

Work Programme referrals and attachments: *Inclusion analysis*

21 February 2012

The Department for Work and Pensions (DWP) has published the first official statistics from the Work Programme. This shows the number of claimants that have been referred to the Work Programme and the number of claimants who have subsequently started the programme, between June and October 2011.

Referrals

Overall, referrals were 19% above the indicative volumes published by DWP in its invitation to tender (ITT) in 2011. This was not unexpected, and is in line with the revised forecasts for the remainder of the year [published last month](#).

As expected, referrals were significantly under profile for those on the Employment and Support Allowance (ESA), and Incapacity Benefit (IB), as a result of lower than forecast volumes of IB claimants being reassessed for ESA. This was more than offset by significantly higher than forecast referrals of Jobseeker's Allowance (JSA) claimants in the 'early access' group – this includes young claimants who were previously not in education, employment or training; disabled people; those with drug or alcohol dependency; care leavers; and homeless people.

Referrals and attachments

Nine out of ten people referred to the Work Programme went on to start the programme – this is exactly in line with DWP's predictions. However within this, there are wide variations – with attachment rates lowest for those on ESA and higher for those on JSA.

Our analysis has found no link between the attachment rate and the local economy – the rate does not seem to be lower where the economy is weaker.

There is wide variation between providers in attachment rates – ranging from 80% to 97%. However, our analysis shows that when one adjusts for other providers in the same area, the range narrows – to 86% to 94%.

Local authority level data

Inclusion has also today published a Local Authority tool, [here](#).

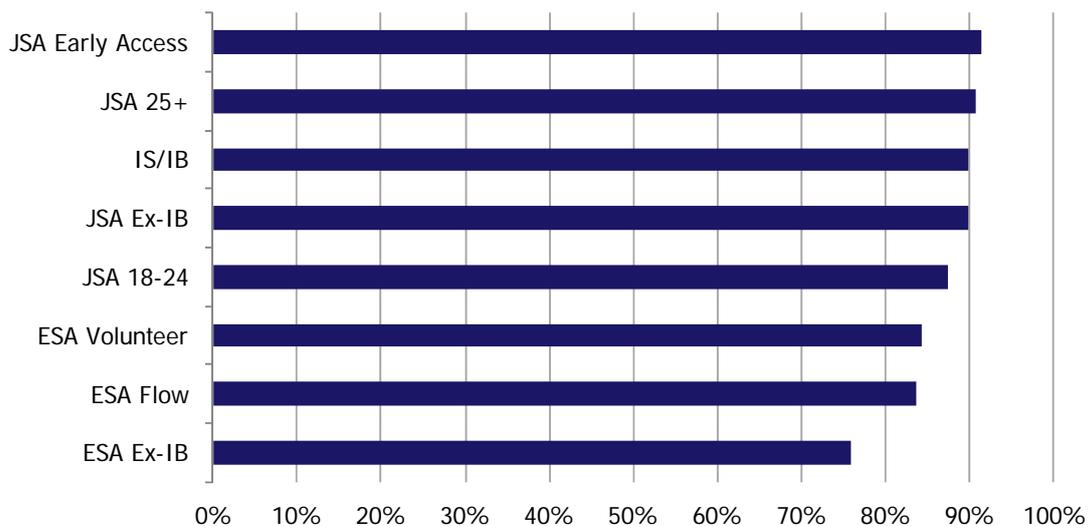
This shows data for referrals and attachments at local authority level across all Work Programme claimant groups.

Attachments compared to referrals

In the period June–October 2011, 370,000 people were referred to the Work Programme. In that period, there were 332,000 customer attachments to Work Programme providers. This equates to an ‘attachment rate’ (attachments as a proportion of referrals) of 89.9%, almost exactly in line with DWP assumptions of 90% used in the design of the programme. DWP comments that ‘on average 96% of referrals are attached to the Work Programme within three months of being referred’. However, the statistics DWP publishes count referrals and attachments in any given month, so our comments are based on their numbers rather than their comment.

Attachment rates varied greatly by **Work Programme payment group**, as shown on chart 1. In particular, attachment for groups claiming health-related benefits was low. At the extreme, only 76% of Work Programme customers recently transferred from ESA to IB were attached to providers.

