

**Department for Work and Pensions**

**Research Report No 430**

# **New Deal for Disabled People: Third synthesis report – key findings from the evaluation**

**Bruce Stafford with others<sup>1</sup>**

<sup>1</sup> A full list of contributors to the research included in this synthesis report is given on pages x to xii.

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# Abbreviations

<b>DEA</b>	Disability Employment Adviser
<b>HMRC</b>	HM Revenue and Customs
<b>JOT</b>	Job Outcome Targets
<b>NDDP</b>	New Deal for Disabled People
<b>WFI</b>	Work Focused Interview



# Glossary

**Longer-term claimants/participant**

Someone who is an existing benefit claimant/participant. The cut-off date for longer-term as opposed to more recent claimants/participants will depend upon the particular sample under consideration.

**Maximum Indicated Contract Value**

The maximum amount of funding that could be paid as specified in each Job Broker's contract with the Department for Work and Pensions.

**More recent claimant/participant**

Someone who has recently claimed a benefit. The cut-off date for longer-term as opposed to more recent claimants/participants will depend upon the particular sample under consideration.

**Non-participant**

A member of the eligible population who has not registered on NDDP.

**Participant**

A member of the eligible population who has registered on NDDP with a Job Broker.



# Summary

## Key findings

- The take-up rate of the New Deal for Disabled People (NDDP) for the year ending May 2006 was 3.1 per cent of the population flowing onto the qualifying benefits. Over the period July 2001 to November 2006 there were 260,330 registrations on NDDP.
- Participants in NDDP were closer to the labour market than non-participants.
- Job Brokers were a mix of private, public and voluntary sector organisations, and tended to view the various impacts of NDDP on their own organisations as positive. Most participants were positive about how Job Brokers delivered their services.
- The funding and contractual regimes for Job Brokers were critical to how Job Brokers operated and delivered NDDP. Changes to the funding and contractual arrangements meant that Job Brokers became more focused on registering potential participants closer to work.
- Relationships between Job Brokers and local Jobcentre Plus offices were an important aspect of NDDP. For Job Brokers, local Jobcentre Plus offices were a source of potential participants, provided services that participants might require and could be used as venues to meet with (potential) participants.
- Employers recruiting NDDP participants were not representative of employment establishments in general. In general, employers were not in regular contact with Job Brokers.
- Of the 260,330 NDDP registrations between July 2001 and November 2006, 110,950 (43 per cent) had found jobs by November 2006. The main factors affecting the likelihood of participants obtaining jobs were: participants' characteristics, Job Brokers' characteristics and activities, and geography and location of Job Brokers' services. Of those participants entering work by August 2006, 57 per cent (or 59,080 participants) achieved sustainable employment (defined as employment lasting for 13 or more weeks).

- NDDP had a positive net impact in that it was effective in encouraging participants (especially longer-term participants) to move off incapacity-related benefits and it also led to an increase in their employment. For example, for people registering on NDDP between 1 July 2001 and 31 December 2002 there was a reduction in benefit receipt by month 24 of 16 percentage points for longer-term participants and 13 percentage points for more recent participants.
- NDDP represents value for money in that the cost-benefit analysis shows that NDDP appears to have positive net benefits from a societal perspective. The net social benefits of NDDP were positive for both longer-term (£2,915 to £3,163) and more recent (£613 to £861) claimants.

NDDP is the major national employment programme available to people claiming incapacity-related benefits, and it is an important part of the Government's welfare to work strategy. NDDP is a voluntary programme that provides a national network of Job Brokers to help people with health conditions and disabilities move into sustained employment.

This synthesis report highlights key findings from a large-scale, comprehensive and multi-method evaluation of NDDP. It covers the programme over the period July 2001 to November 2006 and is based on all of the Department for Work and Pensions (DWP) published evaluation reports on NDDP as well as analysis of administrative data using the DWP NDDP database. The findings also include a wealth of information pertaining to more general issues around employment of disabled people, beyond the NDDP programme itself, and are therefore of substantial interest to future policy development in this area.

## Awareness and take-up of NDDP

The three main methods of marketing NDDP were: national marketing; Job Brokers' advertising and promotional campaigns; and indirect and other sources (such as, health and social services), media reporting or friends and relatives. As a result, just over half of the eligible population had heard of NDDP and/or a Job Broker operating in their local area. However, qualitative research with employers (who knowingly or unknowingly had recruited NDDP participants) suggests that employers' awareness of the programme was not widespread, although awareness of the general New Deal 'brand' was higher.

The overall take-up rate of NDDP for the year ending May 2006 was 3.1 per cent of the population flowing onto the qualifying incapacity-related benefits<sup>4</sup>. The rate of take-up was higher in the Pathways to Work pilot areas (five per cent). People registered on NDDP mainly because they wanted to find employment. The main

<sup>4</sup> Take-up is defined as the percentage of qualifying claims that result in an NDDP registration within six months of the start date of the claim.

reasons why people, who knew of the programme, gave for not registering were that they were too unwell to do so, they lacked knowledge about NDDP or they already had a job.

The evaluation estimates that in spring 2004 the potential target group for the programme (that is, those aware of the programme and who were planning to contact a Job Broker, or who might be interested in contacting a similar service) was 11 per cent of the eligible population.

## Registrations

Over the period July 2001 (when NDDP was launched nationally) to the end of November 2006 there had been 260,330 registrations on NDDP.

## Key characteristics of NDDP participants

Participants were more likely to be male, younger, on benefits for a shorter period of time, less likely to have a mental health condition, but more likely to have musculo-skeletal problems, more likely to state their health was fair, or (very) good and less likely to say it was (very) bad, and more likely to have an educational qualification than the incapacity-related benefit population as a whole.

In addition, participants' attachment to the labour market appears to be stronger than that for members of the eligible population. Surveys show proportionally more participants were in work or looking for work compared to non-participants. Furthermore, fewer participants than non-participants were not expecting to work in the future. However, a similar proportion of recent claimants in the eligible population who had had a Work Focused Interview (WFI) were looking for employment.

Most participants and non-participants had similar bridges to work. A key measure that would help both groups move into work was if they could return to their original benefit if needed, implying either knowledge of the then 52-week benefit linking rule was low, or that people had a perceived need that was not met by the rule. Other key bridges were being able to decide the number of hours worked, and being able to work at home. In contrast to bridges to work there was less agreement between participants and non-participants over their main barriers to work. The main perceived barriers to gaining employment for participants were a belief that there were insufficient suitable job opportunities locally, a feeling that they would not be able to work regularly, and a concern that they could not work because of their disability or health condition. For non-participants the main barriers to work were concerns about their disability or health condition, the fact that their doctor had told them not to work and that they were caring for someone who has an illness or disability.

There was a significant change in participants' relationship with the labour market in the two years leading up to their registration on NDDP. In particular, there was a steady but significant decrease in the proportion in paid work, a fall from 30 to ten per cent for participants registering May-June 2002 and a fall from 40 to 14 per cent for those registering August-October 2004.

## Characteristics of participants' partners

Just over four out of ten participants had a partner. However, if someone eligible for NDDP had a partner, they were less likely to register for NDDP. Partners tended to be female, most had educational qualifications and significant minorities had a limiting disability or health condition and/or cared for a sick or disabled adult.

## Characteristics of employers recruiting NDDP participants

Employers recruiting NDDP participants were not representative of employment establishments in general. They were more likely to be single site and medium- or large-sized establishments, in the public and not-for-profit sectors, have recently experienced recruitment difficulties, have had an in-house personnel function and have had a written equal opportunities policy that covered disabled people.

## Characteristics of Job Brokers

The Job Brokers themselves were a mix of private, public and voluntary sector organisations. They varied in the size of area they covered, whether they were 'generalists' or specialised in certain types of disability, whether they only delivered NDDP or engaged in other activities as well and how they organised themselves internally and related to any parent organisation. Over time the working and staffing arrangements within Job Broker organisations could change. For example, according to the qualitative research, there was a move away from staff having generic roles towards more specialist roles within the service; and the number of cases allocated to advisers increased over time, so that by early 2004 several Job Brokers had caseloads of around 150, with the highest being 300-400.

Nevertheless, Job Brokers generally perceived the various impacts of NDDP on their own organisations as positive and leading to an expansion of the organisation. However, the outcome-related funding regime, whilst receiving general support in principle, was criticised by some Job Brokers because, although they specified in their bids the level of outcome payment sought, they had difficulties recovering their costs.

The cost to Job Brokers of delivering NDDP to a typical participant was probably between £600 and £900 in 2002/03. The costs and the profits (or losses) per participant appear to be linked with:

- the number of participants registered with a Job Broker. There were economies of scale; smaller sized Job Brokers (in terms of number of registrations) were more likely to have made a financial loss on NDDP, and larger sized brokers a profit;
- costs incurred by public and private sector Job Brokers were £283 to £361 higher per participant than for providers from the voluntary sector;

- (possibly) the proportion of participants in sustainable employment of at least six months that each Job Broker had achieved, as increasing the sustainment rate by one per cent was associated with an average cost increase of £30 to £40 per participant.

## NDDP funding and contractual regimes

The funding and contractual regimes for Job Brokers and how they changed over time were critical to how Job Brokers operated and delivered NDDP. There were three key events that impacted upon Job Brokers:

- the original structure of the funding regime in July 2001 and changes to it in October 2003, which included increasing the fee received for registering a participant from £100 to £300 and allowing Job Brokers to claim the sustained outcome payment after a participant had completed 13 weeks of employment, rather than the 26 weeks initially required;
- the associated introduction of a minimum requirement to convert 25 per cent of registrations to job entries by March 2004;
- the introduction of district profiling of Job Brokers' targets from April 2005.

Although some Job Brokers claimed that the funding regime had no effect on service provision or delivery, for others, not fully recovering costs meant cross-subsidisation from other internal or external sources, increases in caseloads and/or cuts in the resourcing of the job broking service. Changes to the funding and contractual arrangements meant that Job Brokers became more focused on registering potential participants closer to work. As a consequence some Job Broker managers thought that the financial performance of the Job Broker service had improved. However, some services were still subsidised, but this was perceived as a more stable situation. Although by spring 2004 some organisations had decided to withdraw from the contract or were uncertain about whether to continue, others reported that the service was breaking even or was self-funding.

## Partnership working

Job Brokers could work with 'partner' organisations, albeit the nature of these relationships varied widely.

Indeed, participants and employers used services provided by other organisations, notably by Jobcentre Plus. In some cases, Job Brokers referred participants to these other organisations for advice and support.

## Job Broker relationships with Jobcentre Plus locally

Relationships between Job Brokers and local Jobcentre Plus offices were an important aspect of NDDP. The links between them operated at a number of different levels,

and involved different staff and developed against the background of the roll-out of Jobcentre Plus and the introduction of mandatory WFs for people making a new incapacity-related benefits claim, as well as the introduction of the Pathways to Work pilots. Initially, relationships had been undermined by feelings of suspicion, but had improved over time due to more communication between the two services, for instance, Job Brokers tended to say that Jobcentre Plus staff had developed a better understanding of the job broking service.

For Job Brokers links with local Jobcentre Plus offices, especially with Disability Employment Advisers (DEAs), were important because:

- Jobcentre Plus was a source of potential participants;
- Job Brokers could use DEAs to access Jobcentre Plus services; and
- Job Brokers could use local Jobcentre Plus offices as venues to meet with (potential) participants.

## Job Brokers' relationships with employers

In general, employers were not in regular contact with Job Brokers, indeed, some employers' contacts with Job Brokers were 'minimal'. Employers' contacts with Job Brokers were often initiated by Job Brokers and focused on particular job vacancies. In most instances contacts with employers were initiated and maintained by participants. This could occur where participants did not want a potential employer to know that they had received the support of a specialised 'disability' agency.

## The registration process

The ways in which participants first heard of NDDP or of local Job Brokers changed over time, with Jobcentre Plus becoming the most common means by which participants first heard about the service.

A feature of NDDP is that potential participants had locally a choice of Job Broker. However, there is little evidence of participants actively choosing a Job Broker, as participants seldom made an informed choice about which Job Broker to register with and selection was often based on limited information about which Job Brokers they could approach and the services they offered. Of those who made a choice the main factor influencing choice was the location of a Job Broker's office.

Job Brokers could hold one or more pre-meetings with potential participants before registering them in order to establish whether NDDP was a suitable programme for them. Whilst formally Job Brokers could not refuse to register anyone wishing to do so, some providers had strategies for ensuring that some people (for example, those who were too ill) did not register on the programme. Job Brokers increasingly sought to register the most job ready and to prioritise them once registered. Where a registration did not take place Job Brokers could direct customers towards what were seen as more appropriate services.

## The Job Brokers' service mix

Job Brokers were contracted to deliver NDDP, however, the Department did not pre-specify in detail the services they should provide. However, the Department did pay Job Brokers a £4 fee that was added to the registration for conducting a basic skills assessment with participants, and required from October 2003 that an Action Plan be prepared for all new participants. Nevertheless, Job Brokers offered a mix of services that could include:

- basic skills assessments and production of Action Plans;
- advice about vocational direction;
- advice and help with job searching;
- financial advice;
- in-work support; and
- training and work placements.

However, the range or type of support offered was not always clear to participants.

Most participants were positive about how Job Brokers delivered their services: they were generally made to feel welcome, advisers explained matters and listened to them, and advisers were seen to be well-informed about work related issues. Similarly, employers reported few problems with working with Job Brokers.

## Participants' outcomes – job entries

Of the 260,330 NDDP registrations between July 2001 and November 2006, 110,950 (43 per cent) had found jobs by November 2006. The proportion of registrants finding work has also increased over time. Of those registering between July 2001 and June 2002, 32 per cent found work within 12 months, compared to 44 per cent of those registering between December 2004 and November 2005.

The main factors affecting the likelihood of participants obtaining jobs were: participants' characteristics, Job Brokers' characteristics and activities, and geography and location of Job Brokers' services. Table 1 gives further details about each of these factors.

**Table 1 Factors influencing participants' movements into work**

**Participants' characteristics**

- Women were slightly more likely to have found paid work than men.
- Those with no problems with English or mathematics were more likely to have entered paid work compared to those with problems with English or mathematical skills.
- Participants who rated their health as fair and/or (very) good or who said their health condition had no or little impact upon everyday activities were more likely to be in paid work than other participants.

Other participant-related factors were identified in multivariate analyses, but the findings are not consistent across the survey datasets.

**Job Brokers' characteristics and activities**

- Jobcentre Plus management of Job Brokers' contracts, especially contract reviews, the 'capping' of registrations of over-performing Job Brokers and the more effective use of management information all impacted on Job Brokers' performance.
- In general, the better performing Job Brokers all had good relationships with at least some local Jobcentre Plus staff.
- Well-established Job Brokers tended to perform better than newer Job Brokers; this is probably because it takes time for new providers to establish their services.
- Job Brokers that were part of a larger organisation benefited from financial and other support from the parent organisation and this could enable them, for example, to build links with local Jobcentre Plus office staff which in turn could lead to referrals of potential participants.
- The better performing Job Brokers had staff either working on the Job Broker service exclusively or did not differentiate between their job broking work and their work on other contracts.
- Job Brokers who experienced difficulties recruiting staff or had problems with staff turnover were perceived as performing less well than other Job Brokers.
- Successful Job Brokers were seen as having well-trained staff that were 'proactive', 'committed', 'enthusiastic' and 'helpful'.
- Those Job Brokers with a generic service performed better than those that specialised in a disability or health condition.

**Geography and location of Job Brokers' services**

The evidence that the geographical location of the Job Brokers' services influenced movements into employment is mixed:

- Job Brokers operating in rural areas tended to say that the setting affected their performance. Rural districts tended to cover a larger geographical area which could make travel for both Job Brokers and participants more problematic.
- Multivariate analysis of survey data shows that the region a participant lived in affected the likelihood of moving into paid work. However, there is no obvious association with the state of regional labour markets.
- Participants in Pathways to Work pilot areas were more likely to enter employment than those living elsewhere.

Most participants who entered work did so within the first few months of registering with a Job Broker. Nearly one-half (44 per cent) of those who had entered work had done so within one month of registration, seven out of ten (68 per cent) had started work within three months, and eight out of ten (83 per cent) had started within six months. There was, however, a small proportion (six per cent) who entered paid work after 12 or more months.

Of those entering employment, the overwhelming majority of participants (92 per cent) were employees, and most of these worked full-time. Participants were more likely to enter routine, unskilled occupations than any other occupational group. Eight out of ten participants worked 16 or more hours per week. The median gross pay per hour for employee work was £6.09 (in around March/April 2005).

## Participants' outcomes – sustainable employment

Administrative data shows that of those participants entering work by August 2006, 57 per cent (or 59,080 participants) achieved sustainable employment (defined as employment lasting for 13 or more weeks).

Participant and job characteristics were the two main factors supporting or undermining participants remaining in employment (see overleaf).

**Table 2 Factors influencing participants' sustainable employment**

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### Participants' characteristics

- Participants' health status – Health or disability reasons were, according to participants, the main factors behind giving up work.
- Participants with a mental health condition were more likely to leave their work compared to participants without this condition.

### Job characteristics

- Participants were more likely to stay in work if they were satisfied with their jobs.
  - Some jobs were temporary and had come to a natural end.
  - The job could be unsuitable for the participant in terms of hours worked, the job content and/or the individual's unrealistic expectations about what they could do.
  - Job retention was assisted where employers were supportive and flexible in terms of making adaptations to the working environment and conditions of work.
- 

## Participants' outcomes – 'soft' outcomes

There is some evidence from the evaluation that for some participants (and in some instances it was a relatively small proportion) NDDP was associated with:

- improved levels of confidence. However, attributing these self-assessed improvements in self-confidence to NDDP is problematic, as other factors unconnected with the programme may be responsible;
- increased expectations about entering working in the future;
- job search activity;
- involvement in some form of training or educational activity; and
- involvement in voluntary work.

