

The Work Programme: A Reflective View

Common barriers facing Prospects Work
Programme customers in the South West region



Foreword

Prospects has risen to the challenge of implementing the Work Programme by creating a new kind of employability programme, tailored to individuals and built around their needs.



We launched our Ascent Programme, Prospects' Work Programme delivery model, building on our experience of past initiatives while adding innovation and personalisation.

After participating in the two year Ascent Programme's innovative and engaging interventions some customers have left us without securing employment. We wanted to find out what prevents this group from getting jobs. Our research has identified some common and familiar barriers. For some health and wellbeing are key barriers, while others face motivation, skills, and experience obstacles to sustained employment.

Barriers preventing individuals from successfully entering the labour market, particularly for those who are long term unemployed, are often complex. Many customers identified facing multiple barriers, making job entry even harder and requiring more intensive support. We will share these findings with our operational teams, which remain committed to ensuring the Ascent Programme continues to be both innovative and effective.

I hope you will find the report of interest and that the findings will inform the future development of employability services for the benefit of our customers.

A handwritten signature in black ink, appearing to be 'Ray Auvray'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Ray Auvray
Chairman

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Executive Summary

Launched in 2011, the Work Programme is the flagship welfare to work scheme of the Coalition Government. Replacing a significant provision of welfare to work programmes run by the Department for Work and Pensions (DWP), it offers support to unemployed individuals claiming Jobseeker's Allowance (JSA) or Employment and Support Allowance (ESA) to transition into sustained employment. The programme is outsourced through 40 contracts, each delivered by a Prime and Subcontractor delivery chain, across 18 Contract Packages Areas (CPA). The programme is funded on a Payment by Result model, where providers are rewarded when their customers successfully achieve sustained employment, defined as six months of employment, or three months for Employment and Support Allowance customers.

A range of public sector, private sector, and third sector organisations deliver the services; delivery in each region is uniquely structured by Prime Contractors to address the varied needs of their Work Programme customers. In April 2011, Prospects successfully bid as a Prime Contractor to deliver the Work Programme in the South West, Somerset, Devon, Dorset, and Cornwall, CPA 11. Three months later in July, the programme went live, with more than 2,000 referred customers in the first referral group for Prospects CPA 11.

The Work Programme's purpose is to support individuals transition from welfare to work, sustain employment, decrease time spent on benefits, increase time employed for those coming off benefits, and narrow the success rate gap between different claimant groups. Following two years of operation, Prospects determined that an in-depth survey of the factors preventing customers from moving into sustained work would be a powerful way to assess and evaluate delivery and align future delivery with best practice.

This research aims to identify and address barriers preventing Prospects' customers in the South West from achieving sustained work following their participation in the Work Programme's first two year phase.

The research examines data from a representative sample client group of 447 out of the first referred customers who have not found work in the Prospects CPA 11 region¹. In addition to the data, interviews with key delivery staff at Prospects, supply chain partners, as well as Work Programme customers, supplement the findings.

Barriers preventing individuals from successfully entering sustained employment, particularly for those who are long term unemployed, are often complex, overlapping, and rarely simple. Overcoming these barriers requires a long term, holistic approach alongside tailored support and services.

The research identifies four significant barriers preventing customers from achieving sustained job outcomes:

- ▶ lack of motivation due to a range of barriers
- ▶ severe health conditions
- ▶ low confidence or social skill barriers
- ▶ lack of skills or work experience

¹ Customers referred up to and including 31/07/11

Between them these four account for 70% of all reported barriers, making them key priorities that the research addresses in detail. With these findings, the report offers the following four recommendations:

1. Customers should be segmented by need rather than benefits payment group.
2. Mandatory Work Programme participation should not be required where a Work Capability Assessment indicates a customer's health will prevent them from working in the next 12 to 18 months.
3. Design of employment programmes should place greater emphasis on recognising progress and milestones along the way to employment, especially for ESA customers.
4. There is a need to increase measures to raise customers' motivation to work and tackle negative perceptions many hold that they are better off on benefits.

To ensure continuous improvement in programme outcomes, Prospects, alongside providers, and policy makers must identify, analyse, and address the key barriers which stop many escaping welfare dependency.

1. Research and methodology

This report identifies and analyses barriers preventing Prospects' customers in the South West from securing sustained work following their participation in the Work Programme's first two year phase.