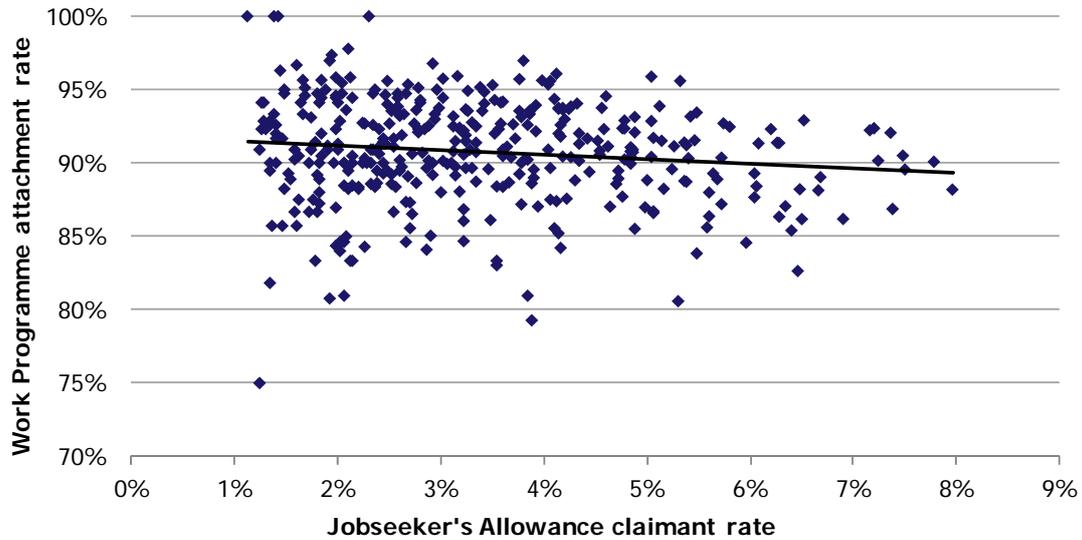
Chart 1: Work Programme attachment rates by payment group, Jun-Oct 2011



Source: DWP: Information, Governance and Security Directorate; *Inclusion* calculations

One explanation of variation in attachment rates could be the different **local economic factors** faced by prime providers and customers across the country. To explore this, we have compared attachment rates in each local authority in Great Britain with the JSA claimant rate, which is used as a proxy for local economic conditions. The results, shown in chart 2, demonstrate that there appears to be no correlation between attachment and economic conditions.

Chart 2: Jobseeker's Allowance claimant rate and Work Programme attachment rate by local authority, Jun-Oct 2011



Source: DWP: Information, Governance and Security Directorate; Claimant Count, ONS; *Inclusion* calculations

There were variations in the rates at which different **prime providers** attached customers between June and October last year. To account for differences between contract package areas (CPAs), we have analysed both primes' attachment rates, and their 'attachment scores', which express attachments rates in comparison to the other provider(s) in their CPA(s). Both attachment rates and attachments scores are summarised in table 1.

Table 1: Work Programme Prime provider attachment rates and scores, Jun-Oct 2011

	Attachment rate	Attachment score - attachment rate in comparison to other provider(s) in CPA(s)
Serco	96.9%	94.0%
EOS	93.7%	93.8%
Seetec	93.4%	93.5%
Working Links	91.6%	91.1%
Ingeus	90.9%	91.0%
Pertemps	90.9%	90.7%
Reed	90.0%	90.5%
G4S	89.0%	90.2%
JHP	83.0%	89.8%
Prospects	92.6%	89.6%
Avanta	88.9%	89.1%
BEST	88.4%	88.9%
CDG	80.3%	88.9%
Maximus	90.6%	88.2%
A4e	87.9%	88.0%
Rehab	85.7%	87.4%
Newcastle College Group	86.1%	86.3%
ESG	90.4%	86.2%

Source: DWP: Information, Governance and Security Directorate; *Inclusion* calculations

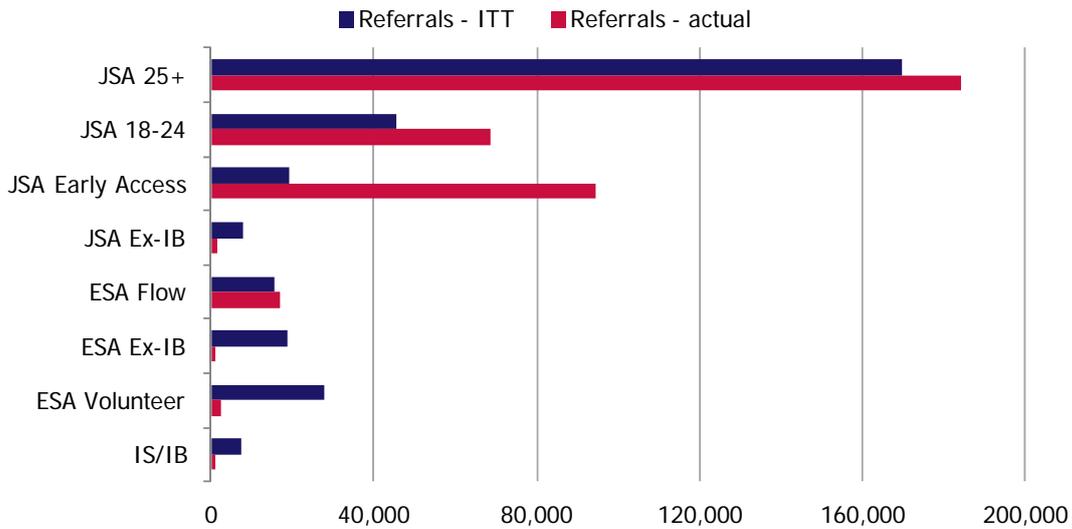
Referrals compared to DWP forecasts

Actual Work Programme referrals for the period June–October 2011 were 119% of the assumptions used by DWP in the design of the programme and in ITT documentation. More up-to-date forecasts have been published by DWP; however, these are not available on a monthly basis and therefore not appropriate for comparison.