The evaluation does not provide any conclusive evidence that participation in NDDP led to any health benefits, but equally it does not appear to have had any general adverse impact on participants' health.

## NDDP impacts on benefit receipt and amount

NDDP was effective in encouraging participants (especially longer-term participants) to move off incapacity-related benefits. For both longer-term and more recent participants the reduction in benefit receipt grew initially then shrank around 20 months after their registration, especially for more recent participants. Thus, for people registering on NDDP between 1 July 2001 and 31 December 2002 there was a reduction in benefit receipt by month 24 of 16 percentage points for longer-term participants and 13 percentage points for more recent participants. For people registering on NDDP between 1 July 2001 and 31 December 2001 there was a reduction in benefit receipt by the end of the three-year follow-up period of 18 percentage points for longer-term claimants. However, for more recent claimants the net effects began shrinking at the two-year point, dropping from a reduction of 14 per cent to 11 per cent over the succeeding 12 months.

In addition, it appears that the reduction in incapacity-related benefit receipt was nearly double for those people registering on NDDP after the changes made to the programme in October 2003. NDDP reduced the benefit receipt rate by 15 per cent for longer-term participants and 19 per cent for more recent participants at the end of the six-month period. However, these 'improved' impacts cannot be definitively attributed to the policy changes in the programme as other factors, such as the state of the labour market, may also have changed over time. Nonetheless, at least in the short term, the programme had much larger effects on benefit receipt (and amount) for participants in 2004 than it did in 2001/02.

Mirroring the fall in incapacity-related benefit receipt for participants, there were benefit savings in the amounts paid in benefit. The average monthly benefit saving initially grew and, for example, by month 24 was £81 for longer-term participants and £51 for more recent participants. These reductions in benefit amounts are consistent with the fall in the proportion receiving benefit.

NDDP was also associated with a small increase by participants in the receipt of Jobseeker's Allowance. Whilst this association cannot be measured directly, it would be consistent with an increased number of people moving into work from incapacity-related benefits, some of those subsequently leaving employment, and a proportion of those claiming Jobseeker's Allowance rather than Incapacity Benefit.

## NDDP impacts on employment

NDDP appears to have helped people move into paid work. For people registering on NDDP between 1 July 2001 and 31 December 2002 there was an increase in the employment rate for longer-term participants by 11 percentage points and by seven percentage points for more recent participants. For longer-term participants registering on NDDP between 1 July 2001 and 31 December 2001 the employment rate appears to level off at around 10-11 per cent in the third year after registration. Impacts on more recent claimants moved much more erratically (due to the smaller sample sizes in the cohort), peaking at around 12 per cent in month 20, and then falling back to eight per cent at the end of the third year.

After the changes to NDDP in 2003, the employment impacts for longer-term participants were two to three percentage points higher than for those registering earlier in the programme.

## Net benefits of NDDP

The cost-benefit analysis presents separate estimates for NDDP's effects on: the Government's budget, the well-being of the participants, and society as a whole. From the Government's perspective NDDP was beneficial. Taking account of reductions in benefit payments received by NDDP participants, reductions in the cost of administering benefits, and increases in tax payments, the cost-benefit analysis indicates that NDDP reduced the Government's budgetary requirements by over £2,500 for a typical longer-term participant and by about £750 to £1,000 for a typical more recent participant.

The findings from the participants' perspective are less clear cut, especially for longer-term claimants. However, for those participants who moved from benefit to work as a result of NDDP, there was a clear gain. In the administrative data used for the impact analysis not all of those leaving incapacity-related benefits can be identified as having moved into paid work, and the net benefit results are sensitive to the assumptions made about the income of these individuals. As a consequence, for NDDP participants as a whole, the evaluation team cannot be certain what the overall impact on their financial well-being was – but, on average, it was probably not large.

NDDP appears to have positive net benefits from a societal perspective (which is the sum of the governmental and individual perspectives). The net social benefits of NDDP were positive for both longer-term and more recent claimants, although considerably larger for the typical longer-term participant (£2,915 to £3,163) than for the average more recent participant (£613 to £861).

## Conclusions

The concluding chapter outlines the key findings of the evaluation against its original aims, and considers lessons from NDDP for policy and practice with respect to:

- Involving private and voluntary sector organisations in the delivery of services to the client group. NDDP is an example of the use of contracted ‘back-to-work’ support and it illustrates some of the benefits of this model – the positive net benefits and economies of scale (see above) – as well as some of the issues that need to be considered, such as the key role of the Department is how it manages the contracts.
- Promoting customer choice. If customers are to have a choice of provider, the NDDP evaluation shows the importance of providing service users with sufficient information so that they can make informed choices and the need to review the client group’s access to, and the location of, services.
- Emphasising the need for flexible and responsive services for the client group. The eligible population for NDDP is very diverse, moreover, the personal circumstances of individuals within that population change over time and this highlights the need for personalised services that can be responsive to the needs of customers.
- Improving the take-up of an NDDP-type programme amongst the client group by, for instance, local branding of the service and requiring providers to be more explicit in their tenders about how they intend to market the programme.
- Highlighting the significance of effective partnership working between providers and local Jobcentre Plus offices as a factor affecting contractors’ overall performance.

# 1 Introduction

The New Deal for Disabled People (NDDP) is the major national employment programme available to people claiming incapacity-related benefits, and it is an important part of the Government's welfare to work strategy. NDDP provides a national network of Job Brokers to help people with health conditions and disabilities move into sustained employment. A consortium, lead by the Centre for Research in Social Policy, has been commissioned by the Department for Work and Pensions (DWP) to evaluate the programme.<sup>5</sup> This report presents an overview of the key findings from the evaluation.

This chapter outlines the aim of this report, the evaluation framework (Section 1.2), NDDP and its development (Section 1.3). The structure of the report and some of the conventions and terminology used are outlined in Section 1.4.

## 1.1 Aim and scope of third synthesis report

This third, and final, synthesis report highlights key findings from the evaluation of NDDP. The report is comprehensive in that it covers the NDDP programme over the period July 2001 to November 2006, is based on all of the published evaluation reports (see Table 1.1), and Department for Work and Pensions analyses of NDDP registrations and employment outcomes using the NDDP Evaluation Database.

Previous synthesis reports cover early findings from the evaluation (Stafford *et al.*, 2004) and subsequent developments up to spring 2004 (Stafford *et al.*, 2006).

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<sup>5</sup> Other members of the consortium are: Abt Associates, Institute for Employment Studies, National Centre for Social Research, Social Policy Research Unit (University of York), Nottingham Policy Centre (University of Nottingham) and Robert Walker (University of Oxford).

**Table 1.1 Department for Work and Pensions published NDDP evaluation reports and statistics**

Component name	Bibliographical references
Survey of the eligible population	Pires, C., Kazimirski, A., Shaw, A., Sainsbury, R. and Meah, A. (2006). <i>New Deal for Disabled People: Eligible Population Survey, Wave Three</i> . DWP Research Report No. 324. Leeds: CDS. Woodward, C., Kazimirski, A., Shaw, A. and Pires, C. (2003). <i>New Deal for Disabled People Eligible Population Survey Wave One</i> . DWP Research Report W170. Sheffield: DWP.
<i>Survey of Registrants</i>	Legge, K., Magadi, M., Phung, V-H., Stafford, B., Hales, J., Hayllar, O., Nevill, C. and Wood, M. (2006). <i>New Deal for Disabled People: Survey of Registrants – report of Cohort 3</i> . DWP Research Report No. 369. Leeds: CDS. Kazimirski, A., Adelman, L., Arch, J., Keenan, L., Legge, L., Shaw, A., Stafford, B., Taylor, R. and Tipping, S. (2005). <i>New Deal for Disabled People Evaluation: Registrants' Survey – Merged Cohorts (Cohorts one and two, Waves one and two)</i> . DWP Research Report No. 260. Leeds: CDS. Adelman, L., Ashworth, K., Legge, K., Mangla, J., Pires, C., Reyes de Beaman, S., Shaw, A. and Stafford, B. (2004). <i>New Deal for Disabled People: Survey of Registrants – Report of Cohort 1 Waves 1 and 2</i> , DWP Research Report W213. Sheffield: DWP. Ashworth, K., Hartfree, Y., Kazimirski, A., Legge, K., Pires, C., Reyes de Beaman, S., Shaw, A. and Stafford, B. (2004). <i>New Deal for Disabled People National Extension: First Wave of the First Cohort of the Survey of Registrants</i> . DWP Research Report W180. Sheffield: DWP.
<i>Survey of Job Brokers</i>	McDonald, S. Davis, A. and Stafford, B. (2004). <i>Report of the Survey of Job Brokers</i> . DWP Research Report W197. Sheffield: DWP.
<i>Survey of Employers</i>	Dewson, S., Ritchie, H. and Meager, N. (2005). <i>New Deal for Disabled People: Survey of Employers</i> . DWP Research Report No. 301. Leeds: CDS.
Qualitative research with employers	Aston, J., Willison, R., Davis, S. and Barkworth, R. (2005). <i>Employers and the New Deal for Disabled People Qualitative Research, Wave 2</i> . DWP Research Report No. 231. Leeds: CDS. Aston, J., Atkinson, J., Evans, C. and O'Regan, S. (2003). <i>Employers and the New Deal for Disabled People: Qualitative Research: First wave</i> . DWP Research Report W145. Sheffield: DWP.
Qualitative research	Davis, A., Pound, E. and Stafford, B. (2006). <i>New Deal for Disabled People Extensions: examining the role and operation of new Job Brokers</i> . DWP Research Report No. 384. Leeds: CDS. Lewis, J., Corden, A., Dillon, L., Hill, K., Kellard, K., Sainsbury, R. and Thornton, P. (2005). <i>New Deal for Disabled People: An In-Depth Study of Job Broker Service Delivery</i> . DWP Research Report No. 246. Leeds: CDS. Corden, A., Harries, T., Hill, K., Kellard, K., Lewis, J., Sainsbury, R. and Thornton, P. (2003). <i>New Deal for Disabled People National Extension: Findings from the First Wave of Qualitative Research with Clients, Job Brokers and Jobcentre Plus Staff</i> . DWP Research Report W169. Sheffield: DWP.

Continued

**Table 1.1 Continued**

<b>Component name</b>	<b>Bibliographical references</b>
Impact analysis	Orr, L., Bell, S. and Lam, K. (2007). <i>Long-term Impacts of the New Deal for Disabled People Final Report</i> , DWP Research Report No. ???. Leeds: CDS. Orr, L., Bell, S. and Kornfeld, R. (2004). <i>Tests of Nonexperimental Methods for Evaluating the Impact of the New Deal for Disabled People (NDDP)</i> . DWP Research Report W198. Sheffield: DWP.
Administrative data	The Department regularly publishes figures on NDDP registrations and job entries on its website: <a href="http://www.dwp.gov.uk/asd/asd1/tabtools/tabtool_nd.asp">http://www.dwp.gov.uk/asd/asd1/tabtools/tabtool_nd.asp</a>
Cost-benefit analysis	Greenberg, D. and Davis, A. (2007). <i>Evaluation of the New Deal for Disabled People: cost and cost-benefit analyses</i> – DWP Research Report No. 431. Leeds: CDS.
Synthesis reports	Stafford, B. with Adelman, L., Hill, K., Kellard, K., Legge, K., Aston, J., Barkworth, R., Davis, S., Willison, R., Arch, J., Dillon, L., Kazimirski, A., Keenan, L., Lewis, J., Pires, C., Shaw, A., Taylor, R., Tipping, S., Corden, A., Meah, A., Sainsbury, R., Thornton, P., Alander, A. and Saunders, T. (2006). <i>New Deal for Disabled People: Second synthesis report – interim findings from the evaluation</i> . DWP Research Report No. 377. Leeds: CDS. Stafford, B with Ashworth, K., Davis, A., Hartfree, Y., Hill, K., Kellard, K., Legge, K., McDonald, S., Reyes De-Beaman, S., Aston, J., Atkinson, J., Davis, S., Evans, C., Lewis, J., O'Regan, J., Harries, T., Kazimirski, A., Pires, C., Shaw, A. and Woodward, C. (2004). <i>New Deal for Disabled People (NDDP): First synthesis report</i> . DWP Research Report W199. Sheffield: DWP.

## 1.2 The evaluation framework

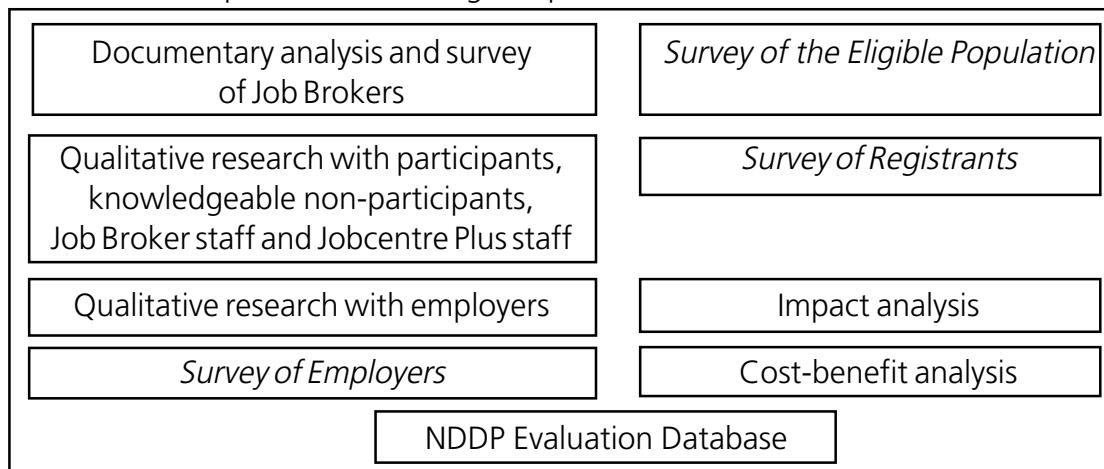
### 1.2.1 Aims of the evaluation

The evaluation of the New Deal for Disabled People is a comprehensive research programme and in summary is designed to establish:

- The experiences and views of NDDP stakeholders, including Job Brokers, participants, the eligible population, employers and Jobcentre Plus staff.
- The operational effectiveness, management and best practice aspects of the Job Broker service.
- The effectiveness of the Job Broker service in helping people into sustained employment and the cost effectiveness with which this is achieved.

### 1.2.2 Evaluation design

The evaluation framework is multi-method, blending qualitative and quantitative methods. It comprises the following components:



Separate, but complementary, reports have been produced for each component (see Table 1.1 and discussion).

#### *Survey of the Eligible Population*

The *Survey of the Eligible Population* is designed to obtain information about those eligible for the programme (Pires *et al.*, 2006). The survey aims to establish the characteristics of this population, their work aspirations and their awareness of, attitudes towards and involvement with, NDDP. The survey interview, carried out in three separate waves, is administered a few months after people were scheduled to have been informed about NDDP, usually by letter. The sample is a probability sample drawn from benefit records, and is stratified by longer-term recipients and more recent recipients. The latter is further divided into the ‘flow mandatory’ – that is, those who had a Work Focused Interview (WFI) – and the ‘flow voluntary’ – those not having a mandatory interview (non-WFI). As Table 1.2 shows the number of achieved interviews for the ‘flow mandatory’ group has grown over time as the network of integrated local Jobcentre Plus offices has expanded. In addition, the date for defining ‘longer-term claimants’ for wave 3 (28 July 2003) differs from that for the other two waves (24 September 2001). This is because the size of the longer-term sample for the earlier date, which was around the time NDDP first operated nationally, had begun to reduce as recipients moved off benefit. The wave 3 longer-term group was defined as those in receipt of a qualifying benefit prior to the claim period for the two flow groups (28 July 2003). However, this has only a small effect on the comparability of the three longer-term groups in the survey (Pires *et al.*, 2006:11).

**Table 1.2 Waves of interviews for survey of eligible population**

	<b>Wave 1</b>	<b>Wave 2</b>	<b>Wave 3</b>
<b>Benefit claim period</b>			
Longer-term claimants	Before 24 Sept 2001	Before 24 Sept 2001	Before 28 July 2003
Flow voluntary	10 March-6 April 2002	17 Nov-14 Dec 2002	28 July-23 Aug 2003
Flow mandatory			
<b>Fieldwork dates</b>	Aug-Oct 2002	May-June 2003	Jan-April 2004
<b>Achieved interviews</b>			
<i>Longer-term claimants</i>	630	424	658
<i>Flow voluntary</i>	451	470	657
<i>Flow mandatory</i>	87	409	989
<b>Response rate</b>	61	55	55

Source: Pires *et al.*, (2006), Table A.1.

The interviews were conducted by telephone and averaged 20 minutes.

### *Survey of Registrants*

The *Survey of Registrants* is designed to obtain information about NDDP participants' characteristics, their experiences of, and views on, the programme and of getting employment (Ashworth *et al.*, 2004; Kazimirski *et al.*, 2004; and Legge *et al.*, 2006). The survey involves three cohorts of individuals who have registered with NDDP: The first cohort is based on registrations made between May and June 2002, the second cohort on registrations between September and October 2002, and the third cohort on registrations between August and October 2004. The first and second cohorts had two rounds of face-to-face interviews, or 'waves', including a short partner interview each time. The first wave was four to five months after registration, and the second wave was 13 to 14 months after registration. The third cohort comprised only one wave of interviewing, but also included a short partner interview. The timing of each wave for each cohort is outlined in Table 1.3. The average time between registration and the wave 2 interview was actually 14 months, but as the minimum time was 12 months, wave 1 is referred to as 'five months after registration', and wave 2 is referred to as 'one year after registration'. Similarly, Cohort 3 is referred to as around six months since registration.