Prospects CPA 11 saw over 2,000 referred customers in the first referral group of the Work Programme. The research examines data from a representative sample client group of 447 customers who did not find sustained work or a job outcome on completion of the Work Programme.

The research evaluates:

- ▶ Data held in the Prospects Ascent portal, which includes Provider Referrals and Payment (PRaP) information at the time of Jobcentre Plus referral.
- ▶ Information given in the customers' exit reports, written by their Work Programme adviser.

Interviews across various groups involved with the Work Programme supplement the research and provide observational insight:

- ▶ Ascent team leaders and advisers
- ▶ Prospects operations managers
- ▶ Prospects Business Development Team
- ▶ Supply chain partners
- ▶ Customers

The research does not include analysis of the financial or commercial aspects of the Prospects CPA 11 contract.

The research also considers the socio-economic context of the CPA 11 region including demographic profile and labour market analysis. As the thrust of the research is to study the impact of the Work Programme specifically on Prospects CPA 11 customers, general overview of the programme is kept deliberately brief.

2. The Ascent Programme

Prospects prioritises service delivery that puts the individual customer journey at the heart of its programmes. Prospects' substantial experience and proven track record in delivering welfare to work programmes is due to tailored service based on the differing needs of each customer.

Individual assessment allows advisers to identify core barriers, determine job readiness, and plan the best steps to support customer progression.

About the Ascent Programme

As a Prime Contractor, Prospects has developed the Ascent Programme delivery model. Based on individual needs and challenges, the Ascent Programme provides a unique customer journey towards sustained employment, where no two customer journeys are the same.

The Ascent Programme motivates customers, addresses barriers to work, and provides behaviour changing solutions. A bespoke assessment tool, used at the outset and at regular stages throughout the customer journey, underpins the programme. Ascent has proven an effective tool for identifying and addressing the barriers to employment that customers face.

The programme comprises of six strands:

- A — Aspiration & Motivation
- S — Skills for the Future
- C — Challenges
- E — Employer Desirability
- N — Notable Influences
- T — Transferable & Specialist skills

Following an initial assessment, advisers and customers select from a range of workshop interventions to partake in at the outset of the programme or at regular stages throughout the customer journey. Interventions are supplemented by a dedicated e-learning platform offering over 200 online courses at all levels for customers to help prepare them for employment. Additionally, customers can access support via a call centre provided by a subcontractor.

3. Key lessons and challenges since July 2011

This section presents a summary of some initial key delivery lessons and challenges which shape the research recommendations.

The speed of Work Programme implementation as well as the extremely high numbers of Job Seeker's Allowance referrals on day one of the programme were two key challenges managers and advisers in the region confronted.

Between April and July 2011, Prospects and its partners faced quick turnaround deadlines to set up systems, recruit staff properly skilled and qualified to deliver the holistic approach of Prospects' Ascent Programme, and implement training for the new government programme in 12 weeks.

Non Employment and Support Allowance (ESA) referrals were higher than government had predicted. The unexpectedly high volume of referrals raised advisers' concern about the amount of time they could realistically dedicate to each customer. Many advisers found themselves with higher than anticipated caseloads from day one, making it harder for them to deliver the Ascent Programme's holistic, long term approach to sustained employment. And while previous Prospects' government consultations originally supported the Work Programme payment model, reflection of the high volume of ESA customers in the Prospects CPA 11 region led the research to conclude that a more thorough needs-based assessment model will better deliver customer progression into employment.

By contrast, specialist providers in the supply chain faced lower than expected referrals. Payment models meant that these providers initially faced financial uncertainty. Prospects responded swiftly to agree daily rates for provision. The number of ESA referrals to specialist providers has since continued to increase, easing the financial risk they were initially exposed to.

Initial implementation of the Work Programme's Payment by Results remuneration system proved difficult for Prospects' subcontractors and the voluntary and community sector (VCS) in Prospects CPA 11. Three members of the supply chain withdrew within the first year of operation mainly due to cash flow constraints, leading Prospects to absorb 6,000 customers into its own direct delivery. Addressing this challenge to Work Programme delivery, Prospects made the decision to support its remaining subcontractors by reworking the payment model to alleviate financial issues associated with cash flow and enable them to continue delivering a Payment by Results contract.

