of their JSA agreement, including the requirement to attend the Jobcentre to sign on when required.

A1.11. **Work Together**⁷⁶, **Work Clubs**⁷⁷ and **Enterprise Clubs**⁷⁸ are voluntary initiatives; DWP announced that it will not be publishing any statistics on these schemes as 'the Department does not have robust data collection systems for people participating in

⁷¹ <http://www.dwp.gov.uk/docs/skills-conditionality-consultation-response.pdf>

⁷² <http://www.official-documents.gov.uk/document/cm80/8058/8058.pdf>

⁷³ <http://www.dwp.gov.uk/docs/jsa-sanction-changes.pdf>

⁷⁴ <http://www.dwp.gov.uk/docs/m-37-12.pdf>

⁷⁵ <http://ssac.independent.gov.uk/pdf/mandatory-work-activity.pdf>

⁷⁶ **Work Together** is an initiative which encourages the take up of volunteering. Any unemployed person can volunteer at any point in their claim, until they are required to participate in the work programme. Claimants cannot be sanctioned for refusing to participate

⁷⁷ **Work clubs** aim to offer support to unemployed people and are run by local groups such as LAs, employers, voluntary sector orgs and community groups. There is no fixed delivery model. Attendance is not mandatory and any unemployed person can attend a work club at any point in their claim until they are required to participate in the WP

⁷⁸ **Enterprise clubs:** The clubs provide community-based support, offering to help unemployed people who are interested in setting up a business. They are run by local groups such as LAs, employers, voluntary sector organisations and community groups. They might offer assistance such as the opportunity to network, financial advice and office services such as internet access. Attendance is not mandatory and any unemployed person can attend a work club at any point in their claim until they are required to participate in the WP

these initiatives⁷⁹. The Government committed to undertaking a high level review of the Work Together initiative in autumn 2011⁸⁰; however, it is unclear whether the findings have been released. The Equality Impact Assessments for Work Clubs⁸¹ and Enterprise Clubs⁸² do not make reference to any monitoring or evaluation strategies. Consultation for these schemes was targeted to internal and some external stakeholders.

A1.12. These programmes are primarily aimed at two groups of people; those claiming Jobseeker's Allowance (JSA) and those placed into the Work-Related Activity Group (WRAG) following their Employment and Support Allowance assessment. Table A1 shows the different groups of unemployed people who are eligible for each of these schemes. The Work Programme is available across Great Britain; however not all Pre-work Programme schemes are available in all areas, with scope for local Jobcentre management discretion and differences across the devolved administrations in the UK. For example, the provision of skills is a devolved policy, meaning that governments in Wales and Scotland are responsible for delivering skills training in those countries. DWP told us that Skills Conditionality is available in the following ways:

- introduced in England in August 2011 (interview and training elements);
- introduced in Scotland in June 2012 (training element only);
- introduced in Wales in autumn 2012 for provision not funded by the Welsh Government. In Wales, only voluntary referrals to training provision funded by the Welsh Government will be accepted until it is evident that the scheme has resulted in improved job outcomes⁸³.

Employment Support Allowance

A1.13. DWP publishes quarterly statistics⁸⁴ of the monthly numbers and proportions of new Employment and Support Allowance (ESA) claims for groups identified in the Work Capability Assessment (WCA)⁸⁵. The three outcomes of the WCA are:

- Support Group (SG) – for those with severe disabilities; they receive a higher rate of benefit entitlement overall; they can volunteer to receive employment support through the Work Programme;
- Work Related Activity Group (WRAG) – for those found to have limited capability for work; they receive a higher rate of benefit than those on Jobseeker's Allowance. They are not expected to work but are provided with help and support to prepare for work where possible;
- Fit for Work (FFW) – the ESA claim ceases and the claimant can move to JSA or appeal the decision.