**Table 1.3 Waves of interviews for Survey of Registrants**

	<b>Cohort 1</b>	<b>Cohort 2</b>	<b>Cohort 3</b>
Months of registration	May-June 2002	September-October 2002	August-October 2004
Wave 1 timing <sup>†</sup>	October-December 2002	February-April 2003	February-May 2005
Wave 1 number of interviews	3,014	2,192	2,531
Wave 2 timing	July-September 2003	November 2003–January 2004	–
Wave 2 number of interviews	2,400	1,682	–
Wave 2 overall response	80%	77%	–
Cohort 3 response rate	–	–	64%

<sup>†</sup> The months shown are the main months of fieldwork – in each wave a small number of interviews were conducted in the month after the ones shown.

Sources: Kazimirski *et al.*, (2005), Table 1.1; and Legge *et al.*, (2006:17-18).

The sampling frame used was the DWP's NDDP Evaluation Database. The interviews were conducted using Computer Assisted Personal Interviewing, and the mean duration of interviews was one hour for wave 1, 40 minutes for wave 2, and one hour for Cohort 3. This report is based on findings using data merged from all the waves of Cohorts 1 and 2 (the cohorts have been merged because the profile of participants in each cohort is very similar, and a detailed analysis of data for wave 1 by cohort showed that there were very few differences between cohorts (Kazimirski *et al.*, 2004)) and on results from Cohort 3. As appropriate, the analysis in this report is sometimes comparative (comparing wave 2 results to wave 1, or comparing the merged data results with Cohort 3), and sometimes cumulative (combining wave 2 results with wave 1) to cover the year after registration.

The Cohort 3 sample design differs from the earlier cohorts in that it allows comparisons between participants in Pathways to Work pilots with those living elsewhere and between those registered with existing Job Brokers and new Job Brokers. Here, 'new Job Broker' refers to the participants of the four organisations new to job broking who operated from November 2003. The interview questionnaire for Cohort 3 was largely taken from elements of the earlier wave 1 and 2 questionnaires.

The total number of respondents (at wave 1) across all three cohorts was 7,737. In Cohorts 1 and 2, the total number of interviews at Wave 2 was 4,082, which represented 78 per cent of those interviewed at Wave 1.

### *Qualitative research*

The qualitative research consists of three sets of studies. The first study aims to explore the organisation, operation and impacts of the Job Broker service from the perspective of key stakeholders. It used a range of qualitative research techniques to collect data from key actors associated with Job Broker services (see Lewis *et al.*, 2005,

Appendix B for further details). The research was conducted in two waves. The wave 1 research (August–October 2002) focused on 18 Job Brokers operating in 15 areas. A further six Job Brokers were included in wave 2 (December 2003–March 2004) to ensure that the research included a sufficient number of Job Brokers who had achieved higher levels for job entry and sustained work. The wave 1 research included:

- interviews with managers and two to six advisers at each of the 18 Job Brokers;
- 90 interviews with participants;
- 63 interviews with staff from 49 Jobcentre Plus offices; and
- interviews with 14 Disability Employment Advisers (DEAs).

The wave 2 research consisted of:

- 23 in-depth interviews with Job Broker managers;
- 17 group discussions with Job Broker staff;
- 45 telephone interviews with participants selected from those who were interviewed at wave 1 (to focus on the longer-term outcomes of NDDP participation);
- 45 face-to-face interviews with ‘new’ participants who had recently registered for NDDP services;
- 23 in-depth interviews with DEAs, including 11 repeat interviews with wave 1 respondents; and
- 14 group discussions with Jobcentre Plus advisers.

The second study was designed to explore differences in Job Brokers’ performance. This study has a different design from the earlier qualitative research and comprised five area case studies. Each area included two Job Brokers, a ‘new’ Job Broker and an existing Job Broker (see Section 1.3.2). Here, and unlike with the *Survey of Registrants*, a ‘new’ Job Broker is defined as one that was either new to job broking, or an existing Job Broker operating in a new locality. The areas represented a mix of regions and labour markets, but excluded existing (and at the time planned) Pathways to Work pilot areas. The design allowed comparisons to be made between Job Brokers with ‘good’ and ‘poor’ performance. The fieldwork, which was conducted between August and December 2005, involved:

- 21 face-to-face interviews with: Jobcentre Plus’ Contract Managers with responsibility for managing the Job Broker contracts; local Jobcentre Plus office managers and Job Broker managers;
- five group interviews with local Jobcentre Plus office frontline staff.

The third study was of 'knowledgeable non-participants' and was designed to explore if there were any measures that could be taken to encourage the flow of non-participants onto NDDP. The sample was taken from respondents to the third wave of the *Survey of the Eligible Population* who consented to be involved in further research and had made contact with a Job Broker but had not registered for the programme. Telephone interviews were conducted with 30 respondents. The findings are reported in Pires *et al.*, (2006).

### *Qualitative research with employers*

The qualitative research with employers is designed to assess employers' awareness, understanding and experiences of NDDP and to explore if, and how, these change over time. The research design consists of two waves of in-depth face-to-face interviews with employers (Aston *et al.*, 2005). Wave 1 involved in-depth face-to-face interviews with 80 employers, who mostly had recruited NDDP participants. Wave 2 comprised in-depth interviews with 50 employers, all of whom were known to have had significant contact with NDDP. These employers were selected on the basis that they were nominated by Job Brokers as examples of those demonstrating good practice. In addition, the research design ensured that the employers covered a range of geographical locations, employer types in terms of size, sector and so on, and types of Job Broker. Fieldwork for wave 1 was conducted during spring and early summer 2002, and for wave 2 during late 2003 and January 2004.

### *Survey of Employers*

The *Survey of Employers* aims to provide a quantitative assessment of the nature and scale of employer involvement with the programme (Dewson *et al.*, 2005b). The survey is a representative national survey of 1,428 employers who had recruited individuals registered on NDDP during the period July 2002 to July 2003. The main stage of the survey fieldwork was held between January 2004 and June 2004. The survey involved a telephone interview that lasted approximately 20 minutes and was conducted with an employer representative who a Job Broker had identified as a suitable contact.

### *Documentary analysis and the Survey of Job Brokers*

The documentary analysis and the *Survey of Job Brokers* seek to establish information on the range and nature of individual Job Broker organisations and the services they provide; and supply details for the selection of Job Brokers for both the qualitative research and the cost study element of the cost-benefit analysis (see below). More specifically:

- The documentary analysis is a content analysis of the tenders of the 64 organisations that successfully bid to deliver job broking services. The bids were produced in response to the NDDP national extension prospectus and Invitation to Tender issued in November 2000. As anticipated there was variation in the

size and content of the submitted documents. In some instances incomplete, missing or inconsistent information was supplemented using organisations' Internet sites, the NDDP extranet website and sources within the DWP. The analysis of the successful bids was undertaken in order to inform the design and conduct of subsequent studies, notably the early qualitative research. The documentary analysis is complemented by the *Survey of Job Brokers*, which was used to collect more complete information on selected aspects of Job Brokers' operations.

- The *Survey of Job Brokers* is a postal questionnaire sent to Job Brokers operating in October 2002-January 2003 (McDonald *et al.*, 2004). The sample comprised Job Brokers included in the documentary analysis and an updated list of providers supplied by the DWP. In some cases a single organisation with multiple sites was awarded one contract by the Department, in other cases each site had a separate contract. The questionnaires were sent to each contract holder (that is, each site with a contract); hence, the sample size is greater than the total number of Job Brokers delivering NDDP because some organisations had multiple contracts. In total 95 Job Broker questionnaires were sent out, with 76 questionnaires being returned, giving a response rate of 80 per cent.

### *Impact analysis*

The impact analysis is designed to assess the net additionality of NDDP. The evaluation team, in co-operation with the Department, investigated the feasibility of basing the impact analysis upon statistical analyses of survey and administrative data prior to undertaking the actual analysis (see Orr *et al.*, 2004). The administrative data comprises benefit data and NDDP data from the DWP and employment data from HM Revenue and Customs. The impact analysis uses three cohorts of NDDP participants:

- an 'Early Cohort' registering between July 2001 and December 2002, and whose experiences should reflect the programme as initially extended nationally;
- a 'Maximum Follow-up Cohort' who are a subset of the 'Early Cohort' and as they registered between July 2001 and December 2001 provide data for the longest period of time on outcomes (36 months);
- a 'Late Cohort' registering between January and June 2004, who may have been influenced by changes to the programme made from October 2003 onwards (see below).

Each cohort comprises longer-term benefit recipients at the beginning of the cohort registration period and more recent recipients flowing onto an incapacity-related benefit during the relevant registration period. Using statistical techniques, the participants in each cohort have been matched with members of the eligible population (that is, incapacity-related benefit recipients who did not register on NDDP). By comparing the outcomes of the participants with those of the matched eligible population sample, the following six impacts have been calculated for each cohort:

- receipt of incapacity-related benefits;
- amount of incapacity-related benefits;
- receipt of Jobseeker's Allowance;
- amount of Jobseeker's Allowance;
- monthly employment rate (that is, the proportion of participants employed during the month); and
- the proportion of the relevant post-registration period for which the average participant was employed.

Results are presented for longer-term and more recent recipients separately.

### *Cost-benefit analysis*

The cost-benefit analysis provides an assessment of overall value for money of the programme. Estimates of costs are based on findings from a survey of the costs of administering NDDP in 19 Job Brokers (which was completed between May and June 2003), other cost data provided by the Department and findings from the impact analysis and the *Survey of Registrants*. Costs were calculated per participant and the profit/loss per participant for Job Brokers. The cost-benefit analysis is carried out from the perspectives of the participant, the Government and society as a whole.

### *Administrative data*

Underpinning these evaluation components is the NDDP Evaluation Database, which contains details of NDDP participants and is managed by the DWP. The database contains information provided by Job Brokers on participants, as well as data extracted from administrative records on benefits. The database provides a sampling frame for the *Survey of Registrants* and qualitative research referred to above. It also allows the programme's performance to be monitored and reported on. Analysis of the database is incorporated in this synthesis, alongside the evaluation findings.

## 1.3 Overview of NDDP and the changing policy context

### **1.3.1 New Deal for Disabled People**

NDDP is designed to help people on incapacity-related benefits secure sustained employment. It is a voluntary programme aimed at people claiming incapacity-related benefits (see Table 1.4), notably Incapacity Benefit, Severe Disablement Allowance and Income Support with a Disability Premium, and is delivered by around 65 Job Brokers.<sup>6</sup> The organisations awarded contracts include voluntary and

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<sup>6</sup> The NDDP website, <http://www.jobbrokersearch.gov.uk/> provides contact details for local Job Broker organisations.

other not-for-profit bodies, commercial companies, and public sector organisations. More than one Job Broker can provide a service in any given area. People wishing to participate in NDDP must register with a Job Broker. Many participants access Job Brokers and the programme through contacting an adviser in a local Jobcentre Plus office, and increasingly through the Pathways to Work pilots.

#### **Table 1.4 NDDP qualifying benefits**

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The NDDP is available to people claiming one of the following 'qualifying benefits':

- Incapacity Benefit;
  - Severe Disablement Allowance;
  - Income Support with a Disability Premium;
  - (since October 2004) Pension Credit with a Disability Premium or doctor's certificate;
  - Income Support pending the result of an appeal against disallowance from Incapacity Benefit;
  - Housing Benefit or Council Tax Benefit with a Disability Premium – provided participants are not in paid work of 16 hours a week or more, or getting Jobseeker's Allowance;
  - Disability Living Allowance – provided participants are not in paid work of 16 hours a week or more, or getting Jobseeker's Allowance;
  - War Pension with an Unemployability Supplement;
  - Industrial Injuries Disablement Benefit with an Unemployability Supplement;
  - National Insurance credits on grounds of incapacity;
  - equivalent benefits to Incapacity Benefit being imported into Great Britain under European Community Regulations on the co-ordination of social security and the terms of the European Economic Area Agreement.
- 

Government funding for Job Brokers is outcome-related. Job Brokers receive a registration fee and roughly equal outcome payments for both job entries and sustained employment.<sup>7</sup> The amount of the job entry and sustained employment payments varied between Job Brokers and was negotiated as part of the contract procurement process with the Department.

#### **1.3.2 The evolving programme and changing policy context**

The evaluation of NDDP has taken place against both changes within the programme itself and wider policy developments that have directly impacted upon the delivery of the programme (see Table 1.5). The programme was piloted in 1998, and then extended nationally in July 2001 and is due to end in March 2008.<sup>8</sup> The key policy and programmatic developments, in chronological order, are as follows:

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<sup>7</sup> The Department for Work and Pensions currently defines sustained employment as paid work that has lasted for up to 13 weeks.

<sup>8</sup> Findings from the evaluation of the pilot versions of NDDP are presented in Hills *et al.*, (2001) and Loumidis *et al.*, (2001). In addition, the programme will end earlier in Phase 1 Provider Led Districts, 30 November 2007.

- **October 2001 – Jobcentre Plus pathfinders established**

NDDP was affected by the introduction and roll-out of Jobcentre Plus, which brought together the services of the former Employment Service and Benefits Agency to provide a single point of delivery for job search-related activities, benefits advice and support for people of working age. The first 56 Jobcentre Plus' Pathfinder offices were established in 17 districts across the UK in October 2001, offering a fully integrated work and benefits service. Jobcentre Plus was formally launched in April 2002, and should be fully rolled out by December 2007. A key feature of the integrated Jobcentre Plus offices is the mandatory WFI. In the Jobcentre Plus process model (see Davies *et al.*, 2003) new and repeat claimants make initial contact by telephone with a Contact Centre, in which information is sought and arrangements made for the customer to attend a WFI. This takes place at a local Jobcentre Plus public office, after an appointment with a Financial Assessor who checks the claim and answers any questions about financial aspects. Customers then meet their Personal Adviser who explains Jobcentre Plus services, identifies barriers to work and help that might be needed, and agrees future contact and activity. During the course of the evaluation, staff and participants' exposure to this integrated office model has increased. As at November 2006, the majority (840) of local offices provided an integrated service.

- **July-October 2003 – NDDP contract extensions and minimum service requirements**

In July 2003 the Government announced that existing Job Brokers could bid to continue their operations until the end of March 2006 provided they met new standards of performance and service (initial contracts were up to March 2004). Owing to the bulk of early registrations some Job Brokers had accumulated a large number of participants who had not entered work. There was concern within the DWP that some of these participants were no longer receiving services and that Job Brokers were not working with them towards job entry. The Department responded by introducing a minimum performance requirement whereby 25 per cent of all registrations had to be converted to job entries by April 2004. Only Job Brokers who fulfilled this requirement were invited to bid for contract extensions in current and new areas.

Furthermore, the Department required that Job Brokers, when registering new participants, must agree with them appropriate 'back to work' plans, and must review and use these jointly with the participants. In recognition of this the registration fee Job Brokers received was increased from £100 to £300 in October 2003. In addition, the Department said Job Brokers could claim their fees for sustained employment after 13 weeks' employment, rather than after participants had been in work for at least 26 weeks out of the first 39 weeks following job entry. However, Job Brokers were required to continue to provide ongoing support for a minimum of six months after someone had moved into work.

The Government subsequently announced two further extensions of NDDP. The programme is due to finish at the end of November 2007 in the 15 Phase 1 Provider Led Pathways to Work districts and at the end of March 2008 in the 16 Phase 2 Provider Led Pathways to Work districts (see DWP, 2007).

**Table 1.5 Development of NDDP and related policies**

Date	Milestone
1998/89 – 2001/02	NDDP pilots, comprising 24 Innovative Schemes (see Hills <i>et al.</i> , 2001) and 12 Personal Adviser Service pilots (see Loumidis <i>et al.</i> , 2001).
November 2000	Prospectus and Invitation to Tender issued for 'NDDP National Extension', which introduced the Job Broker model.
April 2001	NDDP contracts awarded to Job Brokers, due to end March 2004. Severe Disablement Allowance abolished for new claims. DWP's mailshots to incapacity-related benefit recipients about NDDP commenced.
July 2001	NDDP delivery started, although some Job Brokers started later (over the period up to September 2001).
October 2001	56 Jobcentre Plus pathfinder offices established in 17 districts. Incapacity-related benefit claimants attending an integrated office must attend a WFI on making a claim and subsequently at least every three years.
2002	During 2002 there were some negotiations held with Job Brokers in order to improve national coverage. A number of Job Brokers added new areas, and Jobcentre Plus in-house brokers were set up in new regions.
April 2002	Jobcentre Plus formally launched, rollout of integrated offices to be completed by December 2007. Permitted Work rules introduced replacing previous rules concerning 'therapeutic work'.
November 2002	Green Paper ( <i>Pathways to work: Helping people into employment</i> ) proposed establishment of Pathways to Work pilots.
July 2003	Contract extension to March 2006 announced, with funding changes and improvements to minimum requirements.
August 2003	Existing Job Brokers invited to bid for contract extension in current and new areas, at existing fee rates and subject to accepting new minimum requirements, including minimum performance standards to be achieved by March 2004. Contract extensions effective from 1 October 2003, but some began later as not signed until minimum performance was achieved. The performance standard included a registration to job entry conversion minimum requirement of 25 per cent.
October 2003	Pathways to Work pilot commenced in three Jobcentre Plus Districts with NDDP a key element; and incapacity-related benefit claimants must attend a WFI. Job Brokers' contract extensions commenced. Job Brokers must agree 'back to work' plans with participants. Registration fees paid to Job Brokers increased from £100 to £300 per registrant. Job Brokers claim sustained employment outcome fee for registrants at 13 weeks of employment rather than at 26 weeks.