4. The CPA 11 Region: Cornwall, Devon, Dorset, and Somerset

The South West region faces slower business formation rate, smaller business size, an ageing labour market, and fewer Jobcentre Plus vacancies than the national average. Of the nine English regions, the South West region has the largest area and third smallest population:

- 19.6% of the total population is of pensionable age, with a predicted rise to 25% of the regional population by 2030.² This projection will mean the South West will have the largest proportion of inhabitants of pensionable age of any English region.
- The South West saw the highest population growth of any English region in the period 2001–2010 with the population increasing by 330,000 people, a 6.7% increase compared to a 5.6% increase for England as a whole.
- 6.2m residents are predicted to live in the region by 2030, a 17.1% population increase from 2010.
- The majority of regional growth is due to in-migration. The South West region historically has had the highest net inflow compared to any other English region. However, the South East overtook the South West the year before the Work Programme launched. The South West saw a net inflow of 18,910 people in 2010 against a net inflow of 23,000 in the South East. Factors attributed to the shift include the depressed economic climate making the South West a less viable place to live.
- The South West has the second lowest non-white British population of any English region at 7%.

The South West Observatory's 2012³ report highlights that:

- The global and national environment for economic growth has been constrained by a combination of weak business and household confidence, financial and policy uncertainty, and the need to repair banking and sovereign balance sheets.
- The immediate outlook for rebalancing South West growth is problematic.
- Demand is subdued in many South West markets and recent business surveys indicate business caution on the supply side.
- The region's efforts to restructure its economy are hampered by its historical reliance on domestic demand from consumers and the public sector.
- In most parts of the South West economy, private sector job creation failed to compensate for public sector job cuts from Spring 2011 onwards.
- The region experienced adverse labour market conditions in the second half of 2011 and early 2012 compared with a year earlier.

² From April 2016 onwards women's state pension age will rise to equal men's state pension age of 65, by November 2018. From December 2018 to October 2020 men and women will have a state pension age of 66 and this will rise to 67 in 2026.

³ *Changing State of the South West 2012*, South West Observatory, 2012.

5. Research Findings

This section presents the findings from the sample 447 client group data as well as observational data from conducted interviews.

The sample client group was drawn randomly from across the Prospects CPA 11 region, representing a significant portion of the first referral customers who completed the Work Programme without achieving a job outcome.

As many individuals identify facing multiple barriers, the total number of barriers exceeds the number of individual reports. **Table 1** presents a summary of the findings for the sample group taken through Ascent data and exit reports. The top four barriers represent 70% of total identified barriers.

Table 1: Summary of barriers recorded from sample customer client group in Prospects CPA 11

Barrier Category	Total Number of Occurrences	% of Total Barriers Recorded	Overall Ranking
Health and disability	215	33.9%	1st
Lack of motivation	91	14.3%	2nd
Lack of experience and outdated skills	73	11.5%	3rd
Low confidence/difficulty relating to others	64	10.9%	4th
Skills gap	46	7.2%	5th
No own transport/driving licence	43	6.8%	6th
Criminal record	36	5.7%	7th
Carer	27	4.3%	8th
Homelessness	20	3.1%	9th
Poor hygiene/dress	9	1.4%	10th
Debt worries	8	1.3%	11th
Application/interview	2	0.31%	12th
Family reputation	1	0.16%	13th

Total occurrences: 635

Sampled customer profile

- ▶ 70% male
- ▶ 90% white
- ▶ wide age range
- ▶ limited childcare requirements
- ▶ limited learning disability
- ▶ 25% criminal history

Identified Barriers

1. Health and disability

A substantial number of exit reports refer to a disability or health condition as a barrier preventing customers from making a successful transition to employment. Interviews with specialist partners and subcontractors for Prospects shed light on the serious and sometimes multiple health conditions some Work Programme customers face.

These results are neither unusual nor outside the scope of previous studies. The Department for Work and Pension's 2010 report on Employment and Support Allowance (ESA) identified that 46% of ESA claimants deemed Fit for Work (FFW) cited their health as a main barrier to work, far higher than the next most cited barrier, lack of jobs locally (12%).⁴

One of Prospects' specialist partners, working closely with customers facing severe health, disability, and social issues, shared that these factors are the main barrier preventing their customers from securing employment. Corroborated by interviews with subcontractors, the severity of some customers' health conditions is a primary barrier to employment.

