

## **Work Programme referrals and attachments: *Inclusion analysis***

**09 May 2012**

The Department for Work and Pensions (DWP) has published today its second official statistics on the Work Programme. These show 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 2011 and January 2012.

### **Referrals**

565,000 people were referred to the Work Programme in this period. This was 19% above the indicative volumes published by DWP in its invitation to tender (ITT) in 2011, but in line with its revised forecasts published in January 2012.

Referrals were once again significantly over profile for Jobseeker's Allowance (JSA) claimants (particularly those in the 'Early Access' group), offset by lower than profiled referrals for claimants of health-related benefits – Employment and Support Allowance (ESA) and Incapacity Benefit (IB). These figures appear to be slowly catching up, partly as a result of changes to Work Programme eligibility and partly from the increasing volumes of IB claimants being reassessed for ESA. However, referrals for claimants of health-related benefits account for just 39% of the original volumes forecast.

### **Referrals and attachments**

Of those referred to a Work Programme provider, 92% have gone on to start the programme, and DWP states that 96% of referrals lead to an attachment within three months. This is above DWP's original assumption of 90%. However, once again there are wide variations within this – with attachment rates lowest for those on ESA and higher for those on JSA.

There is also wide variation between providers – ranging from 88% to 97%. However, this gap has narrowed by eight percentage points since the last release.

Overall, we calculate that £215 million has been spent on attachment fees to January 2012, against an estimate at original ITT forecasts of £182 million.

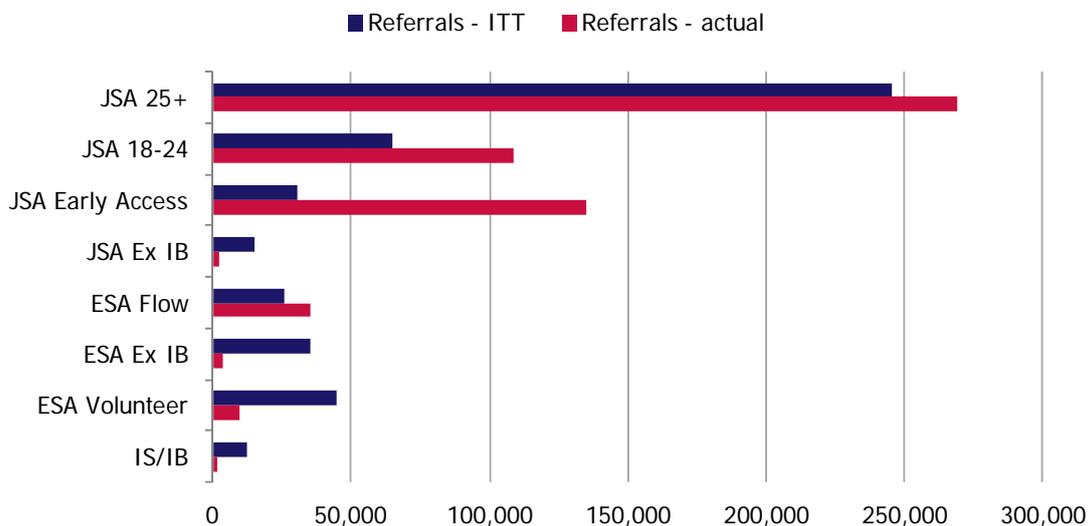
## Referrals

In the period June 2011–January 2012, 565,000 people were referred to the Work Programme. This is 19% higher than the indicative referral volumes for this period forecast by the DWP in its ITT in 2010. This is as expected, given a weakening economic outlook since the Work Programme was commissioned and [revised DWP forecasts published in January](#).

This pattern varies greatly by **Work Programme payment group**, as shown on chart 1. In particular, this demonstrates that:

- Across payment groups, volumes for ESA and IB customers were significantly below ITT forecasts – only 39% of forecast referrals have been made over the first eight months of the programme, and these customers represent a mere 9% of referrals so far.
- Referrals to the JSA Early Access group – which includes those transferred from previous programmes; young claimants who were previously not in education, employment or training; disabled people; those with drug or alcohol dependency; care leavers; and homeless people – were significantly above ITT forecasts (343% higher).