Continued

**Table 1.5 Continued**

Date	Milestone
November 2003	Open procurement launched in 30 Jobcentre Plus districts to improve coverage. This was open to new and existing providers, and contract fee rates different from existing rates could be bid with contracts to run until end March 2006. Four new providers joined NDDP.
February/March 2004	Contracts from November open procurement signed (to begin April 2004). All contracts to run to end March 2006. Job Brokers had to have achieved a 25 per cent minimum requirement for their registration to job entry conversion rates.
April 2004	Pathways to Work pilot extended to four more Jobcentre Plus Districts. NDDP contracts from November open procurement began.
June 2004	Over-performance by Job Brokers identified as a potential risk to budget and service delivery to end March 2006.
August 2004	DWP's mailshots to incapacity-related benefit recipients about NDDP ends.
September 2004	Contract stocktake meetings held with all Job Broker contractors to assess implications of over-performance by some Job Brokers. Some Job Brokers had their performance/activities 'capped' so that they did not exceed their maximum indicative budgets.
November 2004	Extra £30m funding announced for 2005/06 only.
December 2004	Limited procurement exercise held to support coverage and continue contracts to March 2006. Providers could only bid for Jobcentre Plus Districts in regions where they held existing contracts, at current or reduced fee rates. Government announced that the Pathways to Work pilot was to be extended to a further 14 districts from October 2005.
January – March 2005	Post tender discussions and/or repeat stocktake meetings to agree basis for continuing provision of NDDP by Job Brokers to March 2006.
February 2005	Pathways to Work provision (mandatory WFs) extended to those claiming incapacity benefits for up to three years in the original seven pilot districts and to all new claimants in integrated Jobcentre Plus offices. A Job Preparation Premium, worth £20 per week, introduced to encourage long-term Incapacity Benefit customers in pilot areas to take steps towards gaining employment. DWP five-year strategy published proposes radical changes to Incapacity Benefit and extending the help and support given to claimants.
April 2005	All Job Brokers signing new contracts have to work to ' <i>adequate level of performance</i> ' against Jobcentre Plus district profiles of performance, i.e. Job Brokers committed to delivering agreed monthly levels of performance (registrations and job entries).
March 2005	Government announces changes to Incapacity Benefit linking rules (implemented October 2006).
June 2005	New Jobcentre Plus computer system provides district managers with information on Job Brokers' performance.
July 2005	Government announced further extension of NDDP to March 2007.

Continued

**Table 1.5 Continued**

Date	Milestone
October 2005	Pathways to Work pilot extended to a further four districts, and the mandatory WFI takes place at eight weeks and is followed by a further five interviews. New incapacity benefit claimants in integrated Jobcentre Plus offices required to complete action plans with an adviser and attend a WFI starting eight weeks after claiming benefit. Existing customers attend WFIs at certain trigger points.
January 2006	Green Paper ( <i>A new deal for welfare: Empowering people to work</i> ) announced that Pathways to Work provision was to be extended nationally by 2008, that private and voluntary sector providers would have a greater role in delivering Pathways to Work, and proposals for the new Employment and Support Allowance that would replace Incapacity Benefit.
April 2006	Pathways to Work extended to a further seven areas and provision (three mandatory WFIs) extended to those claiming incapacity benefits for up to eight years in the original seven pilot districts and to claimants of all durations in one district, Somerset.
July 2006	<i>Welfare Reform Bill</i> presented to Parliament – proposed the replacement of Incapacity Benefit with the Employment and Support Allowance by 2008. But Bill was not passed before the end of the parliamentary session.
October 2006	New Incapacity Benefit linking rules came into operation, including extending the period covered by the rules to 104 weeks. Pathways to Work extended to a further three areas.
November 2006	Government announced its intention to re-introduce a Welfare Reform Bill in the new session of Parliament.
December 2006	Pathways to Work 'enlargement', that is, districts that were not fully covered by the piloted provision were 'filled in'.
March 2007	Freud review ( <i>Reducing dependency, increasing opportunity: options for the future of welfare to work</i> ) published. The report's recommendations include contracting services for getting the long-term unemployed into work to voluntary and private sector organisations, with Jobcentre Plus focusing on those unemployed for less than a year. Further extension of NDDP announced – end of November 2007 in the Phase 1 Provider Led Pathways to Work districts and end of March 2008 in the Phase 2 Provider Led Pathways to Work districts.

- **October 2003 – Pathways to Work pilots introduced<sup>9</sup>**

Reforms based around increasing financial incentives to return to work, a better support and referral framework via Jobcentre Plus, innovative rehabilitation programmes and more support to people who have to move from incapacity benefits to Jobseeker's Allowance were introduced initially in three pilot areas in October 2003, and subsequently extended to more areas.<sup>10</sup> The new package of support within Jobcentre Plus within the pilot areas includes:

<sup>9</sup> Also known as the Incapacity Benefit Reform Pilots.

<sup>10</sup> In January 2006, the Green Paper, *A new deal for welfare: Empowering people to work* (DWP, 2006), announced that Pathways to Work provision was to be extended nationally by 2008. (There is a separate and extensive programme of evaluation of the Pathways to Work pilots.)

- mandatory WFs, eight weeks into a new claim for incapacity-related benefits;
- new specialist adviser teams of Incapacity Benefit Personal Advisers, DEAs and Occupational Psychologists;
- linking of the timing of the medical assessment process for new claims with the WFs;
- interventions (known as the Choices package) to support return to work, including existing Jobcentre Plus services and programmes (including NDDP), and work-focused condition management programmes (developed by Jobcentre Plus and local National Health Service providers);
- a Return to Work Credit, of £40 per week for up to 52 weeks for people where their gross earnings are less than £15,000; and
- improving employer and GP awareness of the consequences of sickness absence.

Jobcentre Plus staff in the pilot areas are encouraged to build on the existing range of provision available to help customers claiming incapacity-related benefits. This provision includes Job Brokers, Work Preparation and WORKSTEP, and staff are encouraged to look first to NDDP.

The introduction of the Pathways to Work pilot meant that some of the fieldwork for the evaluation was conducted in local areas in which Jobcentre Plus staff had new responsibilities and roles, and some participants were taking part in mandatory interviews designed to focus their thoughts on future employment.

- **November 2003 – open procurement and coverage**

A few existing Job Brokers decided not to tender to have their contracts extended to 2006. Whilst many extended their area of operation, a number of areas remained with insufficient provision and in November 2003 an open procurement exercise covering 30 Jobcentre Plus districts was launched, to which any organisation could bid. As a result, new contracts were awarded to three existing Job Brokers and to four organisations new to NDDP.

- **September 2004-March 2005 – Stocktake and limited procurement exercise**

Some Job Brokers were very successful in securing job outcomes for participants. Indeed, towards the end of 2004 it was apparent that some Job Brokers were likely to secure job entries and sustainable employment outcomes in excess of the numbers outlined in their contracts with the DWP (Lupton, 2004). Jobcentre Plus took stock with all Job Brokers of their performance and projections to the end of the contract period, March 2006. On 2 December 2004 the Chancellor of the Exchequer announced in his Pre-Budget Speech a further £30m for NDDP in 2005/06 (HM Treasury, 2004). To allocate this additional funding, the Department organised a limited procurement exercise amongst existing Job Brokers, then agreed with all Job Brokers a basis on which they would manage the remainder of their contracted delivery within agreed geographical and funding profiles.

- **April 2005 – District profiles for Job Brokers introduced**

In April 2005 those Job Brokers who had bid for additional coverage in the limited procurement exercise of December 2004 signed contracts that required them to adhere to a maximum performance profile, defined monthly and by district. These profiles were set by Job Brokers themselves, based on the total number of outcomes they anticipated being able to provide over the life of the contract, and varied both from one organisation to another, and also sometimes from month to month, with some anticipating seasonal fluctuations while others remained at a consistent level throughout. In the new contracts Job Brokers had to commit to working at what was described as an 'adequate level of performance'. Whilst this was never defined explicitly, the Contract Management team used a working definition of 75 per cent of job entries against the contracted profile as an acceptable benchmark (Davis *et al.*, 2006:18). Job Brokers who had not extended their coverage in this round of procurement were also encouraged to sign up to these conditions, although some remained on pre-existing contracts under the terms of which they were required not to exceed their Maximum Indicated Contract Value. In managing the Job Brokers' contacts in this way, the Department aimed to ensure that brokers did not under- or over-perform in certain geographical areas, that they continued to deliver the service until the end of the programme and so customers were not left without services before new provision began (Davis, *et al.*, 2006:24).

- **Programme extensions**

In July 2005 the Government announces a further extension of NDDP to the end of March 2007. The programme was further extended in March 2007 to the end of November 2007 in the Phase 1 Provider Led Pathways to Work districts and end of March 2008 in the Phase 2 Provider Led Pathways to Work districts.

More recently, the Government announced in its January 2006 Green Paper, *A new deal for welfare: Empowering people to work* (DWP, 2006), that it would reduce, by one million, the number in receipt of incapacity-related benefits. Underpinning the proposals, and confirming an earlier announcement (see DWP, 2005), is the replacement of Incapacity Benefit with the new Employment and Support Allowance. The Green Paper also announced, amongst a number of other proposals, that Pathways to Work provision was to be extended nationally by 2008, and that private and voluntary sector providers would have a greater role in delivering Pathways to Work. NDDP was seen as one of the activities that could be included in benefit recipients' action plans developed through Pathways to Work provision (DWP, 2006:43).

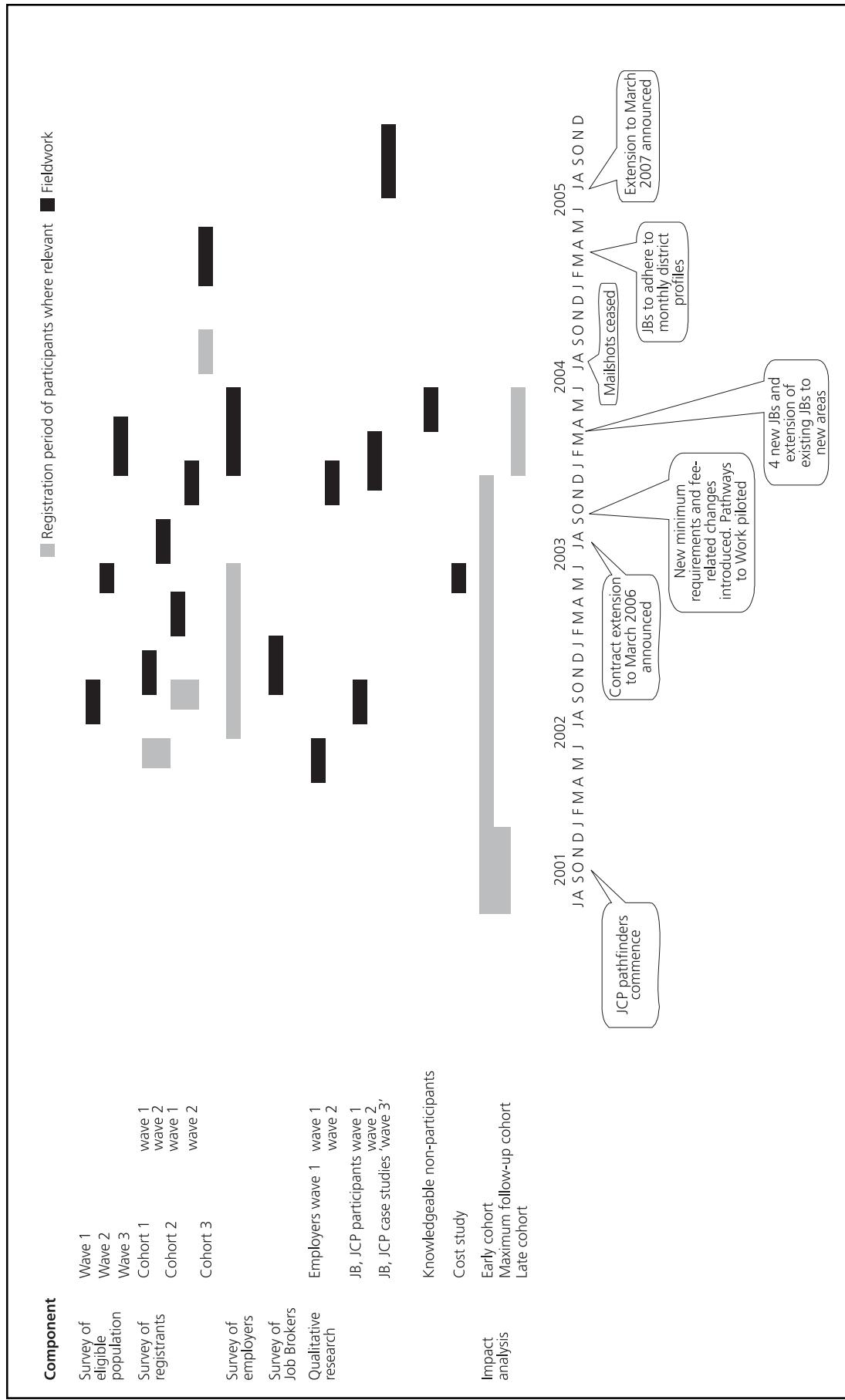
The Green Paper's proposals were included in a Welfare Reform Bill, but the Bill was not passed before the dissolution of Parliament. However, in the Queen's Speech in November 2006, the Government signalled its intention to introduce a Bill that would carry forward the proposals outlined above.

In March 2007 the DWP published the Freud review (Freud, 2007). The report's recommendations include contracting services for getting the long-term unemployed into work to voluntary and private sector organisations, with Jobcentre Plus focusing on those unemployed for less than a year.

### **1.3.3 The evaluation and changes in NDDP and related policies**

The programme and policy development mentioned above occurred during the course of the evaluation. Differences in the timing of the fieldwork for the evaluation mean that the evaluation team were able to explore changes within NDDP and selected other policies directly affecting the programme. In interpreting the findings of the evaluation, the timing of fieldwork and the associated policy context must be considered. Figure 1.1 illustrates the timing of fieldwork, and any relevant registration periods for participants. It also shows a few selected programme and policy changes; for further details the reader should consider the figure alongside Table 1.5.

**Figure 1.1 Timing of evaluation components and the policy context**



## 1.4 The third synthesis report

### 1.4.1 Structure of the report

The characteristics of participants and their partners and of employers involved with NDDP are discussed in Chapter 2. The chapter also considers the number of registrations and compares participants with the wider eligible population. Job Brokers are the focus of Chapter 3. The chapter outlines the main characteristics of the Job Brokers (including the main services they provided to participants), and their working relationships with both Jobcentre Plus and employers. In addition, Chapter 3 discusses participants' and employers' assessment of the services provided by Job Brokers, and their use of services delivered by other organisations. The key outcomes for NDDP are covered in Chapter 4, which also explores the main reasons behind moves into paid (sustainable) work. Chapter 5 presents the results of the impact analysis and cost-benefit analysis. Some conclusions based on the evaluation findings are drawn in Chapter 6.

### 1.4.2 Conventions and terminology used

The people who registered with Job Brokers can be referred to in different ways by stakeholders, for example, as claimants, clients or customers. In this report, for reasons of consistency, people who have registered with Job Brokers are referred to as '*participants*'. Although on a few occasions to improve the readability of the report they are called the client group. The term '*customers*' is used to refer to individuals using the services of Jobcentre Plus, whilst '*claimants*' and '*recipients*' are terms that are used interchangeably.

In the tables presented in this report, percentages have been rounded and as a consequence may not always sum to 100 per cent. The following conventions have also been used:

- [] indicates that the unweighted base is less than 50;
- + indicates that the percentage is less than 0.5 based on the weighted number of cases.

In addition, figures in the report that are based on administrative data provided by the DWP have been rounded to the nearest ten; although any proportions have been calculated using unrounded figures. The analysis of the administrative data is based on data for the period up to the end of November 2006.

## 2 Who participates?

### Summary

- There had been 260,330 New Deal for Disabled People (NDDP) registrations by the end of November 2006. As individuals can register more than once on NDDP, the number of people who had registered over the same period was 231,610.
- The three main methods adopted for increasing public awareness of NDDP were: national marketing; Job Brokers' advertising and promotional campaigns; and indirect and other sources (such as, health and social services), media reporting or friends and relatives.
- Overall, just over half of the eligible population were aware of NDDP and/or local Job Brokers.
- Qualitative research with employers who had recruited NDDP participants suggests that employers' awareness of the programme was not widespread, although awareness of the New Deal 'brand' was higher.
- People registered on NDDP mainly because they wanted to find employment. The main reason why people, who knew of the programme, gave for not registering was that they were too unwell to do so.
- The overall take-up rate of NDDP for the year ending May 2006 was 3.1 per cent of the population flowing onto the qualifying benefits and registering within six months. The rate of take-up was higher in the Pathways to Work pilot areas.
- Participants were more likely to be male, younger, have an educational qualification and on benefits for a shorter period of time than the incapacity-related benefit population. They were also less likely to have a mental health condition, but more likely to have musculo-skeletal problems. When asked to assess their own health status, participants were more likely to state their health was fair, good or very good and less likely to say it was bad or very bad than members of the eligible population.