Health and disability barriers are highly individual. They require specialised support, and customer categorisation at initial Work Programme referral should reflect this. Interviews with Prospects staff and partners clearly illustrate their belief that the Ascent Programme enables intervention to be tailored to a customer's individual barriers, thereby supporting transition to sustained work. While the Ascent Programme ably assesses individual barriers and identifies individual needs, the way customers are currently categorised and funded, according to benefits payment group, can leave programme providers with insufficient funding to meet those customers' needs and achieve the best possible outcomes.

This argument is hardly an isolated one. Various Work Programme providers as well as the Work and Pension Select Committee⁵ argue comparable points that:

"There was a consensus amongst witnesses that benefit type is a poor proxy for the level of jobseekers' needs and the relative cost of supporting them into work. [The Committee] recommends that DWP consider whether a more thorough assessment of jobseekers' individual barriers to work, possibly along the lines of the Australian Jobseeker Classification Instrument, should be the basis of a future needs-based differential pricing structure."

Several reports, including one from the think tank, Policy Exchange, argue for an employment support segmentation model, seen in the Australian Jobseeker Classification Instrument (JSCI), which more clearly identifies individual barriers and needs to deliver earlier pointed intervention to individuals furthest from the labour market.⁶ The JSCI model assesses unemployment benefit claimants against eighteen categories of personal circumstances, including work experience, disability, and educational attainment. The model has proven an effective tool and the Work Programme would benefit from a payment structure that reflects a more thorough needs-based assessment of jobseekers' barriers to employment.

Future programme design would benefit from better assessment, more substantial in-work support, strengthened referral arrangements, and co-commissioned provision with NHS and local authorities. Particularly, customers with mental health and wellbeing barriers face severe challenges in successfully completing the Work

⁴ Barnes et al. *Employment and Support Allowance: Findings from a face-to-face survey of customers*, DWP Research Report 707, 2010.

⁵ See House of Commons Work and Pension Committee, *Can the Work Programme work for all user groups?* Vol. I and Vol. II for full set of findings and recommendations

⁶ Holmes, E. and Oakley M. *Personalised Welfare: rethinking employment support and Jobcentres*, Policy Exchange, 2011.

Programme and there is a need for more specialist support for both customers and staff. The research supports the Centre for Mental Health's findings that Individual Placement and Support (IPS), an evidence-based approach to support people facing mental health barriers, is a powerful method to deliver integrated and localised specialist support and should be given further consideration.⁷

Importantly, a significant number of interviews suggested that a number of customers are too ill to be on the Work Programme. Examples given in interviews include customers undergoing major heart surgery, attending dialysis three times a week, and people with terminal cancer. One subcontractor offered:

Client B is a prolific drug user who needs constant supervision to prevent relapses. Depressive and on a range of medication, he needs chemotherapy to combat Hepatitis C. He is waiting for professional rehabilitation and is clearly in no fit state to embark on our intensive back to work programme.

Moreover, customers facing severe wellbeing challenges can pose considerable demand and their referral can bring unnecessary hardship on the individual.

Examples in interviews include:

- ▶ Advisers in Plymouth have encountered high numbers of safeguarding issues with customers facing severe emotional health issues. In a recent example a customer threatened suicide at the Plymouth office leading to the mental health team and ambulance service being called.
- ▶ An interview in Somerset highlighted an example of a man with severe mental health issues who during an advice session related a traumatic incident which staff had to report to police.

The research observes a dual set of customers, those who are physically or mentally too unwell to participate on the Work Programme, and those who require greater provision to specialised support. Providers need a quick and straightforward method to assess and revoke the referral of customers who are too unwell or suffering markedly chaotic lifestyles, with their conditions currently too severe to be able to seek employment. Until then, Prospects suggests that future programme design should consider removing mandatory participation requirements for those customers where a Work Capability Assessment finds they will not be able to enter employment in the next 12 to 18 months.

⁷ *Barriers to Employment: what works for people with mental health problems*, Centre for Mental Health, September 2013.

Peter's story

Peter*, 42 years old, has previous experience as a factory worker, labourer and various roles in the restaurant trade. He had been out of work for five years due to depression, anxiety and a medical problem with his back. Peter was not sure what to expect when he joined the Work Programme.

However he found his adviser to be insightful in many ways; "She was very compassionate regarding my prolapsed disc and suicidal thoughts. She encouraged me to see a specialist and to sort it out, because of this I managed to get on the list for back surgery."