⁷⁹ http://research.dwp.gov.uk/asd/asd1/work_programme/release_strategy.pdf

⁸⁰ <http://www.dwp.gov.uk/docs/eia-work-together.pdf>

⁸¹ <http://www.dwp.gov.uk/docs/eia-work-clubs.pdf>

⁸² <http://www.dwp.gov.uk/docs/eia-enterprise-clubs.pdf>

⁸³ <http://wales.gov.uk/about/cabinet/cabinetstatements/2012/skillsconditionality/?lang=en>

⁸⁴ http://research.dwp.gov.uk/asd/workingage/index.php?page=esa_wca

⁸⁵ The Work Capability Assessment, which determines whether a claimant receives ESA, is based on the functional assessment conducted by Atos Healthcare for DWP

Table A1: Details of the DWP Welfare to Work Schemes

Scheme	Official statistics	Regulations	Eligibility	Target age	Length of time on benefit	Mandatory/voluntary	Length of work experience placement	Sanctions imposed
Work Programme	DWP Work Programme Statistical Release	The Jobseeker's Allowance (Employment Skills and Enterprise Scheme) Regulations 2011	JSA, ESA, Incapacity benefit & Income Support (England only)	All	9 months 18-24, 12 months 25+	Mandatory depending on circumstance	On WP for 2 years	Yes
Sector-based work academies	Get Britain Working Measures Official Statistics	The Jobseeker's Allowance (Employment Skills and Enterprise Scheme) Regulations 2011	JSA ESA(WRAG)	18+	Any	Pre-employment training component - mandatory once place accepted Guaranteed job interview – mandatory once arranged for JSA claimants only	Up to 6 weeks for all three components	Yes
New Enterprise Allowance	Get Britain Working Measures Official Statistics	The Jobseeker's Allowance (Employment Skills and Enterprise Scheme) Regulations 2011	JSA, 18+	18+	13 weeks+	Voluntary – a participant must inform Jobcentre Plus if they leave the programme	none	No
Work Experience	Get Britain Working Measures Official Statistics	The Jobseeker's Allowance (Work Experience) (Amendment) Regulations 2011	JSA	16-24 years	13 weeks+	Voluntary	2-8 weeks	Yes if leave after one week, fail to start or dismissed (if 18yrs+)
Skills Conditionality	Mandatory Programmes Official Statistics	The Jobseeker's Allowance (Employment Skills and Enterprise Scheme) Regulations 2011	JSA, ESA (WRAG)	19 and over in England 18 and over in Scotland	Any time in claim	Mandatory	Not applicable	Yes
Mandatory Work Activity	Mandatory Programmes Official Statistics	Jobseeker's Allowance (Mandatory Work Activity) Regulations 2011.	JSA	Any	Any, expected to be 13 weeks+	Mandatory	4 weeks	Yes
Work Clubs Enterprise clubs Work Together	None		Any unemployed (pre WP)	Any	Any	Voluntary	Any	No

Annex 2

Review of the Work Programme and Pre-Work Programme Official Statistics

A2.1. This annex considers DWP's welfare to work statistics in relation to the Authority's Statement⁸⁶, *Standards for Statistical Releases*, and refers to the most recent releases:

- *DWP Work Programme Statistical Release* (August 2012)⁸⁷;
- *Get Britain Working Measures Official Statistics* (August 2012)⁸⁸; and
- *Mandatory Programmes Official Statistics* (June 2012)⁸⁹.

Identify the statistics being released and their status

A2.2. *DWP Work Programme Statistical Release*⁹⁰ (*Work Programme*) highlights that the coverage is for Great Britain. The coverage is implicit in *Get Britain Working Measures Official Statistics* (*GBW Measures*). It is not stated in *Mandatory Programmes Official Statistics* (*Mandatory Programmes*), and it is not made clear in the title, that the Skills Conditionality scheme relates to England only. The introductory text in the three releases sets out the content of the releases and provides the frequency of publication. They make clear the responsible organisation and give the contact name and details of the lead statistician.

Include commentary that is helpful to the non-expert and presents the main messages in plain English

A2.3. The releases each have a summary section with bullet points giving the total number of placements and starts (for *Mandatory Programmes* and *GBW Measures*) and referrals and total attachments (for *Work Programme*). The releases have a limited range of statistics – currently the statistics are only available for the first eight months for the *Work Programme* and the first nine months for *Mandatory Programmes* and *GBW Measures*. The most comprehensive statistics are in *Work Programme* which presents figures for each month and two charts are included to show the cumulative rise in referrals and attachments since the start of the programme. Brief commentary is provided on these statistics. For *Work Programme* further statistics are available through the DWP Tabulation Tool. These could be used to extend the release; for example, information about the characteristics of the participants (such as age, gender, ethnicity, disability status), statistics by region and by health condition.