- Participants' attachment to the labour market appears to be stronger than that for members of the eligible population. Proportionally more participants were in work or looking for work compared to non-participants. Further, fewer participants were not expecting to work in the future. However, a similar proportion of recent claimants in the eligible population who had had a Work Focused Interview (WFI) were looking for employment.
- Overall, the participants' main bridges to work were, first, if they knew that they could return to benefit if a job did not work out, and secondly, if they could decide their own hours of work. Their main barriers to work were, first, there were not enough suitable jobs available, and secondly, participants were not sure they were able to work regularly.
- There was a significant change in the participants' relationship with the labour market in the two years leading up to their registration on NDDP. There was a decline in the proportion economically active and a corresponding increase in the proportion inactive. In particular there was a steady but significant decrease over the two-year period in the proportion in paid work; a fall from 30 per cent to ten per cent for participants in Cohorts 1 and 2 and from 40 per cent to 14 per cent for those in Cohort 3.
- Although a substantial proportion of participants had a partner (44 per cent for Cohorts 1 and 2 and 44 per cent for Cohort 3), if someone eligible for NDDP had a partner, they were less likely to register for NDDP.
- Partners of participants were more likely to be in work than partners of the eligible population: and, indeed, had employment rates close to those for the working age population as a whole.
- Employers who had recruited an NDDP participant were not representative of employment establishments in general. They were more likely to be single site and medium- or large-sized establishments, in the public and not-for-profit sectors, who had recently experienced recruitment difficulties, had an in-house personnel function and had a written equal opportunities policy that covered disabled people.

This chapter covers the number of registrations for NDDP (Section 2.1), and levels of awareness of, and (non-)take-up of, the programme (Section 2.2). The participants' and their partners' key characteristics are outlined and compared with the wider Incapacity Benefit population (Section 2.3). The main characteristics of employers engaged with NDDP are briefly considered in Section 2.4.

## 2.1 Registrations since 2001

People wishing to join NDDP must register with a Job Broker. There were 260,330 registrations on NDDP by the end of November 2006.<sup>11</sup> As individuals can register

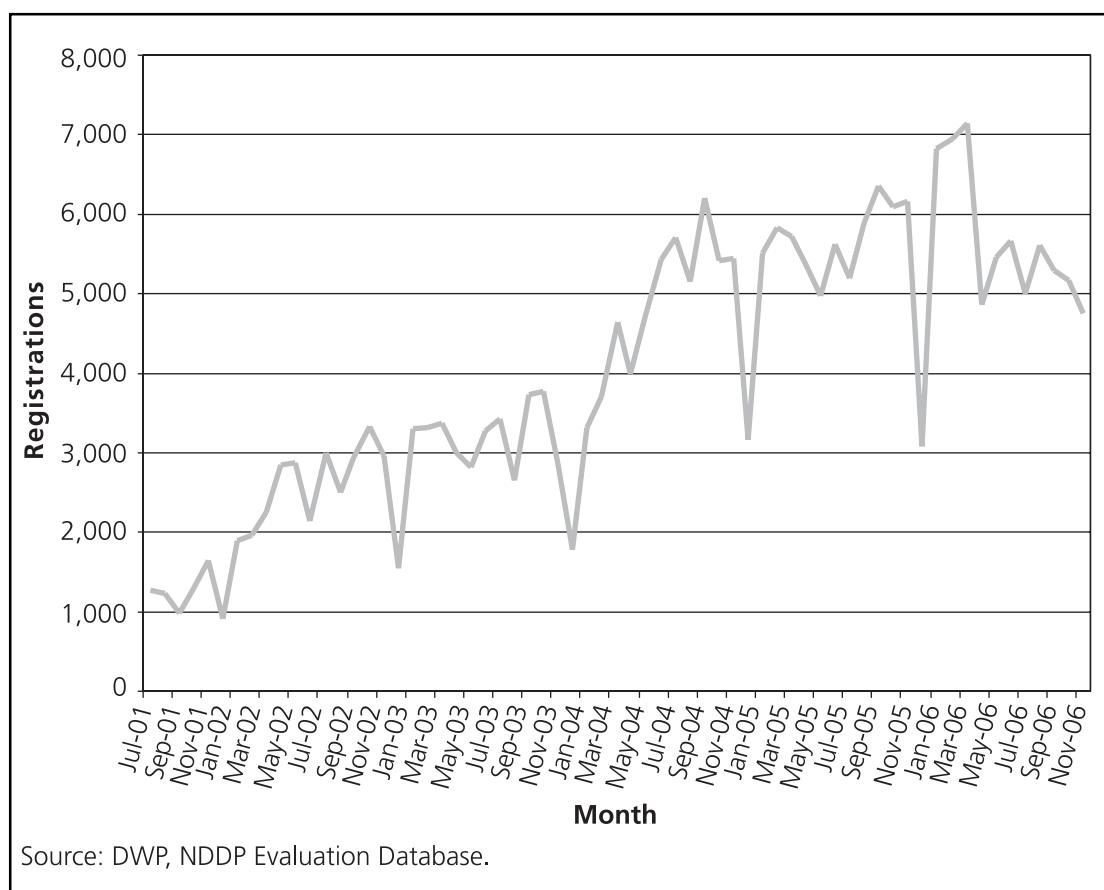
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<sup>11</sup> The Department publishes figures on NDDP registrations and job entries on its website via a tabulation tool. This can be accessed at: [http://www.dwp.gov.uk/asd/asd1/tabtools/tabtool\\_nd.asp](http://www.dwp.gov.uk/asd/asd1/tabtools/tabtool_nd.asp)

more than once on NDDP, the number of people who had registered over the same period was 231,610.

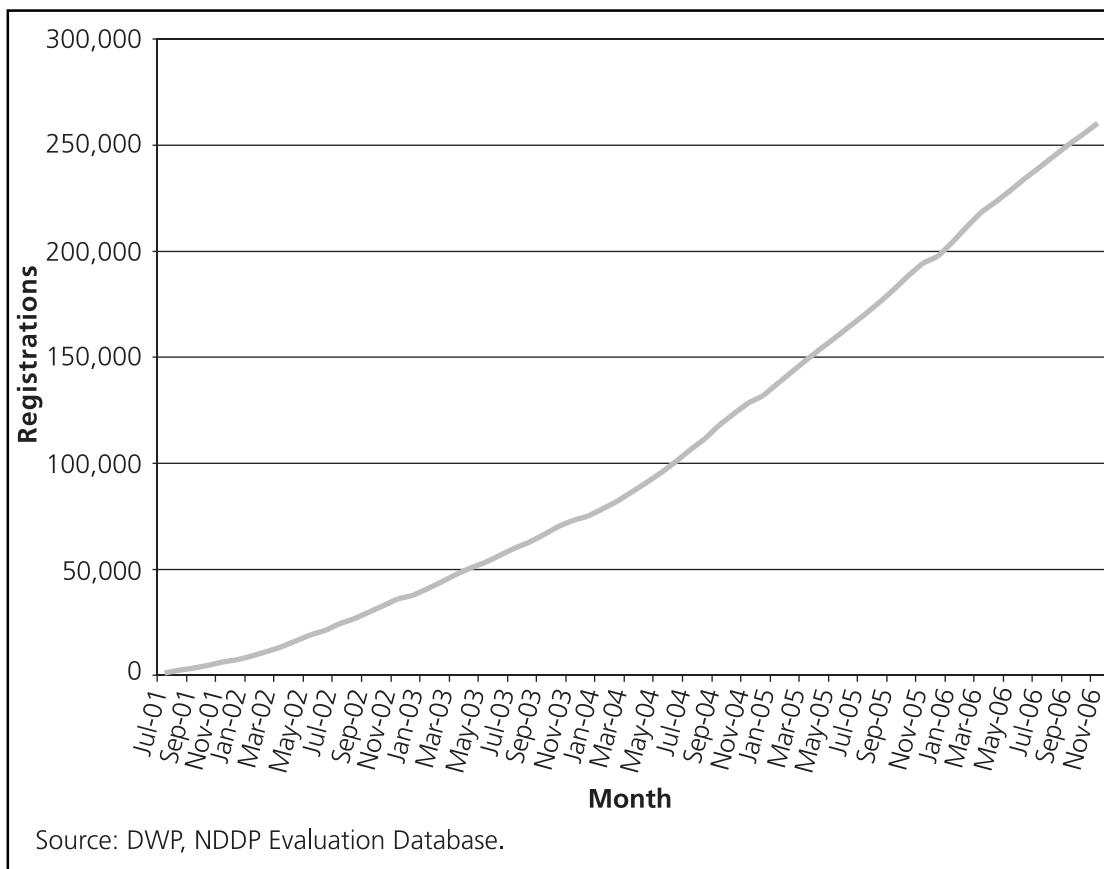
Although the number of registrations per month varies (see Figure 2.1), a graph of the cumulative monthly registrations since July 2001 shows that there has been a steady build-up in the number of registrations over this period (Figure 3.2). Nonetheless, there are marked dips in the number of registrations during December, which can be partly attributed to the Christmas period, and during one of the summer months (June to August), which may reflect the holiday period.

**Figure 2.1 NDDP registrations per month, July 2001-November 2006**



The Department for Work and Pensions (DWP) ceased its mailshots to incapacity-related benefit recipients, which informed them about NDDP, in August 2004 (see Section 2.2.1). However, Figure 2.2 suggests that its withdrawal did not significantly affect the rate at which people registered on the programme.

**Figure 2.2 Cumulative NDDP registrations per month, July 2001–November 2006**



The number of registrations by Job Broker varies markedly. For the 53 Job Brokers currently with a contract, the median number of registrations is 1,666, ranging from 220 to 72,820 registrations. Over one-half (53 per cent) of all registrations have been secured by the six biggest Job Brokers. There are 31 Job Brokers each with over 1,000 registrations and they account for 92 per cent of all the registrations between July 2001 and November 2006. A wide variation in the number of registrations by Job Broker is to be expected given that:

- the length of time some of the Job Brokers have operated varies (although many have continued to operate throughout this period a few have terminated their contracts, and there are some who became providers of NDDP later on);
- the size of the area they serve and hence, their contract size and number of potential participants differed;
- Job Brokers operating in districts where Jobcentre Plus has been rolled-out can be expected, other things being equal, to have higher rates of registration than those working elsewhere because new claimants of Incapacity Benefit will have WIFIs.

- similarly, other things being equal, registrations may be higher for Job Brokers operating in Pathways to Work pilot areas. In Jobcentre Plus districts where the Pathways to Work pilots are in operation, NDDP is an important part of the 'Choices' package and Job Brokers can expect substantial increases in referrals and registrations, especially as there is a mandatory WFI regime and mandatory preparation of customer action plans (although implementing the plans is voluntary);
- Job Brokers had different registration practices. Some Job Brokers when the programme commenced sought to maximise their registrations, but any participants who were subsequent de-registrations are not removed by the Department from the administrative database, and hence, are counted in the figures reported here. Similarly, the introduction by the Department of a minimum requirement for Job Brokers of converting 25 per cent of registrations to job entries may have led some Job Brokers to register people only when confident that the individual was close to entering employment;
- there appear to be differences in the effectiveness of Job Brokers that may account for some of the variation in number of registrations.

## 2.2 Awareness and take-up of NDDP

### 2.2.1 Awareness of NDDP

Amongst members of the eligible population, participants' and employers' levels of awareness of NDDP partly reflect the marketing of NDDP. The three main methods adopted for increasing public awareness of NDDP were:

- national marketing;
- Job Brokers' advertising and promotional campaigns; and
- indirect and other sources – through other organisations (such as health and social services), media reporting or friends and relatives (see also Lewis *et al.*, 2005:31-32).

National marketing by the DWP included: direct mailshots (that included a leaflet) to eligible benefit claimants, leaflets in Jobcentre Plus, a national helpline, a website and awareness-raising and training amongst Jobcentre Plus staff. In addition, members of the eligible population living in a district with an integrated local Jobcentre Plus office had to attend a mandatory WFI, at which they should have been told about NDDP. Furthermore, around April 2002, letters were sent to people who were doing therapeutic work informing them of the introduction of the Permitted Work rules, and these letters also mentioned NDDP.<sup>12</sup>

<sup>12</sup> Therapeutic work was work with limited hours and pay that people on disability benefits could do provided they had their doctor's approval. This was replaced by Permitted Work, for which doctor's approval is not needed. Permitted Work is also for limited hours and pay, and in many cases is time-limited (see Dewson *et al.*, 2005a).

Job Brokers were also expected to market their services to the eligible population. In their bids, the successful Job Brokers proposed a wide range of marketing strategies; most expected to advertise their services and use different outreach methods with marketing materials made available in different formats to suit the client group. In practice, most Job Brokers distributed promotional literature at local Jobcentre Plus offices because it was seen as a cost-effective method for marketing the programme and their services (McDonald *et al.*, 2004:12). Some Job Brokers actively promoted their services with Jobcentre Plus staff, setting up liaison meetings and meeting staff face-to-face; some operated from within a local Jobcentre Plus office (Corden *et al.*, 2003:22). Also seen as cost-effective and often used was distributing promotional literature at community centres and voluntary and disability organisations.

Other organisations as well as families and friends could also help raise public awareness of NDDP and of local Job Brokers (Corden *et al.*, 2003:21). For example, some participants, particularly those with mental health conditions, had been referred or directed towards a specific Job Broker by a professional such as a community psychiatric nurse, psychiatrist, occupational therapist or social worker.

### *Eligible population*

The *Survey of the Eligible Population* provides a measure of the eligible population's level of awareness of NDDP and/or local Job Brokers. Across the three waves of interviewing (around September 2002, May/June 2003 and February/March 2004) there is some consistency in overall levels of awareness (Pires *et al.*, 2006:55) (see Figure 2.3).<sup>13</sup> Overall, just over half of the eligible population were aware of NDDP and/or local Job Brokers. However, these figures mask changes in the eligible population's awareness of NDDP and Job Brokers. Over the three waves of survey interviewing, the eligible population's awareness of (only) NDDP decreased (Pires *et al.*, 2006:50), but this was countered by an increase in their awareness of local Job Brokers (Pires *et al.*, 2006:54). This probably reflects a shift in the focus of marketing from the national level to more local Job Broker initiatives (Pires *et al.*, 2006:55).

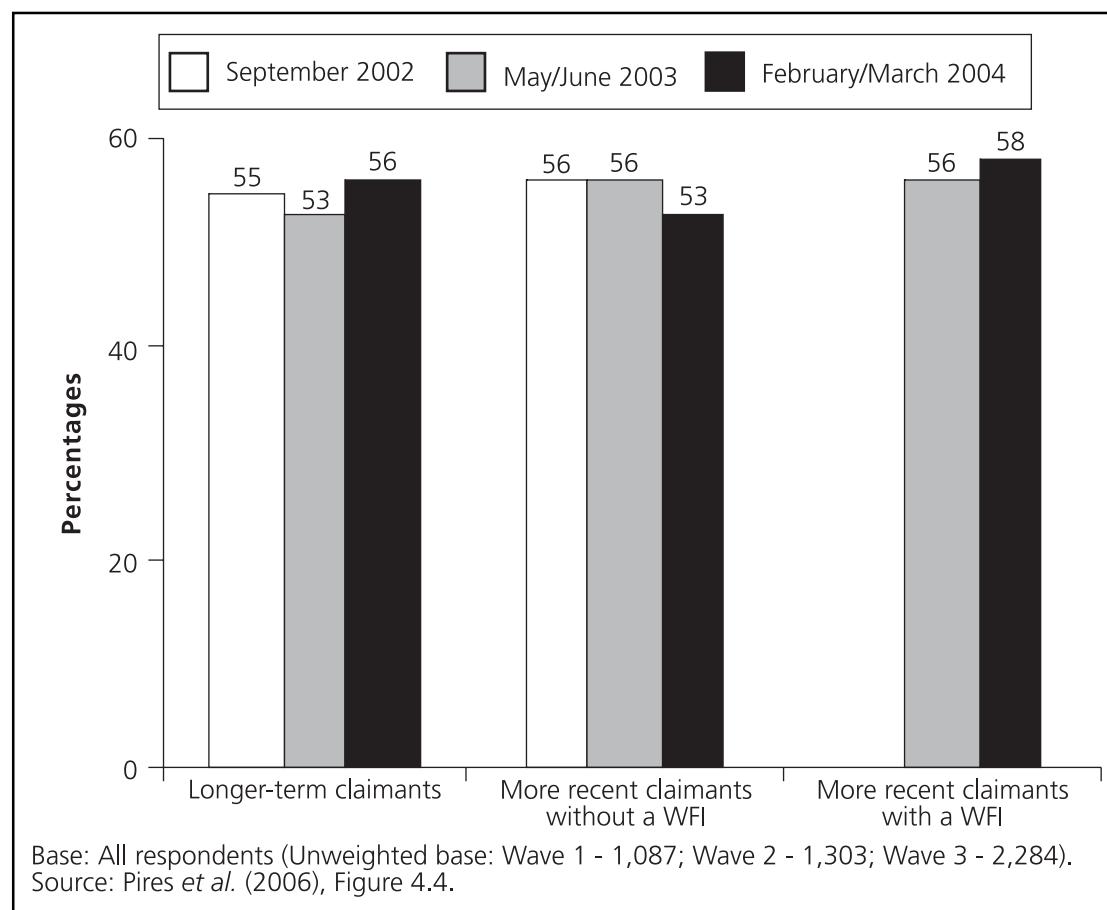
Analysis of the three types of claimant for wave 3 suggests that those more likely to be aware of NDDP and/or Job Brokers were those with qualifications (Pires *et al.*, 2006:50), those looking or expecting to work in the future and those who had worked five to nine years ago (Pires *et al.*, 2006:53). Longer-term claimants with a mental health condition were less likely to be aware of a local Job Broker (Pires *et al.*, 2006:53).