His adviser assessed him and referred him to the Ascent Programme and recommended he look for voluntary work.

The Ascent Programme, which was developed by Prospects, offers an innovative mix of holistic interventions which challenge behaviour and identify areas for action, steering individuals into work and providing continuous support once in a job.

Peter attended the Ascent Programme and began voluntary work where he learnt new skills. After following his adviser's suggestions, Peter also had a clearer idea of the job he would like to do and how to apply for roles after his surgery. Peter said, "I started a course at Bournemouth Churches Housing Association – Mentoring and Social Care, that will help me find a job in the future. I would love to do this kind of work. I am sure that after the recovery period from my back surgery I will manage to find a job that I love to do."

Peter even credits the Work Programme with saving his life, helping him through his downward spiral and improving his confidence, he explained; "a lot of times I was told by my adviser 'never give up' I needed this encouragement a great deal."

*Name has been changed

2. Lack of motivation

Lack of motivation, stemming from a range of reasons, proved the second highest barrier preventing individuals from successful transition into employment. Interviews with Prospects advisers and managers reinforce the findings, with interviews illustrating the amount of time advisers spend on identifying and addressing each customer's motivational challenges.

For many customers the idea of coming off benefits and entering employment can raise worries of future financial uncertainty. Such anxiety reduces motivation, particularly for those who have been in the system for a considerable period of time. Customers perceive that they are better off remaining on benefits. This is an entrenched and complex barrier. Tackling this perception requires well-resourced, sustained effort. When welfare policy ensures that work always pays, providers can realistically re-motivate many more customers to escape welfare dependency.

Customers do sometimes behave in ways which severely limit their employment chances. These examples of customer behaviour in job interviews with employers illustrate how lack of motivation shapes action, leading some customers to behave in ways which clearly impact on job interview results:

- ▶ An individual who reportedly took her granddaughter to a job interview;
- ▶ A man who said he couldn't work the hours requested as he had an elderly dog;
- ▶ One individual said he gets so angry he punches walls;
- ▶ A man who said he was unable to work on Tuesdays as he is in a darts club.

Prospects is actively addressing lack of motivation and its underlying reasons. The Ascent Programme features a "Better off Benefits" intervention that illustrates the true advantages of employment, and advisers also support customers to re-assess the cost-benefit of employment against their previous assumptions.

Advisers observed intergenerational worklessness as a factor influencing motivation, particularly in younger customers. This could manifest as family pressure not to attend planned job interviews or parents telling their children to hang up if the Work Programme adviser phones them. Such behaviour arises where families believe their benefits may be threatened if a member of the household enters employment.

Finally, the research identifies that mismatch between customers' skillsets and the skills required by local employers in the South West can lead to frustration, depression, and lack of motivation. Prospects tackles lack of motivation and supports individuals into sustained employment in several ways: by identifying and highlighting each customer's transferrable skills; by providing strong labour market information to help customers identify their best fit in the labour market; and by ensuring customers gain training and experience to match industry needs. Close relationships with local employers in the South West allow Prospects advisers and Work Programme staff to gain insight from employers about their needs and ensure customers are well prepared for sustained employment.

Jeff's story

Jeff*, 21 years old and from Dorset, had a history of aggressive behaviour and alcohol related problems that led him into trouble with the police. When he started on the Work Programme his attitude was negative; he was regularly late to appointments or failed to attend reviews. However Jeff is very bright; he has 10 high grade GCSEs. His adviser recognised Jeff's attitude was holding him back from finding a job.

Jeff's adviser helped him overcome his barriers by helping him to stay positive and build his confidence. Jeff's lack of confidence was the main contributor to his frustrations and alcohol abuse. His adviser supported him through a series of reviews at which they agreed achievable goals for Jeff. He attended interventions and workshops which gave him the chance to voice his opinions in a group.

The support resulted in a complete change in Jeff's attitude and he is much more positive about the Work Programme and life in general. Prepared for employment, Jeff's job applications improved and his adviser put him forward for roles the employment team sourced.

Jeff found employment with Argos and his new job is linked with an apprenticeship, so he is working and training at the same time.

*Name has been changed

3. Low confidence levels

Low confidence was the third highest barrier reported by the sample client group. Low confidence can be linked to other underlying barriers and challenges limiting employment. Some of the factors impacting on customer confidence include poor social skills, social isolation, health difficulties, setbacks finding employment, negative feedback, and depression.