The pattern of referrals compared to DWP forecasts varies greatly **by Work Programme payment group**, as shown on chart 3. In particular, this demonstrates that:

- Across payment groups, volumes for ESA customers were significantly below ITT forecasts
- Referrals to the JSA early access group – which includes young people with significant barriers, young people not in employment, education or training (NEETs), ex-offenders, carers and those with drug or alcohol problems – were significantly above ITT forecasts.

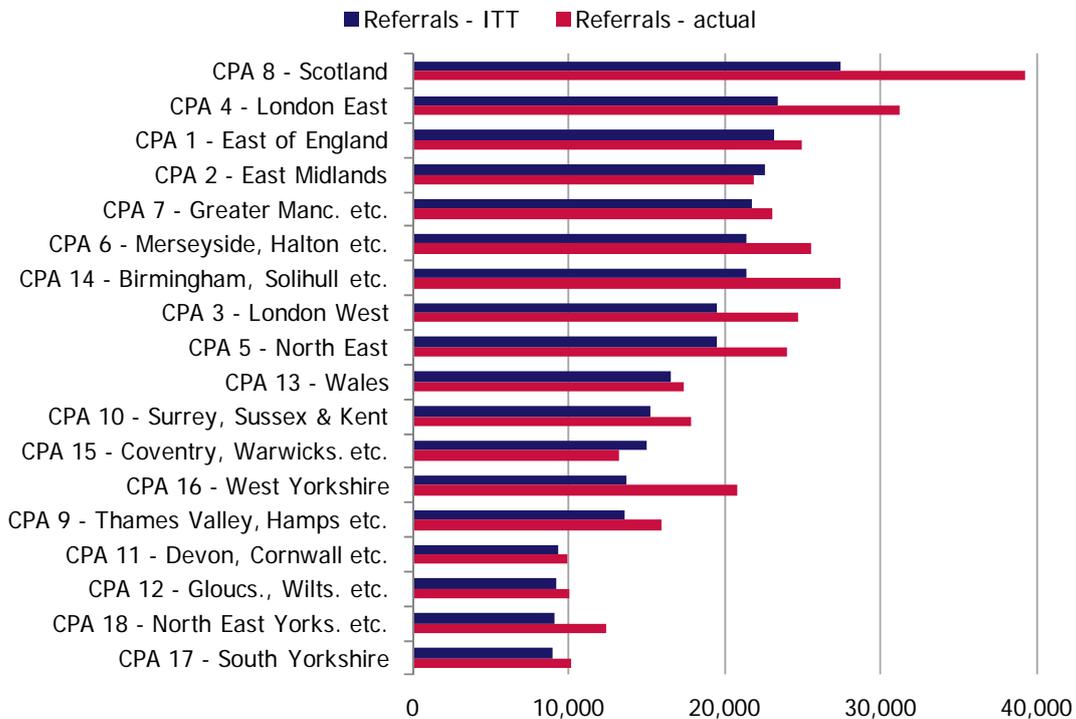
Chart 3: Work Programme referrals by payment group – ITT volumes compared with actual, Jun-Oct 2011



Source: DWP: Information, Governance and Security Directorate; *Inclusion* calculations

The pattern of referrals compared to DWP forecasts also varies greatly by **CPA**, as shown on chart 4. In particular, Scotland; East London; Birmingham, Solihull and the Black Country; and West Yorkshire have received referrals significantly above those forecasts in ITT documentation.