**Chart 1: Work Programme referrals by payment group – ITT volumes compared with actual, Jun 2011–Jan 2012**

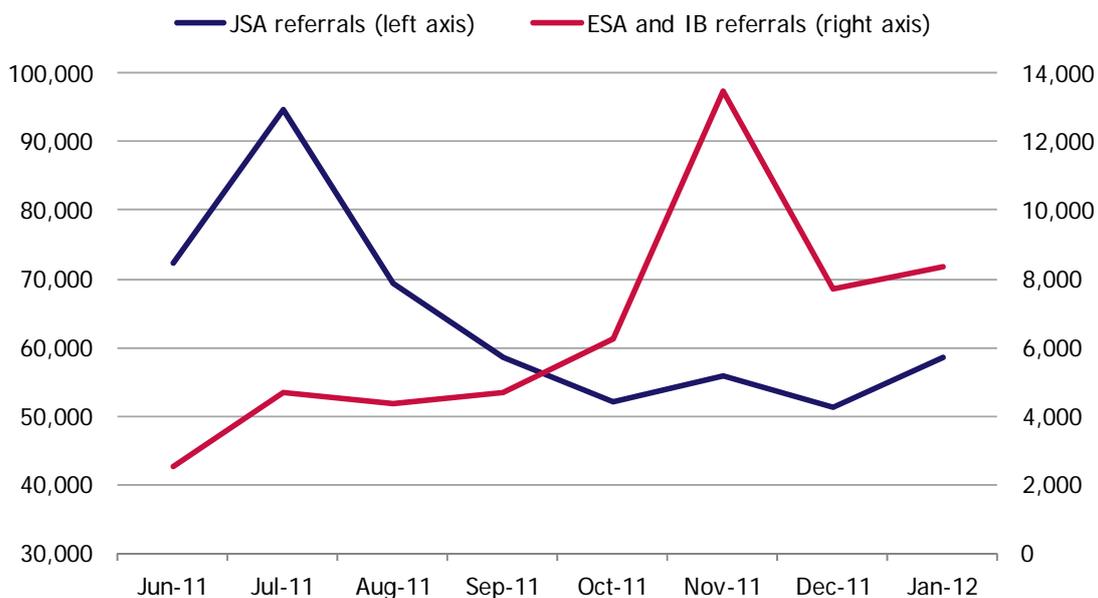


Source: DWP: Information, Governance and Security Directorate; *Inclusion* calculations

Although **ESA and IB referrals** remain below original profiles, they have shown improvement in recent months, meaning that the referral profile is less one-sided than it was in [February's statistical release](#). This improvement is shown on chart 2, which compares referrals for customers in JSA groups to

those for customers in ESA or IB groups. It shows that while JSA referrals have roughly stabilised well below their early peak, ESA and IB referrals have been rising, with a noticeable spike in November 2011. As [DWP's statistical release](#) explains, this is due to a widening of the mandatory referral criteria for ESA claimants; the introduction of information sessions for potential volunteer customers; a ramp-up of Jobcentre Plus efforts to identify eligible claimants; and an increase in IB reassessment activity.

**Chart 2: Work Programme referrals by claimant type, Jun 2011–Jan 2012**



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

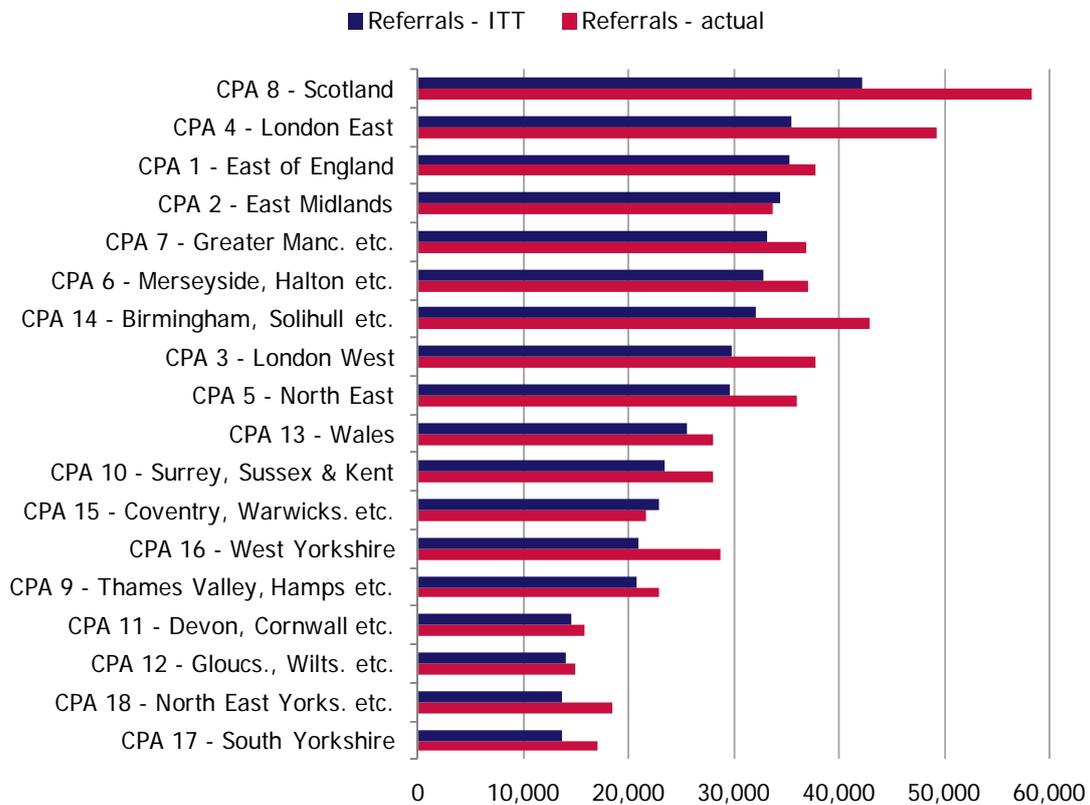
Following February's statistical release, the National Council for Voluntary Organisations expressed [concerns that low ESA and IB referrals were shutting out voluntary sector providers](#), which tend to be most strongly associated with delivery to these more disadvantaged customer groups. The upturn in ESA and IB referrals is therefore good news for those organisations delivering services for those on ESA and IB.