Significantly, progress toward overcoming low confidence, especially for those who have been long term unemployed, takes determination and courage. Long term unemployment in itself significantly widens the labour market gap and harms chances of securing employment. Employers are significantly less likely to hire an individual who has been out of work for more than six months.⁸ Years of setbacks and rejections can lead customers to suffer depression, mental health conditions, and entrenched low self-esteem.

Prospects finds interactive social skills-building activities and group programmes offer promising ways to raise customer confidence and reduce isolation. Within Prospects and partner delivery, Work Programme sports teams, drama groups, and community projects have had a marked positive impact on customer confidence. Exit reports and interviews confirmed that many customers experienced increased confidence levels after participating in self-esteem boosting group programmes and teambuilding activities.

Prospects welcomes the London Voluntary Service Council's recommendations in Fair Chance to Work 2 for a more nuanced Payment by Results model that recognises a wide range of intermediate outcomes for people who are far from the labour market.⁹ Presently, ESA customers may complete two years on the Work Programme but still not be ready or confident to move into employment. However, where the model does not recognise progress, providers may be accused of "parking" customers, thus failing to recognise the significant investment in moving customers forward. The hard work and determination of customers and advisers toward employability should be recognised. Many will have taken great steps identifying and tackling deeply entrenched and complex barriers. For these customers, being able to leave their home, relate to other people or use a computer represent very significant steps forward and substantial support on the part of advisers.

Justin's story



Justin had been unemployed for two years when he was referred to the Work Programme. After two years of unsuccessfully applying for jobs his confidence and self-esteem had been knocked. Justin also needed support to improve his employability skills. His adviser worked with him to improve his confidence and motivation. Through Prospects Justin undertook work related activities and interventions. His adviser helped him create an up to date CV then gave him support so he was confident in applying for positions and attending Interviews.

Once Justin felt that he was job ready, his adviser arranged for him to do a two week work trial with a local warehouse. The warehouse was within three miles of Justin's home however it was not on a public transport route so Justin couldn't get there. Justin discussed this with his adviser and suggested that he would cycle there if Prospects could fund a push bicycle for him. Prospects purchased a reconditioned, second hand bicycle. Justin completed his work trial and was offered a full time, permanent position. He is still in the job.

Justin says, "Prospects helped me in a lot of ways and I would definitely recommend them to anyone else who is unemployed. Prospects made me aware of my transferable skills and given me more confidence in interviews and also generally day to day. My ambition was to start full time work and sign off benefits; which I've achieved!"

⁸ Rand, G. and Williams, D. *What Can We Learn by Disaggregating the Unemployment-Vacancy Relationship?* Federal Reserve Bank of Boston, No. 12 (3), October 2012.

⁹ Kerr, S. *Fair Chance to Work 2: experiences from the first phase of Work Programme delivery in London*, LVSC, March 2013.

4. Lack of experience

Exit reports and interviews identified an array of challenges driving the fourth highest occurring barrier. Customers face challenges including lack of general work experience, outdated or less relevant skill set, and a mismatch between career goals and the availability of reasonable opportunities. Interviews substantiate that advisers need to spend a significant amount of time helping customers identify their skills, determine realistic career goals, and put in place appropriate training and skills development to equip customers to transition into sustained employment.

Future employment programme design could incorporate more innovative approaches aimed at helping customers gain relevant experience through work simulations, volunteering, time bank participation, and social enterprises. There is also potential to re-examine the mechanisms for engaging with employers and the incentives offered to businesses to create work placements, coupled with more substantial in-work support from programme providers.

The opportunity for a customer to start their own business can prove an innovative way of matching skills to employment. Interviews frequently cited examples of individuals wanting to start up their own businesses, but not qualifying for any start-up funding because they were Work Programme customers. Future Work Programme design could consider greater collaboration with organisations such as Prince's Trust Enterprise Programme. Examples from Torbay customers include:

- ▶ An anaesthetist who had run a medical business in Australia returned to the UK in order to be closer to his elderly mother. He wanted to get back into the NHS but found this would require costly training and subsequent professional body admittance in order to secure work.
- ▶ A former nurseryman had suffered a back injury, preventing him from continuing. He developed a new business idea utilising his skill set to redevelop derelict land, and has entered into discussion with the local authority regarding this.