Chart 4: Work Programme referrals by CPA – ITT volumes compared with actual, Jun-Oct 2011

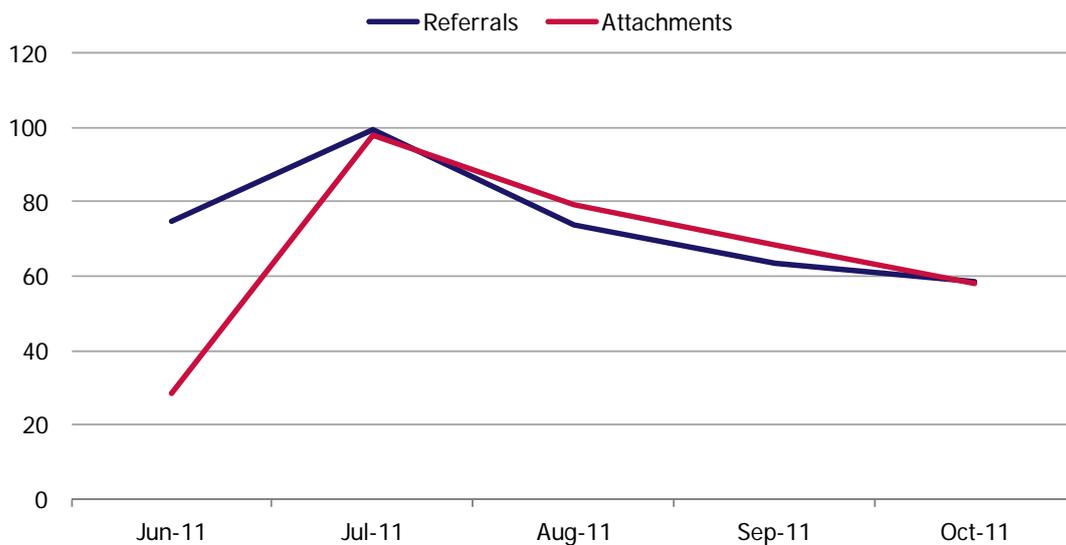


Source: DWP: Information, Governance and Security Directorate; *Inclusion* calculations

Attachment and referrals over time

Looking at a time-series of referrals and attachments over the five months for which data is available (chart 5), we can see referrals peaking in July 2011 and easing since. Attachments have been roughly in line with referrals since July 2011.

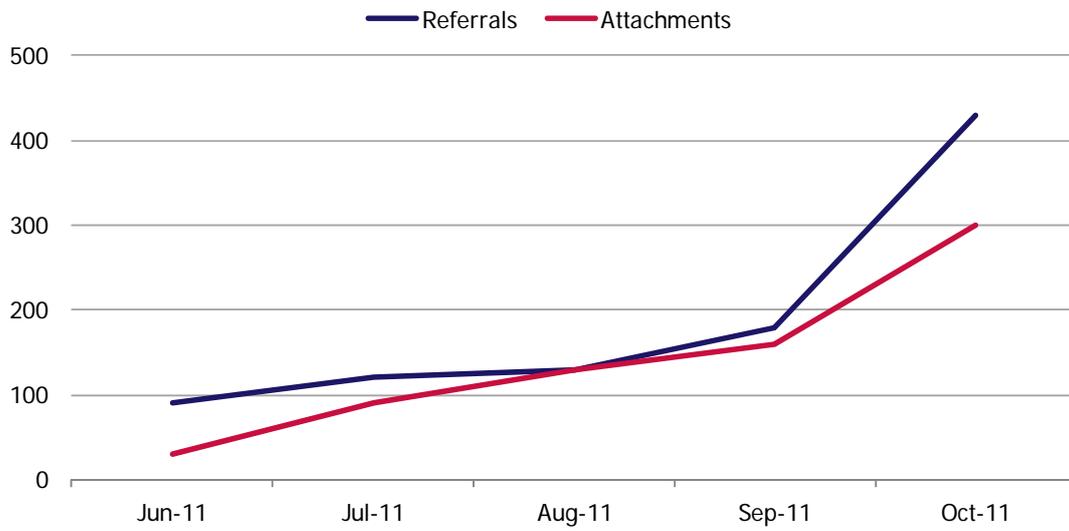
Chart 5: total Work Programme referrals and attachments, Jun-Oct 2011 (thousands)



Source: DWP: Information, Governance and Security Directorate; *Inclusion* calculations

The overall pattern of referrals and attachments over time varies within **Work Programme payment groups**. While most JSA groups follow the overall pattern, for the JSA 18–24 group (comprising most young JSA claimants on the Work Programme), both referrals and attachments have remained flat since July 2011. Within those payment groups containing customers claiming health-related benefits, referrals saw a sharp increase in October 2011 (although, it should be noted that customers in these groups reflect a small proportion of total Work Programme volumes). Chart 6 shows referrals and attachments over time for the ESA ex-IB group (comprising customers recently transferred from ESA to IB), which have increased consistently since the programme got underway and saw a particularly sharp rise in October. The JSA ex-IB referrals do not show the same pattern, as would be expected if this was owing to IB reassessment acceleration. There have been other changes to encourage participation by ESA claimants – and referrals to the other ESA groups are also rising, so this may be the explanation.

Chart 6: Work Programme referrals and attachments for the ESA Ex-IB payment group, Jun-Oct 2011



Source: DWP: Information, Governance and Security Directorate; *Inclusion* calculations