Nonetheless, ESA and IB referrals remain well below the levels that were forecast in ITT documentation. [Backlogs in assessments for IB and ESA claimants](#), and the [high rate of people appealing such assessments](#), are largely to blame for the enduring lack of these customers on the programme.

The pattern of referrals compared to original DWP forecasts also varies greatly by **Contract Package Area (CPA)**, as shown on chart 3. In particular, Scotland; East London; Birmingham, Solihull and the Black Country; and West

Yorkshire have received referrals significantly above those forecast in ITT documentation.

**Chart 3: Work Programme referrals by CPA – ITT volumes compared with actual, Jun 2011–Jan 2012**



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

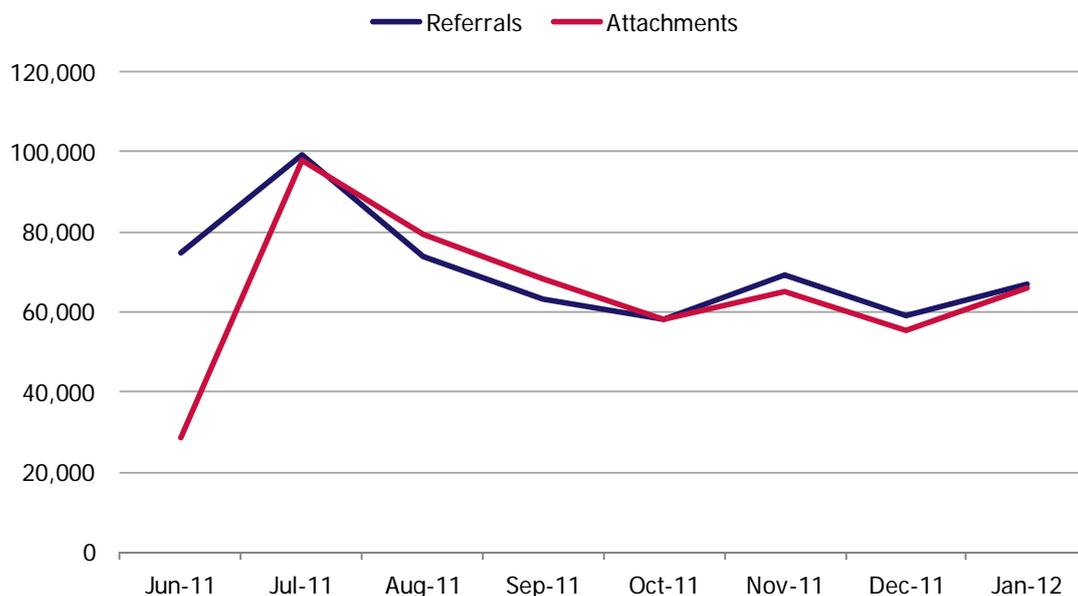
## Referrals and attachments

Of the 565,000 people referred to the Work Programme between June 2011 and January 2012, 519,000 have started with providers. This equates to an ‘attachment rate’ (attachments as a proportion of referrals) of 92%, a slight improvement on the rate of 90% that [we reported in February](#), and above the 90% assumptions that were used in the design of the programme.

Looking at attachments and referrals over time, chart 4 shows that after a large gap at the start of the programme, attachments and referrals have tracked very close to one another.