Richard's story

Richard, 24 years old and from Camborne, joined the Work Programme looking for a job in retail or gardening. Richard was helped by his adviser to find voluntary work to gain more experience to add to his CV.

Richard said, "I was told to believe in myself and my ideal job opportunity would come up, I have followed that advice. I am currently doing voluntary work which will enable me to gain the skills needed for the work that I wish to do. The Work Programme has made a big impact on my life, I have found new skills such as using a computer and it has given me a confidence boost in all aspects of finding employment. I have also used that confidence in my personal life which has made my life better".

6. Conclusion and Recommendations

1. Customers should be segmented by need rather than benefits payment group.

ESA customers come to the Work Programme with a spectrum of needs. Future programme design would benefit from better assessment, more substantial in-work support, strengthened referral arrangements, and co-commissioned provision with NHS and local authorities.

Interviews with Prospects staff and partners clearly illustrate their belief that the Ascent Programme enables intervention to be tailored to a customer's individual barriers, thereby supporting transition to sustained work. The way customers are currently categorised and funded according to benefits payment group can leave programme providers with insufficient funding to meet those customers' needs and achieve the best possible outcomes for them.

2. Mandatory Work Programme participation should not be required where a Work Capability Assessment indicates a customer's health will prevent them from working in the next 12 to 18 months.

Examples given in the report illustrate a number of customers that have severe health conditions for whom the benefit of programme participation is questionable. Exit reports and interviews with specialist partners and subcontractors for Prospects shed light on the severe and often multiple health conditions some Work Programme customers face. On top of reconsidering eligibility of those with 12 to 18 month prognoses, a quick and straightforward method is needed to assess severely ill customers and revoke their referral to the Work Programme to avoid unnecessary customer stress and reduce the burden of inappropriate placements on providers.

3. Design of employment programmes should place greater emphasis on recognising progress and milestones along the way to employment, especially for ESA customers.

Prospects agrees with the recommendations of the Shaw Trust and ACEVO report *Refinement or Reinvention* which suggests making intermediate outcome payments to providers for those furthest from the labour market.¹⁰ At present ESA customers may complete two years on the Work Programme but still not be ready or confident to move into employment. However, positive leaps toward employability can be mislabelled as "parking" from lack of final transition into sustained employment. Many will have taken great steps identifying and tackling deeply entrenched and complex barriers.

Their achievements and progress should be recognised. For these customers, being able to leave their home, relate to other people or use a computer represent very significant steps forward and substantial support on the part of advisers.

¹⁰ ACEVO/Shaw Trust Work Programme Review Group *Refinement or Reinvention: the future of the Work Programme and the role of the voluntary sector*, ACEVO, October 2013.

4. There is a need to increase measures to raise customers' motivation to work and tackle negative perceptions many hold that they are better off on benefits.

The perception among customers that they are better off on benefits is a considerably entrenched and complex barrier. More needs to be done to show customers the social benefits of work. Employment programmes can only achieve higher success if more resources and new approaches are applied to motivate customers. Further consideration of innovative ways of tackling misconception and lack of motivation, such as increased use of Cognitive Behavioural Therapy (CBT), is needed. Prospects has utilised CBT in previous programmes, as well as currently in the Work Programme, and even limited use has proven successful. Prospects is continuously considering how innovative methods, such as CBT techniques, can be utilised more fully in programme delivery.

Finally, welfare to work policy needs to ensure that taking a job leaves individuals significantly better off in real social and financial terms, not just on paper calculations worked out for them. Now more than ever, policy makers need to come together and consider further how the tax system, living wage, and state intervention can work collectively to address disincentives to work and make work truly pay.

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Glossary of Terms

CPA 11	Contract Package Area 11. A geographical division used by the DWP when putting the Work Programme out to tender. CPA 11 comprises Cornwall, Devon, Somerset and Dorset (including the Poole Bournemouth and Christchurch conurbation).
DWP	Department for Work and Pensions. The government department responsible for devising the Work Programme and the tendering process for the programme.
ESA	Employment and Support Allowance
First Cohort	The first group of customers to be referred to the Work Programme by Jobcentre Plus in July 2011.
JSA	Jobseeker's Allowance
PG (1–8)	Payment Groups. The DWP system of categorisation for customers receiving benefit. A full list of the eight groups is given in Appendix 2.
PRaP	Provider Referral and Payment.
WP	Work Programme. A scheme to assist people claiming Jobseeker's Allowance and Employment and Support Allowance to find sustained employment.