The qualitative research with participants shows that prior to coming into direct contact with the Job Broker service or registering for the programme, participants generally had relatively low levels of awareness about NDDP (Corden *et al.*, 2003:59). Some had not heard of the programme at all, whilst others did not distinguish it from other New Deal programmes, or had not thought the programme of relevance to

<sup>13</sup> Note for the longer-term recipients group, the wave 1 and wave 2 samples were taken from the same claim period, but wave 3 uses a later claim period (see Section 1.2.2).

them because of the use of the term 'disability', which they typically thought only applied to people with severe physical disabilities, and not those who were just 'sick' or in poor health.

**Figure 2.3 Awareness of NDDP and/or Job Brokers amongst eligible population 2002/04**



Job Brokers staff also thought that the branding of NDDP was unfortunate and that the use of the term 'disability' could have deterred some people from registering on the programme (Corden *et al.*, 2003:20-21; Lewis *et al.*, 2005:32). Indeed, many Job Brokers used their own brand name for the service funded under NDDP, such as the name of the organisation. Moreover, some Job Broker staff believed that levels of awareness amongst the eligible population would have been higher if the national publicity campaign had been more extensive. There was a view that more national advertising and publicity would have increased take-up of the programme. However, during the last few years of the programme the Department would have been unable to increase take-up because NDDP was operating at capacity.

### Employers

Research with employers who had recruited NDDP participants suggests that employers' awareness of the programme was not widespread, although awareness of the general New Deal 'brand' was higher (Aston *et al.*, 2003:42; Aston *et al.*, 2005:55; Dewson *et al.*, 2005b:61). In the absence of a national advertising

campaign, employers tended to first hear of NDDP through (previous) colleagues at work or, if it was a voluntary organisation or one that dealt directly with people with disabilities or a health condition, through existing contacts and networks (Aston *et al.*, 2005:57-58). Only in a small number of cases did the latter include contacts with Job Brokers.

Employers did not necessarily know whether a recruit had participated in NDDP and/or was receiving in-work support if it was delivered outside of the workplace or by, say, telephone (Aston *et al.*, 2005:31). As a consequence, even employers who had recruited a programme participant might be unaware of NDDP. This is confirmed by the *Survey of Employers*, which was of establishments that were known to have recruited at least one participant, where half (51 per cent) of employment establishments were unaware of NDDP (Dewson *et al.*, 2005b:61).

Multivariate analysis (logistical regression) shows that those establishments most likely to be aware of NDDP were (Dewson *et al.*, 2005b:62-63 and 85-86):

- in the financial and business service sector (45 per cent) or the public administration, education, health and social work (64 per cent) sector (compared to the community, social and personal services sector (28 per cent));
- larger-sized organisations (for example, 88 per cent of establishments with 5,000 or more employees compared to 44 per cent for those with 1-50 employees were aware of NDDP). Such organisations are more likely to have specialist staff who are more likely to be well-informed and up-to-date on recruitment issues and so possibly aware of NDDP (Aston *et al.*, 2005:56);
- organisations that had been involved with other government employment or training programmes (compared to those that have not).

The qualitative research also suggests that awareness of NDDP was higher in locations with a large and very active provider delivering NDDP and perhaps other disability-related programmes (Aston, *et al.*, 2003:43); and where the Job Broker was a private organisation actively marketing the programme in the local area (Aston *et al.*, 2005:55).

Possible reasons identified in the qualitative research for the employers' modest levels of awareness of NDDP include (Aston *et al.*, 2003:42-43; and Aston *et al.*, 2005:56-57):

- Job Brokers were allowed to deliver NDDP under their own name, and did not have to refer to the programme explicitly as 'NDDP'; although they were required to use the NDDP logo.
- NDDP was not always delivered by Job Brokers as a programme separately from other programmes. Accordingly, employers could find it difficult to identify NDDP as a programme separate from other interventions such as Work Trials and Access to Work. In addition, Job Brokers would often provide assistance apparently funded from their own resources, that is, not obviously drawing on any particular programme at all.

- There had been little or no overt employer-focused marketing of the programme, either by government, or by individual Job Brokers. No employer referred to advertising or general publicity about the programme, although one or two said that they had read about it in the newspaper (editorial rather than advertising).
- Job Brokers were more focused on participants than on employers. The typical approach made to employers by Job Brokers was vacancy- or participant-centred, rather than programme-centred (see Section 3.3.3). Job Brokers appear to have approached employers about particular advertised vacancies on behalf of a specific participant. That the participant might or will receive support from the Job Broker was often made clear; but the source of that support was frequently not.
- To the extent that Job Brokers worked with participants who did not wish to, or did not need to, make it obvious to their employer that they had a disability or health condition, then there was no particular reason why the employer would necessarily be aware of the disability, the work of the Job Broker, or the existence of NDDP.

## 2.2.2 Reasons underpinning decisions about whether to register on NDDP

### *Participants' reasons for registering on NDDP*

There was general agreement amongst participants that the principal reason why people registered on NDDP was to find employment. According to the *Survey of Registrants*, the majority of participants said they registered in order to obtain help in moving (back) into work (80 per cent of those surveyed around November 2002 (Ashworth *et al.*, 2004:67-68) and 59 per cent of those surveyed around March/April 2005 (Legge *et al.*, 2006:60)). Some also registered because the programme had been recommended to them (ten per cent around November 2002 (Ashworth *et al.*, 2004:67-68) rising to 21 per cent around March/April 2005 (Legge *et al.*, 2006:60)). The recommendation was usually made by a professional or a member of the family (Corden *et al.*, 2003:60).

The qualitative research reveals that people's motives for registering could be more mixed, although for most participants the main reason for finding out about the programme was the desire to find work (Corden *et al.*, 2003:60). Some of this latter group had been actively job searching, some had even had job interviews, but they had been unsuccessful in securing employment. Job Brokers were seen as an additional or alternative source of help, as the participants were keen to enter work quickly. Other participants were less job ready, and Job Brokers could be seen as an avenue worth pursuing. Although these participants were thinking about entering paid work, they were less likely to be actively engaged in job search activities. Some were unclear about their vocational direction or lacked confidence. Earlier on in the programme there was also another group of participants who were not actively looking for or considering work. These participants could feel that they had nothing to lose by exploring NDDP. Participating in NDDP for this group could be an end in itself as well as a possible route to employment. However, this group included some who claimed that their disability or health condition precluded a return to employment

(at least in the short-term). Over time, Job Brokers were less likely to register participants in this situation (see Section 3.4.1).

### *Non-take-up of NDDP*

The evaluation provides some evidence on the main reasons why some people eligible for the programme did not register. Indeed, of the eligible population who claimed to be aware of NDDP or a local Job Broker, most had not contacted a Job Broker nor had they any plans to do so (Pires *et al.*, 2006:72). The main reasons eligible non-participants who were aware of NDDP and/or a local Job Broker gave for **not contacting** a Job Broker remained consistent over time (that is, summer 2002 to spring 2004). The top three reasons, according to the *Survey of the Eligible Population*, for non-contact with a Job Broker were that the individual (Woodward *et al.*, 2003:45-46; Pires *et al.*, 2006:72-74):

- was too unwell (wave 1: 71 per cent longer-term claimants and 37 per cent more recent claimants; and wave 3: 76 per cent longer-term claimants, 36 per cent more recent claimants with voluntary WFI and 43 per cent more recent claimants with mandatory WFI);
- lacked knowledge about NDDP (wave 1: nine per cent longer-term claimants and 11 per cent more recent claimants; and wave 3: eight per cent longer-term claimants, nine per cent more recent claimants with voluntary WFI and 11 per cent more recent claimants with mandatory WFI); and
- already has a (possible) job (wave 1: six per cent longer-term claimants and 31 per cent more recent claimants; and wave 3: five per cent longer-term claimants, 32 per cent more recent claimants with voluntary WFI and 23 per cent more recent claimants with mandatory WFI).

Of those contacting a Job Broker but not subsequently registering on the programme, the main reasons for **not registering**, according to the *Survey of the Eligible Population* are, again, the person's health precluded it, and (surprisingly given the contact with the broker) a lack of information about NDDP or the registration process (Pires *et al.*, 2006:74-75). Other key reasons were the service was judged a waste of time or unhelpful and the respondent was already in paid work.

The qualitative research with 'knowledgeable non-participants', that is, people who had contacted a Job Broker but not registered, shows in some instances it was the individual who decided not to continue contact with the Job Broker, but in other cases the Job Broker adviser effectively deterred registration (Pires *et al.*, 2006:95-98). For the former sub-group, many felt too ill (confirming the survey finding mentioned above), although some also stated that they might re-contact the Job Broker at a later date when they felt well enough to work or they had a better idea of when they might recover from surgery. For some the contact with the Job Broker was part of a longer-term strategy for returning to paid work, and they were gathering information on the options available. Other reasons included a fear of losing benefits if a job did not work out, or negative experiences arising from the contact itself (for example, feeling uncomfortable in the Job Broker's office). Pires *et al.*, (2006:97)

argue that many of these contacts and the decision not to register should be seen as part of an individual's rational process of investigating options that at a future date might lead to employment. As a consequence contacts that did not lead to registration on NDDP should not be perceived as a negative outcome for NDDP.

For the second sub-group, those where the adviser had ended further contact, people were not given the option of registering or even told that it was a possibility.<sup>14</sup> Respondents' views on why this had happened varied. The reasons suggested included their health condition, not meeting the criteria for the NDDP target group or a mismatch between their needs and what the Job Broker could provide. But some could offer no explanation and remained confused about why the Job Broker had not helped them.

Of those not registering for NDDP, two target groups can be identified (Pires *et al.*, 2006:81-88):

- The '*interested target group*' which comprises those:
  - aware of NDDP and/or a local Job Broker and planning to contact a Job Broker; and
  - not aware of NDDP but looking for work during the last four weeks and who said they would be interested in a service that would assist job entry or retention.
- The '*non-interested target group*' which comprises those:
  - aware of NDDP and/or a local Job Broker who were looking or expecting to work, but were not planning to contact a Job Broker; and
  - not aware of NDDP and who were looking for work during the last four weeks but said they would definitely not be interested in a service that would assist job entry or retention.

Around February/March 2004, the interested target group was 11 per cent of the eligible population. It comprised seven per cent of longer-term claimants, 12 per cent of more recent claimants not required to attend a WFI and 14 per cent of more recent claimants mandated to attend a WFI. These percentages are similar to those recorded earlier around September 2002; seven per cent for longer-term claimants and 15 per cent for more recent claimants (Woodward *et al.*, 2003:51). Suggesting that the proportion of the eligible population interested in an NDDP-type service might be relatively stable over time. That the longer-term claimants were less interested in NDDP might be because they tended to be further from the labour market compared to more recent claimants in terms of being in poorer health, their work experience, lower expectations about working in the future and perceiving more barriers to returning to work than bridges.

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<sup>14</sup> The registration process and the possibility of a Job Broker adviser influencing whether someone was registered is discussed further in Section 3.4.1.

Those in the interested target group were more likely to be male, younger (aged under 50), have a qualification and believe that they were in better health compared to the eligible population as a whole.

The non-interested target group was larger; around February/March 2004 it comprised 13 per cent of longer-term claimants, 26 per cent of more recent claimants not required to attend a WFI and 22 per cent of more recent claimants mandated to attend a WFI. Again, a smaller proportion of longer-term claimants compared to more recent claimants were in this group. Furthermore, members of this group were also more likely to be male, younger (aged under 50), have a qualification and believe that they were in better health compared to the eligible population as a whole.

That selected personal characteristics of the two target groups were similar suggested to Pires *et al.* (2006:88) that relatively little effort would be needed to persuaded the non-interested group to become more positive about NDDP. Informing them about Job Brokers' specialist and local knowledge of labour markets and the support for job entry as well as the fact that some providers have expertise in certain disabilities or health conditions might be sufficient to generate engagement with the service.

### *De-registrations*

Participants can de-register from NDDP and, if they wish, re-register with another Job Broker. In the qualitative research the number of de-registrations varied between Job Brokers from very few to up to 50 per annum (Corden *et al.*, 2003: 71). In the first two cohorts of the *Survey of Registrants* a quarter (27 per cent) of participants had de-registered over the year since their registration (for which they were sampled) (Kazimirski *et al.*, 2005: 40). (A further two per cent were uncertain of their registration status.)

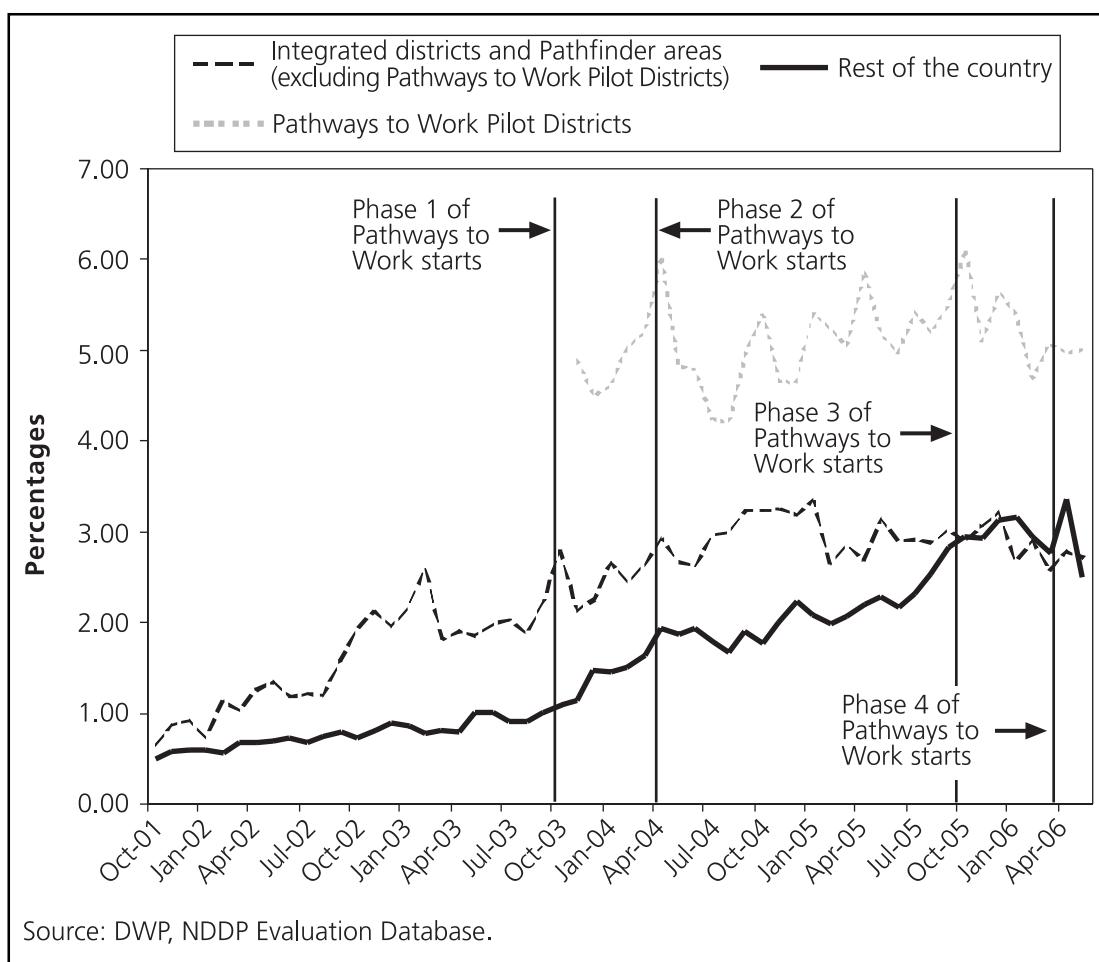
For participants the main reasons given for de-registering were that their Job Broker was unhelpful or could not do anything for them (33 per cent), or they had obtained paid work (23 per cent) (Kazimirski *et al.*, 2005: 44). Job Brokers, however, attributed de-registration to deterioration in participants' health or participants registering with another scheme that was incompatible with NDDP registration (Corden *et al.*, 2005: 71). In some instances, Job Brokers de-registered participants they judged they could not assist or where participants sought long-term training that deferred the possibility of a return to work. Some Job Brokers de-registered participants if they failed to attend a number of appointments and did not respond to letters. Job Brokers did de-register some participants even though there was no particular incentive for them to do so. Only participants had an incentive to de-register, so that they could re-register with another Job Broker.

Nonetheless, most of those de-registering left the programme. The *Survey of Registrants* shows that of those de-registering only a fifth (22 per cent) re-registered with another Job Broker (Kazimirski *et al.*, 2005: 44). When asked why they re-registered no single reason emerged as a dominant factor, although many identified something positive about the new Job Broker, such as its location or the provider seeming helpful (Kazimirski *et al.*, 2005: 45-46).