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**Chart 4: Work Programme referrals and attachments, Jun 2011–Jan 2012**



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

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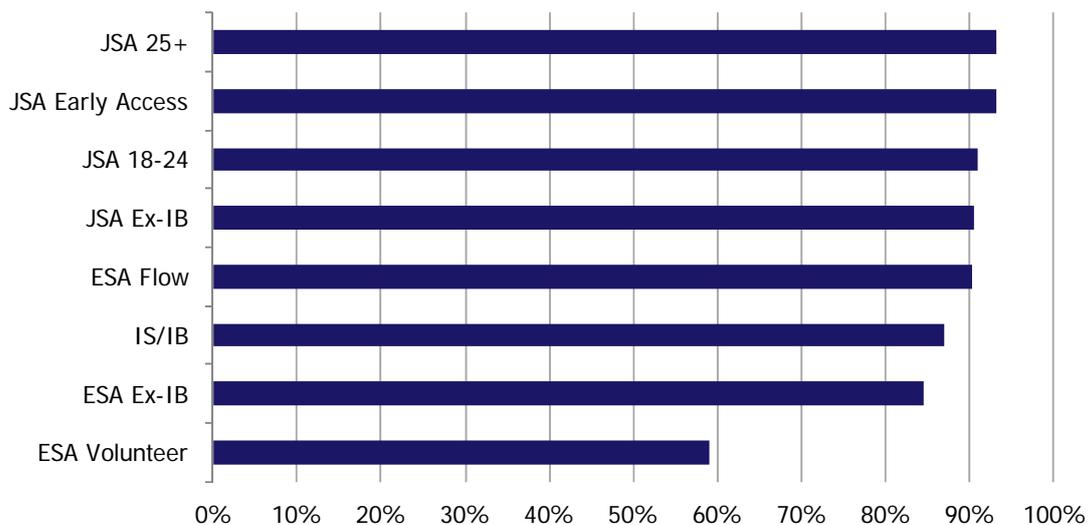
The figures that DWP publishes are for all referrals and attachments in a given time period, rather than in relation to specific cohorts of customers. Reviewing unpublished data on customer cohorts, DWP [comments](#) that ‘evidence from figures collected so far suggests that on average 96% of referrals are attached to the Work Programme within three months of being referred.’ This relatively high attachment rate means that the vast majority of those who are eligible for support are being reached by providers, which is good news.

We calculate that to end of January 2012, £215 million has been spent on attachment payments to Work Programme providers. This compares with estimated expenditure of £182 million based on the forecast volumes and attachment rates in ITT documentation.

Attachment rates vary by **Work Programme payment group**, as shown on chart 5. In particular, attachment rates for groups claiming health-related benefits are lower than for JSA groups. At the extreme, only 59% of ESA claimants referred voluntarily to the programme have started with providers. This is explained partly by the recent upturn in ESA volunteer referrals, which in many cases will take further time to be converted into attachments; however, it is still a cause for concern.

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**Chart 5: Work Programme attachment rates by payment group, Jun 2011–Jan 2012**



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

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One explanation of variation in attachment rates could be the different **local economic factors** faced by prime providers and customers across the country. However, 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 were variations in the rates at which different **prime providers** attached customers between June 2011 and January 2012 – ranging from 88% to 97%. However, this gap has narrowed by eight percentage points since the last statistical release. To account for differences between CPAs, we have analysed both primes' attachment rates, and their 'attachment scores', which express attachment rates in comparison to the other provider(s) in their CPA(s). Both attachment rates and attachment scores are summarised in table 1.

Table 1 shows roughly the same picture [as we reported following the previous statistical release in February](#). High attachment rates indicate that providers have been successful in engaging customers and beginning the process of planning the support needed. High attachment rates also benefit provider cashflows, as a high proportion of their income will be made up of attachment payments in the early years of the programme. This analysis of variations in the rates at which customers start with different providers may therefore give an early indication of provider performance, both financially and in terms of their success in helping customers into work.

**Table 1: Work Programme Prime provider attachment rates and scores, Jun 2011–Jan 2012**

	<b>Attachment rate</b>	<b>Attachment score - attachment rate in comparison to other provider(s) in CPA(s)</b>
Serco	97.2%	95.6%
EOS	94.0%	95.4%
JHP	92.0%	94.3%
G4S	93.8%	93.5%
Seetec	93.6%	93.2%
Working Links	92.4%	93.0%
Maximus	94.1%	92.7%
Pertemps	91.5%	92.6%
Ingeus	92.1%	92.4%
BEST	93.1%	91.9%
CDG	91.8%	91.9%
Reed	90.8%	91.7%
Avanta	92.4%	91.1%
Prospects	91.7%	90.7%
Rehab	88.3%	89.7%
ESG	92.2%	89.2%
A4e	88.6%	89.0%
Newcastle College Group	87.8%	88.3%

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