Appendix 1: Labour market analysis

Table 1: Business Size

	South West	National Average
Business formation rate	9.61	11.27
Average business size	9.26	10.57
Businesses per 1,000 population	54.61	50.23
Jobcentre vacancies	2.38	3.46

Source: compound summary NOMIS and INDB, 2012–2013

Table 2: Population and Labour Supply

	Cornwall	Devon	Somerset	Dorset
Total population	533,800	747,700	531,600	413,800
Economically active population	253,500	370,200	255,300	194,000
Total number in employment	238,000	356,600	244,400	
Self employed	54,300	67,200	40,200	
Percentage of economically active people unemployed	6.3%	3.7%	4.2%	5.2%

Source: NOMIS, January – December 2012

Appendix 2: Payment Group Categories

Work Programme (WP) Claimant Groups

Mandatory ESA Participants	Entry / Access Point	Opportunity / Claimant Group	PG	Participation
*ESA (IR) WRAG with 12 Month or greater Prognosis (*claimants awaiting a repeat WCA who choose to volunteer are referred in this group)	Optional from WCA outcome	ESA (IR) WRAG with 12 Month Prognosis	PG 5	Mandatory
ESA (IR) WRAG with 3 Month Prognosis	Required from WCA outcome	WP ESA (IR) WRAG 3/6 Mth Mandatory	PG 6	Mandatory
ESA (IR) WRAG with 6 Month Prognosis.	Required from WCA outcome	WP ESA (IR) WRAG 3/6 Mth Mandatory	PG 6	Mandatory
ESA (IR) Ex-IB WRAG with 3 Month Prognosis	Required from WCA outcome	WP ESA (IR) WRAG 3/6 Mth Mandatory ExIB	PG 7	Mandatory
ESA (IR) Ex-IB WRAG with 6 Month Prognosis	Required from WCA outcome	WP ESA (IR) WRAG 3/6 Mth Mandatory ExIB	PG 7	Mandatory
Existing ESA (IR) WRAG with 3 or 6 Month Prognosis.	Mandatory from 10/9/12	WP ESA (IR) WRAG 3/6Mth	PG 6	Mandatory
ESA (IR) EX-IB WRAG with a *new 12 Month prognosis	Required from WCA outcome	ESA (IR) WRAG 12 Month (EXIB)	PG 7	Mandatory
ESA (IR) WRAG with a *new 12 Month Prognosis.	Mandatory from 12 Nov 2012	WP ESA Mandatory (IR) WRAG 12Mth	PG 6	Mandatory
ESA (c) WRAG participants.	Optional from WCA outcome	WP ESA (c) WRAG Mandatory	PG 5	Mandatory

**For WCA decisions post 12 November 2012*

Mandatory JSA participants	Entry / Access Point	Opportunity / Claimant Group	PG	Participation
JSA claimants aged 18 to 24.	Required from 9 months	WP JSA 18-24	PG 1	Mandatory
JSA claimants aged 25 and over.	Required from 12 months	WP JSA 25+	PG 2	Mandatory
JSA 18 year old NEET participants.	Required from 3 months	WP JSA NEET	PG 3	Mandatory
JSA Repeaters.	Required from 3 months	WP JSA Claiming 22 of 24 Mths	PG 3	Mandatory
JSA Ex-IB participants.	Required from 3 months	WP JSA Ex-IB	PG 4	Mandatory
JSA Early Access participants.	Optional from 3 months	WP JSA Early Access	PG 3	Mandatory
JSA Prison Leaver	Required from Day One of release from prison or the first date of claim if made within 13 weeks	WP JSA Ex-Offender day 1 mandation	PG 9	Mandatory

Note: An exception to mandatory participation are those claimants in receipt of JSA Credits Only. These claimants will be given the option of accessing the Work Programme and taking part on an entirely voluntary basis from their eligible entry point. They do not have a separate Opportunity/Claimant Group or Payment Group (PG) on PRaP.

Additionally, JSA claimants in PG1 and 2 can choose to access the Work Programme on a mandatory basis after 3 months if they are likely to be affected by the Benefit Cap.



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