### 2.2.3 Take-up of NDDP

The rate of take-up of NDDP amongst those flowing onto the qualifying benefits has increased over time (Figure 2.4). Whilst there are monthly fluctuations, the underlying trend has been of an increase in the rate of take-up since September 2003. The overall take-up rate for the year ending May 2006 was 3.1 per cent of the eligible recent claim population. (Take-up is defined as the percentage of qualifying claims that result in an NDDP registration within six months of the start date of the claim.) Take-up rates also varied depending upon whether a participant lived in a Pathways to Work area or had a WFI (see Section 1.3.2). The take-up rate of NDDP was notably higher in the Pathways to Work pilot areas; for the year ending May 2006 it was 5.2 per cent in Pathways areas, compared to 2.9 per cent in Jobcentre Plus integrated offices and 2.7 per cent in non-integrated offices. Most of the country now has integrated local offices and the absolute number of non-integrated offices by May 2006 was quite small, consequently more claimants will hear about NDDP from Jobcentre Plus' Personal Advisers at a WFI.

**Figure 2.4 NDDP take-up within six months of claim start by type of local Jobcentre Plus office**



In part the higher take-up of NDDP in Pathways to Work pilots is due to mandatory work-focused interviews. More recent claimants were more likely to contact a Job Broker (but not necessarily register) where work-focused interviews were conducted (32 per cent) compared to both newer claimants elsewhere (20 per cent) and longer-term claimants (15 per cent) (Pires *et al.*, 2006:64-65).

## 2.3 Key characteristics of participants and partners

### 2.3.1 Comparing participants with the incapacity benefit population

This sub-section compares participants and the Incapacity Benefit population using administrative data and then compares the two populations using survey data from the evaluation.<sup>15</sup> It also examines changes in participants' characteristics over time for selected factors.

In summary, the evidence from administrative and survey data shows that whilst participants in NDDP were a heterogeneous client group in terms of their demographic and socio-economic characteristics, they did differ in certain respects from the eligible population. Moreover, the observed differences suggest that, in general, participants were more job ready than members of the eligible population, in the sense that they are more likely to have characteristics associated with increased chances of entering employment.

#### *Socio-demographic characteristics*

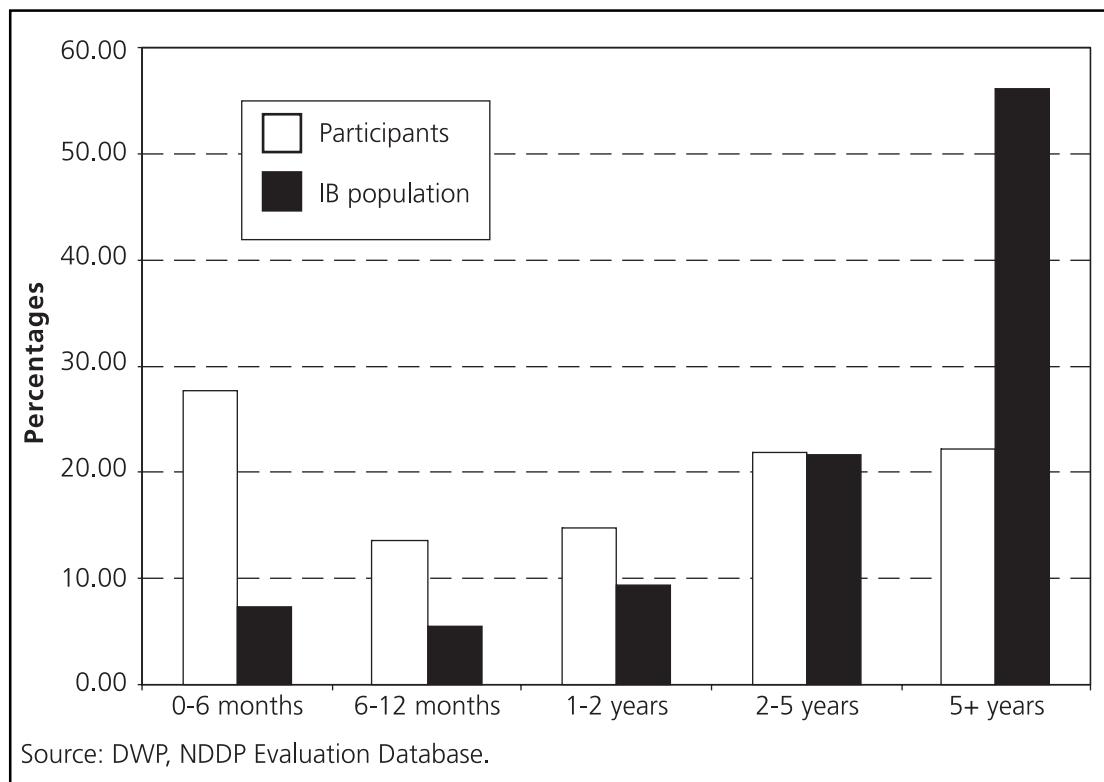
Administrative data shows that:

- a slightly higher proportion of participants were male (64 per cent) compared to the incapacity-related benefit population (56 per cent);
- participants were younger compared to the incapacity-related benefit population; 31 per cent were aged between 50 years and state pension age compared to 43 per cent of the incapacity benefit population;
- participants had, on average, claimed benefit for shorter periods of time, and this could be an indication that they were less distant from the labour market compared to the incapacity-related benefit population. Over a half (56 per cent) of NDDP participants had, for their latest benefit claim, claimed an incapacity-related benefit for less than two years, compared to 22 per cent of the incapacity-related benefit population (see Figure 2.5). Furthermore, 22 per cent of participants had claimed for five or more years, but over a half (56 per cent) of the eligible population had done so.

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<sup>15</sup> The incapacity benefit population data only refers to people in receipt of Incapacity Benefit, Income Support on the grounds of disability and Severe Disablement Allowance, it does not include claimants of other NDDP qualifying benefits. Most of those registering for NDDP are in receipt of Incapacity Benefit. The incapacity benefit data are for August 2006, and further details about the Surveys of Registrants and the Eligible Population are given in Section 1.2.2.

**Figure 2.5 Claim duration times for NDDP participants and eligible population**



### Health

Administrative data reveals that there are some differences in the main disability or health conditions of NDDP participants and the incapacity-related benefit population as a whole. NDDP participants were less likely to have a mental health condition, but more likely to have musculo-skeletal problems than the incapacity-related benefit population. Forty per cent of the incapacity-related benefit population had a mental health condition compared to 32 per cent of participants. The second largest subgroup for the incapacity-related benefit population was the fifth (19 per cent) with musculo-skeletal problems. NDDP participants are classified slightly differently but by combining three related groups,<sup>16</sup> they constituted over a third (34 per cent) of the caseload.

The participants' disabilities or health conditions over the seven months between waves 1 and 2 of interviewing of Cohorts 1 and 2 were relatively stable (Kazimirski *et al.*, 2005:168). For instance, only two per cent of respondents who had reported a health condition or disability five months after registration reported a different condition or disability as their main condition or disability at wave 2.

A tentative comparison of the Surveys of the Eligible Population and of Registrants shows<sup>17</sup> that when asked to assess their own health status, participants were more

<sup>16</sup> Problems with arms/hands, legs/feet and back/neck.

<sup>17</sup> The comparison is tentative because the data were collected using different sample designs and data collection methods.

likely to state their health was fair, good or very good and less likely to say it was bad or very bad than members of the eligible population.<sup>18</sup> Moreover, within the eligible population more recent claimants were more likely to assess their health status as better than longer-term claimants.

Participants' disabilities or health conditions had less of an impact upon their everyday activities than they did for the eligible population.<sup>19</sup> With participants more likely to say it affected everyday activities 'some' of the time (43/44 per cent) and members of the eligible population (especially longer-term claimants) more likely to claim it affected them a 'great deal' (50 to 60 per cent for wave 3).

### *Qualifications*

Participants were more likely to have a qualification than members of the eligible population.<sup>20</sup> More than three-quarters of participants had an academic or vocational qualification compared to 61 to 63 per cent of more recent claimants and 45 per cent of longer-term claimants in the eligible population (at wave 3). Nonetheless, 16 per cent of participants had a problem with a basic skill (English and/or mathematics) (Kazimirski *et al.*, 2005: 20 and Legge *et al.*, 2006: 27).

In terms of highest qualification attained, participants were more likely to possess S/NVQ Levels 4 (degrees or equivalent) and 3 (A levels or equivalent) than individuals in the wider eligible population.<sup>21</sup> However, for both participants and non-participants a fifth to a quarter had Level 2 (O level/GCSE Grade A-C equivalent) qualifications and under a tenth had Level 1 (GCSE Grade D-G) qualifications. That proportionally more participants than non-participants had higher qualifications is because more had qualifications of any level.

### *Labour market background*

Participants' attachment to the labour market appears to be stronger than that for members of the eligible population, especially compared to longer-term eligible claimants (see Box 2.1).<sup>22</sup>

<sup>18</sup> Compare Kazimirski *et al.*, 2005:21-22 and Legge *et al.*, 2006:31 with Woodward *et al.*, 2003:18 and Pires *et al.*, 2006:22-23.

<sup>19</sup> Compare Kazimirski *et al.*, 2005:163-164 and Legge *et al.*, 2006:34-35 with Woodward *et al.*, 2003:20 and Pires *et al.*, 2006:25.

<sup>20</sup> Compare Kazimirski *et al.*, 2005:17-18 and Legge *et al.*, 2006:25 with Woodward *et al.*, 2003:25-26 and Pires *et al.*, 2006:35-36.

<sup>21</sup> Compare Kazimirski *et al.*, 2005:19-20 and Legge *et al.*, 2006:26-27 with Woodward *et al.*, 2003:26 and Pires *et al.*, 2006:36.

<sup>22</sup> Direct comparisons between the *Survey of Registrants* and the *Survey of the Eligible Population* are difficult because different response categories were used.

- Not only were proportionally more participants in work at the time of the survey interview, but the proportion slightly increased over time (from 32 per cent to 37 per cent at wave 1), possibly suggesting that Job Brokers were more likely to register people closer to the labour market as the programme progressed (although it might also represent, in part, an improvement in Job Brokers' performance over time). Moreover, the proportion was higher amongst participants in Pathways to Work areas (47 per cent) compared to non-Pathways to Work areas (36 per cent) (Legge *et al.*, 2006:110).
- Proportionally more participants (in Cohorts 1 and 2) were looking for work compared to non-participants who had been claiming incapacity-related benefits for longer, although the proportions for more recent claimants (especially those with a mandatory WFI) are similar to that for participants.
- Proportionally more members of the eligible population than participants did **not** expect to work in the future. However, participants (in Cohorts 1 and 2) were as likely to expect to gain employment in the future as members of the eligible population. The higher percentage for Cohort 3 (32 per cent) may reflect that over time Job Brokers increasingly registered people closer to the labour market.

The two wave design of Cohorts 1 and 2 also enables analysis of whether referring to a bridge five months after registration indicates an increased or reduced chance of having started work seven months later. However, only two bridges have a strong association of this kind: First, substantially fewer of those who indicated that having someone to provide support in the workplace would enable them to work actually were in work at wave 2 (14 per cent compared to 23 per cent of others) (Kazimirski *et al.*, 2005:107). Whilst this bridge might identify a means of supporting some participants into work, it perhaps also identifies a potential need which may be more difficult or costly to address. Secondly, those who cited returning to their original benefit at wave 1 were somewhat less likely to be in work at wave 2 (18 per cent compared to 24 per cent of others).

The two wave design also allows an investigation of the extent to which individual participants retain or change the bridges to work they identify over the seven months between interviews. Such an analysis shows that each bridge was cited by a substantial minority of respondents at one but not at both waves. For all of the leading bridges this minority amounted to close to one in three of the entire group. For example, of those who cited working at home at wave 1, 41 per cent also cited it at wave 2 (Kazimirski *et al.*, 2005:106). A further 17 per cent of respondents felt at wave 1 (but not at wave 2) that being able to work at home would enable them to undertake paid work, and only slightly fewer (13 per cent) identified it as a bridge to work in wave 2 only. Thus, there was a gross change between waves of 30 per cent for this bridge to work. These underlying shifts were found also in the less commonly cited bridges relating to support or special equipment at work and transport.

### **Box 2.1 Labour market attachment of participants and non-participants**

**Participants in work at time of survey interview:**

Cohorts 1 and 2:	Wave 1 32%	Wave 2 37%
Cohort 3:	Wave 1 37%	

**Non-participants in work at time of survey:**

Wave 1:	Recent claimants 20%	Longer-term claimants 8%
Wave 3:	Recent claimants without WFI 19%	Recent claimants with WFI 14% Longer-term claimants 5%

**Participants looking for work at time of survey interview:**

Cohorts 1 and 2:	Wave 1 40%	Wave 2 34%
Cohort 3:	Wave 1 24%	

\*\* Note different response category – Respondents expecting to work within next six months and looking for work.

**Non-participants looking for work during last 12 months or expecting to work at time of survey interview:**

Wave 1:	Recent claimants 37%	Longer-term claimants 14%
Wave 3:	Recent claimants without WFI 28%	Recent claimants with WFI 37% Longer-term claimants 13%

**Participants expecting to work at time of survey interview:**

Cohorts 1 and 2:	Wave 1 22%	Wave 2 18%
Cohort 3:	Wave 1 32%	

\*\* Note different response category – Respondents expecting to work within next six months and looking for work are excluded.

**Non-participants expecting to work at time of survey:**

Wave 1:	Recent claimants 24%	Longer-term claimants 22%
Wave 3:	Recent claimants without WFI 26%	Recent claimants with WFI 25% Longer-term claimants 20%

**Participants not expecting to work in the future at time of survey interview:**

Cohorts 1 and 2:	Wave 1 6%	Wave 2 12%
Cohort 3:	Wave 1 7%	

**Non-participants not expecting to work in the future at time of survey:**

Wave 1:	Recent claimants 16%	Longer-term claimants 53%
Wave 3:	Recent claimants without WFI 24%	Recent claimants with WFI 20% Longer-term claimants 56%

Sources: Kazimirski *et al.*, (2005), Table 5.1; Legge *et al.*, (2006), Table 6.1; Woodward *et al.*, (2003), Table 3.2; and Pires *et al.*, (2006), Figure 3.1.

The extent to which this apparent closer attachment to the labour market by participants is the outcome of the work of Job Brokers and/or reflects a selection effect (with people more 'job ready' likely to register and/or Job Brokers being more selective over time in who they register) is unclear. As the data for the participants was collected after they had registered, some of the observed differences with the eligible population noted here may be due to the input of Job Brokers.

### *Barriers and bridges to work*

In the Surveys of the Eligible Population and of Registrants, respondents not in work were asked whether a series of factors would, on their own, enable them to work.<sup>23</sup> The percentages for each factor or statement were, in general, higher for participants than for non-participants. To facilitate a comparison between the two groups and across survey interviews the percentages have been converted to rank scores for both bridges and barriers to work (see Tables 2.1 and 2.2).

#### *Bridges*

The principal bridges to work for participants and non-participants are similar (Table 2.1). The 'top' five bridges for both groups are:

- I knew I could return to my original benefit if I needed to;
- I could decide how many hours I worked;
- I could work at home;
- I was able to take breaks when I needed to during the day;
- someone could support me at work at least some of the time.

The rank order varies between the two, with being able to do home-working more important to non-participants and knowing that they could return to their original benefit more critical to participants. Table 2.1 also shows that for non-participants childcare was more important as a bridge and 'other' factors less important than they were for participants.

That both participants and non-participants identified if '*I knew I could return to my original benefit if I needed to*' as a bridge to employment, suggests either a relatively low level of awareness or understanding of, or confidence in, the 52-week benefit rule that was operating at the time of the survey interviews as it provides some protection against reduced benefit entitlement, or that people had a perceived need that was not met by the rule.

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<sup>23</sup> For the eligible population the base also includes those in paid work for less than eight hours per week.

**Table 2.1 Respondents ranks for specified bridges to work**

	Participants			Non-participants			Wave 3 More recent claimants with WFI
	Cohorts 1 and 2		Cohort 3	Wave 1		Longer-term claimants	
	Wave 1	Wave 2	Longer-term claimants	More recent claimants	Longer-term claimants	More recent claimants	
I knew I could return to my original benefit if I needed to	1	1	1	1	2	2	2
I could decide how many hours I worked	2	2	2	4	4	3	3
I could work at home	3	3	3	2	1	1	1
I was able to take breaks when I needed to during the day	4	4	4	2	2	4	4
Someone could support me at work at least some of the time	5	6	5	5	4	5	5
Something else	6	5	—	10	10	10	10
Public transport was better	7	8	6	8	8	7	6
I had my own transport	8	7	6	9	9	8	7
I had special equipment to do the job	9	9	8	7	7	9	8
I had access to affordable childcare	10	10	9	5	6	6	8
<i>Base:</i>							
<i>Weighted/base:</i>		<i>Respondents not in work or working less than eight hours</i>		<i>Respondents not in work or working less than eight hours</i>		<i>Respondents not in work or working less than eight hours</i>	
2,235		1,588		152-581		119-436	
<i>Unweighted base:</i>		2,223		1,579		136-577	

Ranking based on percentage distributions.

Sources: Kazimirska et al., (2005), Table 4.35; Legge et al., (2006), Table 6.10; Woodward et al., (2003), Table 3.9; and Pires et al., (2006), Table 3.11.

### Barriers

Respondents were also asked about their barriers to work. In contrast to bridges to work, there was less agreement between participants and non-participants over the rank order of the barriers to work. The 'top' five barriers to work for participants were:

- there aren't enough suitable jobs locally;
- I am not sure I would be able to work regularly;
- other people's attitudes about my health condition/disability make it difficult for me to work;
- I cannot work because of my health condition or disability;
- I haven't got enough qualifications and experience to find the right work.