A2.4. Commentary is limited to the summary section bullet points and footnotes to the tables. Some terms included in the footnotes to the tables are not explained, for example 'trailblazer' in *Mandatory Programmes*.

A2.5. The releases do not (yet) include information about the outcomes of the programmes. *Work Programme* states that outcome statistics will be released when available. DWP has released ad hoc publications for the outcomes of Work Experience and the first three months of Mandatory Work Activity; it has stated that there are no plans to release statistics on the outcomes of Skills Conditionality.

A2.6. Each release gives a short description of the schemes covered. There are definitions of the main terms (referrals, attachments, starts). The releases don't present the statistics in the context of the overall numbers of unemployed people or numbers of ESA claimants.

⁸⁶ The Standards for Statistical Releases: <http://www.statisticsauthority.gov.uk/news/standards-for-statistical-releases.html>

⁸⁷ http://statistics.dwp.gov.uk/asd/asd1/work_programme/wp_release_aug12.pdf

⁸⁸ http://statistics.dwp.gov.uk/asd/asd1/pwp/pwp_gbw_aug12.pdf

⁸⁹ http://statistics.dwp.gov.uk/asd/asd1/pwp/mwa_jun12.pdf

⁹⁰ <http://research.dwp.gov.uk/asd/index.php?page=wp>

Use language that is impartial, objective and professionally sound

A2.7. The statistics are described in an impartial way. However the range of statistics describing the programmes is limited. For example, in *Work Programme* the percentage distributions by payment group for referrals and attachments are given in the commentary, but the release doesn't give the rates of referral (overall or by claimant characteristics) or show statistics about the time between referral and attachment (an overall statement is made that 96 per cent of referrals are attached to the programme within three months, but without the underpinning evidence).

Include information about the context and likely uses

A2.8. The releases set the context for the statistics by describing the relevant programmes, but don't relate this to the overall welfare to work policy. *Work Programme*, however, describes the impact of claimants moving from the Flexible New Deal to the Work Programme and the impact of a change to the referral process. The annex highlights the fact that DWP is developing outcome statistics to support the use of the release in evaluating the success of the programme and the performance of providers which it is aiming to release in autumn 2012. *Mandatory Programmes* and *GBW Measures* do not refer to the ad hoc statistics released on outcomes. The most recent ad hoc release *Early Impacts of Mandatory Work Activity* was published on the same day as the statistical release.

A2.9. The releases don't identify the use or potential use by types of users, or make clear whether user feedback or engagement has informed the design of the release or selection of the content.

Include, or link to, appropriate metadata

A2.10. The releases provide explanatory information about the programmes, but little information about the quality and reliability of the statistics, such as the completeness of the administrative systems used and the coverage and timeliness of the returns for the wide range of providers delivering services. However, DWP has published a separate Background Information Note⁹¹ that outlines the accuracy of the statistics for the Work Programme and some issues affecting specific variables. *Work Programme* refers to the data sources as Jobcentre Plus (for referrals) and the payment system for providers (as the source for attachments). It explains the difference between the two measures and outlines the composition of the payment groups. There is no corresponding background information available for *GBW Measures* or for *Mandatory Programmes*.

A2.11. *Work Programme* provides links to other related statistics through the Tabulation Tools with statistics available for additional claimant characteristics, as well as to the Pre-Work Programme and ad hoc analyses.

A2.12. The releases do not signpost specific ad hoc analysis that has been conducted on the welfare programme which would aid users' interpretation and use of the statistics. They highlight the next release date, the forthcoming release schedule and availability through the National Statistics Publication Hub. *Work Programme* refers to the *Code of Practice* but gives it an incorrect title.

A2.13. No statement is provided about the revisions that are likely to be made to the statistics. DWP refreshes the entire data set that it uses to populate its Tabulation Tool when new data are added to a series. Consequently we would expect the same practice to occur in relation to the Work Programme statistics. DWP doesn't make clear whether revisions are scheduled or the likely impact on the published statistics.

⁹¹ http://research.dwp.gov.uk/asd/asd1/work_programme/work_prog_note.pdf