Of these only two (*I cannot work because of my health condition or disability* and *I am not sure I would be able to work regularly*) are in the top five for waves 1 and 3 of the eligible population. And '*There aren't enough suitable jobs locally*' is in the top five for only wave 3 of the *Survey of the Eligible Population*. For non-participants two other barriers to work predominated:

- my doctor has told me not to go to work;
- I am caring for someone who has an illness or disability.

Whilst concerns about health and ability to work and the availability of jobs are shared by participants and non-participants there were important differences, which might require different policy responses. Participants' other main barriers were based in the labour market – in the attitudes of others and their own skills and qualifications. However, non-participants also saw their wider (familial) responsibilities as a primary constraint on returning to work. It is not clear if those non-participants identifying *My doctor has told me not to go to work* were simply trying to emphasise that they were too ill to work, and/or that irrespective of their views on their ability to return to work they had actually been instructed by their General Practitioner/consultant not to return to work.

In addition, barriers, in contrast to bridges, tended to be more closely associated with outcomes. For the following four barriers, those citing any one at wave 1 were found to have at wave 2 job entry rates seven to 11 per cent **lower** than others (Kazimirski et al., 2005:109-110):

- I am not sure I would be able to work regularly;
- I cannot work because of my illness or disability;
- I don't feel confident about working;
- I'm not sure I'd be better off in work than on benefits.

It follows that two key barriers for participants, those who felt that there were insufficient job opportunities locally or that they would be unlikely to get a job because of their age, were not significantly less likely than others to be in work at wave 2. So persuading more participants that suitable opportunities do exist and/or that age discrimination can be overcome may not lead to any more jobs entries.

The cumulative effect of barriers was also evident. Of those reporting no or only one barrier at wave 1, 33 per cent were in paid work at wave 2. This proportion then declines sharply as the number of stated barriers increases, such that only half as many (18 per cent) of those with four or five wave 1 barriers were in work when interviewed again. In general, tackling barriers to work seems a promising strategy for increasing job entries. However, it is important to remember that these are self-reported barriers, and to some extent will reflect participants' perceptions as well as actual barriers.

In terms of changes in named barriers at the individual level, for all seven leading barriers (see Table 2.2) between 10 and 18 per cent of respondents mentioned the factor at wave 1 but not at wave 2 (Kazimirski *et al.*, 2005:109). Similar proportions changed their responses in the opposite direction. In total, these 'changers' often matched or outnumbered those who referred to a barrier at both waves of interviewing. So the perceived obstacles faced by participants who remain out of work may change rapidly.

These changes in respondents' perceptions of bridges and barriers may reflect changes in their health status, attitudes towards work and/or assessment of the effect their health has on their ability to undertake everyday activities. Or changes in perceived bridges and barriers might be due to participants having gained useful advice, information and/or support from Job Brokers (and possibly others). However, the observed changes may also reflect a degree of randomness in how respondents would answer the questions posed. In any event, the implication is that Job Brokers have to be alert to short-term and long-term changes in participants' perceptions of their barriers and bridges to work.

**Table 2.2 Respondents ranks for specified barriers to work**

	Participants			Wave 1			Non-participants			Wave 3		
	Cohorts 1 and 2		Cohort 3	Longer-term claimants		More recent claimants	Longer-term claimants		More recent claimants without WFI	More recent claimants with WFI		
	Wave 1	Wave 2										
There aren't enough suitable jobs locally	1	1	1	10	9	5	5	5	5	5	5	5
I am not sure I would be able to work regularly	2	2	3	3	4	3	3	4	4	4	4	4
Other people's attitudes about my health condition/disability make it difficult for me to work	3	5	4	6	5	8	8	11	11	7	7	7
I cannot work because of my health condition or disability	4	3	2	1	1	1	1	1	1	1	1	1
I haven't got enough qualifications and experience to find the right work	5	4	5	9	8	6	6	6	6	6	6	6
I don't feel confident about working	6	6	6	5	7	6	6	8	8	7	7	7
I'm unlikely to get a job because of my age	7	9	9	7	6	9	9	9	9	9	9	9
I'm not sure I'd be better off in work than on benefits	7	7	8	8	10	11	11	10	10	11	11	11
My doctor has told me not to go to work	9	8	7	2	2	2	2	2	2	2	2	2
I cannot work because of my childcare responsibilities	10	10	10	11	11	10	10	7	7	10	10	10
I am caring for someone who has an illness or disability	10	10	10	4	3	4	4	[3]	[3]	3	3	3
My family don't want me to work												
Base:	Respondents not in work at both waves		Respondents not in paid work	Respondents not working less than eight hours		Respondents not in work or working less than eight hours		Respondents not in work or working less than eight hours				
Weighted base:	2,235	1,588	55-581	35-436	63-629	60-539	74-839					
Unweighted base:	2,223	1,579	57-577	38-434	66-628	59-531	75-838					

Ranking based on percentage distributions.

Sources: Kazimirska et al., (2005), Table 4.37; Legge et al., (2006), Table 6.7; Woodward et al., (2003), Table 3.13; and Pires et al., (2006), Table 3.15.

### 2.3.2 Labour market history of participants

The Surveys of Registrants collected information on participants' work histories over the two years prior to their registration (Kazimirski *et al.*, 2005:26-37; Legge *et al.*, 2006:39-46).

Overall, there was a significant change in the participants' relationship with the labour market in the two years leading up to registration. There was a decline in the proportion economically active and a corresponding increase in the proportion inactive. Of those economically active, there was, as might be expected, a steady but significant decrease over the two-year period in the proportion in paid work; a fall from 30 per cent to ten per cent for participants in Cohorts 1 and 2 and from 40 per cent to 14 per cent for those in Cohort 3.<sup>24</sup> That both percentages are higher for Cohort 3 might indicate that following changes to NDDP in 2003 (see Section 1.3.2), Job Brokers sought to register people closer to the labour market and could delay registration until they were confident someone was likely to obtain a job. The fall in employment is mirrored by an increase in the proportion looking for work; a rise from 12 per cent to 21 per cent for participants in Cohorts 1 and 2 and from six per cent to 19 per cent in Cohort 3.

There were smaller changes amongst those economically inactive. The proportion of respondents who described their main activity as living with a health condition/disability increased in Cohorts 1 and 2 from 21 per cent to 24 per cent and for Cohort 3 from 21 per cent to 28 per cent. For those looking after the home or caring it rose slightly from 13 per cent to 15 per cent for Cohorts 1 and 2, and from 16 per cent to 19 per cent for Cohort 3. For those who were claiming benefits the increases were ten per cent to 14 per cent and ten per cent to 13 per cent for Cohort 1 and 2 and Cohort 3, respectively. The changes in other activities were small.

However, the above figures mask changes over time at the individual level. Over the two-year period as a whole, many participants had been in work for at least one month; 35 per cent for Cohorts 1 and 2, but a higher 49 per cent for Cohort 3. Of those who had worked over the period, around four in ten had worked for less than one year (38 per cent for Cohorts 1 and 3 and 40 per cent for Cohort 3). Moreover, a significant minority (18 per cent for Cohorts 1 and 3 and 12 per cent for Cohort 3) had worked for the full two years.

Nonetheless, over a fifth of participants (24 per cent for Cohorts 1 and 3 and 22 per cent for Cohort 3) had spent at least one month looking for work.

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<sup>24</sup> Paid work includes employee work, self-employment, Permitted Work and full-time education with part-time work. It does not take into account the number of hours worked each week.

### 2.3.3 Partners of participants

A substantial proportion of participants had a partner (44 per cent for Cohorts 1 and 2 and 44 per cent for Cohort 3) (Stafford *et al.*, 2006:119, Legge *et al.*, 2006:186).<sup>25</sup> Male participants were more likely to have a partner than female participants, as were older respondents (Legge *et al.*, 2006:186). However, participants were less likely to have a partner than non-participants (49 per cent) (Stafford *et al.*, 2006:119), that is, members of the eligible population with partners were less likely to register on NDDP.

Key socio-demographic characteristics of the partners of NDDP participants were as follows:

- Most partners were female (64 per cent in Cohort 3; Legge *et al.*, 2005:185).
- A substantial proportion reported a limiting disability or health condition (31 per cent per cent for Cohorts 1 and 2 and 45 per cent for Cohort 3) (Stafford *et al.*, 2006:123; Legge *et al.*, 2006:191). In Cohort 3, most partners reported having chronic, systematic and progressive conditions (19 per cent), musculo-skeletal (15 per cent) and a mental health condition (six per cent) (Legge *et al.*, 2006:192). In addition, 88 per cent of partners judged their health to be 'fair', 'good' or 'very good' (Legge *et al.*, 2006:191).
- Most had an educational qualification (68 per cent per cent for Cohorts 1 and 2 and 71 per cent for Cohort 3) (Stafford *et al.*, 2006:124; Legge *et al.*, 2006:188).<sup>26</sup>
- A significant minority cared for a sick or disabled adult (26 per cent per cent for Cohorts 1 and 2 and 20 per cent for Cohort 3) (Stafford *et al.*, 2006:125; Legge *et al.*, 2006:193).

In addition, participants with partners were slightly less likely to have dependent children (38 per cent) than non-participants (41 per cent) (Stafford *et al.*, 2006:120).

In terms of employment, partners tended to be more like the working age population as a whole compared to those in the eligible population (Stafford *et al.*, 2006:125-126). They were more orientated towards paid work than couples in the eligible population. For Cohorts 1 and 2, male partners were almost as likely to be in paid work (80 per cent) as men in working age couples (83 per cent), and were much more likely to be in paid work than male partners in the NDDP eligible population as a whole (56 per cent).<sup>27</sup> Female partners, however, were much less likely to be in paid work (57 per cent) than women in working age couples (70 per cent). One possible

<sup>25</sup> The analysis of partners in Cohorts 1 and 2 presented here is based on the wave 1 data for both cohorts.

<sup>26</sup> In only ten per cent of couples involved with NDDP did neither partner have a qualification (Legge *et al.*, 2006:188).

<sup>27</sup> The economic activities of partners in Cohort 3 are discussed in Legge *et al.*, (2006:193-195). Eighty-one per cent of male and 67 per cent of female partners had been in paid work one month before their partner's registration with NDDP.

explanation for this is that male disability or ill-health could have more impact on the work of households where traditional views are held regarding gender roles. Nonetheless, female partners of participants were still closer, in terms of the proportions in paid work, to working age couples (70 per cent) than to the NDDP eligible population as a whole (39 per cent).

## 2.4 Key characteristics of organisations employing NDDP participants

Employers who recruited an NDDP participant were not representative of employment establishments in general. The *Survey of Employers* shows that employers who had recruited a participant were, in comparison to UK employers, more likely to (Dewson *et al.*, 2005b:11-13):

- be medium- or large-sized establishments (with 50 or more employees); and
- in the public and not-for-profit sectors, especially in the public administration, education and health sector and the social and other services sector.

In addition, the sampled employers were more likely to (Dewson *et al.*, 2005b:15-18):

- be single-site establishments (39 per cent) than multi-site establishments (61 per cent);
- have experienced recruitment difficulties during the previous 12 months (46 per cent compared to 49 per cent who had no such problems);
- have an in-house personnel or human resource function (61 per cent compared to 39 per cent with no personnel department); and
- have had a written equal opportunities policy that covered the employment of disabled people (69 per cent compared to 31 per cent with no such policy).

Job Brokers assessed their local employers' attitudes towards employing someone on NDDP as 'lukewarm' with there being only positive support for NDDP from a minority of employers (McDonald *et al.*, 2004:33-34). For instance, two-thirds (66 per cent) of Job Brokers said a minority of employers were positive about NDDP and already employed people who had registered for the programme.

### 3 Delivering New Deal for Disabled People

#### Summary

- Organisations from the private, public and voluntary sectors successfully bid to deliver New Deal for Disabled People (NDDP). The number of local authorities the Job Brokers intended to cover varied between one and 183, with most covering a relatively small area.
- Most of the organisations were engaged in activities other than job broking.
- Job Brokers differed in how they organised themselves internally; some had dedicated staff, others shared staff with other organisational functions. How the provider organisations managed and delivered the programme changed over time, for example, there was an increase in staff having more specialist (as opposed to generic) roles within the service.
- The number of cases allocated to frontline staff varied and increased over time. Early on some advisers had caseloads of 70-100 participants, but by early 2004 several Job Brokers had caseloads of around 150, with the highest being 300-400.
- In general, Job Brokers believed that the impact of NDDP on their own organisations had been positive, especially as it was seen as expanding their organisation's activities.
- There was a large variation in Job Brokers' costs and profitability, with the cost to Job Brokers of delivering NDDP to a typical participant probably between £600 and £900. Smaller-sized Job Brokers were more likely to have made a financial loss on NDDP, and larger-sized brokers a profit.

- The funding and contractual regimes for Job Brokers and how they changed over time were critical to how Job Brokers operated and delivered NDDP. Although some Job Brokers claimed that the funding regime had no effect on service provision or delivery, for others not fully recovering costs meant cross-subsidisation from other internal or external sources, increases in caseloads and/or cuts in the resourcing of the job broking service. Changes to the funding and contractual arrangements meant that Job Brokers became more focused on registering potential participants closer to work. Nonetheless, Job Brokers tended to support the principle of outcome-related funding.
- Most Job Brokers had proposed to operate some form of partnership with other organisations. Most Job Brokers had a public sector body as a partner. Various forms of informal and formal relationships were in operation.
- Relationships between Job Brokers and Jobcentre Plus locally were varied, complex and, in general, improved over time. Job Brokers tended to say that local Jobcentre Plus staff's understanding of the job broking service had improved over time. For Job Brokers, links with local Jobcentre Plus offices were important because Jobcentre Plus was a source of potential participants; Job Brokers could use Disability Employment Advisers (DEAs) to access Jobcentre Plus services; and Job Brokers could use local Jobcentre Plus offices as venues to meet with (potential) participants.
- In general, employers were not in regular contact with Job Brokers. Employers' contacts with Job Brokers were often initiated by Job Brokers and focused on particular job vacancies.
- The ways in which participants first heard of NDDP or of local Job Brokers changed over time, with Jobcentre Plus becoming the most common means by which participants first heard about the service.
- (Potential) participants were meant to have a choice of Job Broker. However, only around one in six had contacted any other Job Brokers before making their decision to register. Where some choice had been exercised, this was rarely on the basis of information about the components of Job Brokers' services but on other considerations, such as ease of access to the Job Broker's premises. Where a participant's route to a Job Broker was indirect, for example via Jobcentre Plus, participants were usually aware that other Job Brokers operated in the same area.
- Whilst, formally, Job Brokers could not refuse to register anyone wishing to do so, some providers had strategies for ensuring that some people (for example, those that were too ill) did not register on the programme. There is some evidence that some Job Brokers were also 'creaming' those people who were more job ready in order to cope with increasing workloads and limited resources, or to maximise fee income. This practice by Job Brokers appears to have become more prevalent over time.

- Job Brokers could provide a wide range of services. Individual Job Brokers delivered a mix of services often involving more or more of the following:
  - basic skills assessments and production of Action Plans;
  - advice about vocational direction;
  - advice and help with job searching;
  - financial advice;
  - in-work support; and
  - training and work placements.
- In general participants expressed fairly positive views about the service they had received from Job Brokers. Similarly, employers reported few problems with working with Job Brokers.
- Participants and employers also used services provided by other organisations, notably by Jobcentre Plus. In some cases, Job Brokers referred participants to these other organisations for advice and support.

This chapter discusses the main features of Job Brokers (Section 3.1), including their relationship with Jobcentre Plus (Section 3.3.2) and employers (Section 3.3.3). The process whereby people registered with a Job Broker is covered in Section 3.4. The range of services provided by Job Brokers (Section 3.5) and other organisations (3.7) is also outlined. Participants' and employers' assessments of the Job Brokers' services are presented in Section 3.6.

## 3.1 Job Brokers

### 3.1.1 Provider types

Sixty-four organisations from the public, private and voluntary sectors successfully bid to provide job broking services (Stafford *et al.*, 2004:59). Whilst many of the bids involved consortia and partnership arrangements, it is possible to classify each bid by the sector of the lead organisation. Four out of ten (42 per cent) of the original NDDP contract holders were from the voluntary sector. These ranged from well-known national disability charities, some specialising in specific impairments, to local organisations covering general and specific disabilities as well as community and social welfare organisations who served disadvantaged people in general. Nearly one-third (31 per cent) of Job Brokers were from the public sector. These included social services or economic development departments of county, city, metropolitan or borough councils as well as NHS Trusts, Community Mental Health teams and the then Employment Service. The remaining quarter (27 per cent) were private sector organisations, many of which were national or regional organisations experienced in training and supporting people into employment.

Many Job Brokers were registered charities. Of those taking part in the *Survey of Job Brokers* over half (53 per cent) were registered charities, and nearly nine in ten (88 per cent) of voluntary sector-led organisations were registered as a charity.

Jobcentre Plus' Job Brokers were managed and operated separately from other Jobcentre Plus services and had the same access to Jobcentre Plus services for disabled people as other Job Brokers (Lewis *et al.*, 2005:29).

Over time the number and composition of those providing NDDP has changed. Some organisations withdrew from job broking, whilst others through subsequent procurement rounds sought to extend the areas they covered (see Table 1.5). Organisations new to job broking also won contracts in subsequent procurement exercises.

### **3.1.2 Coverage**

Job Brokers bid to deliver NDDP services within local authorities they specified in their tenders. The number of local authorities covered by each Job Broker during the initial set up of NDDP in 2001 varied considerably and ranged from one to 183 (Stafford *et al.*, 2004:60). Typically, however, Job Broker contracts covered relatively few areas, for example, 14 of the 64 original organisations covered only one local authority. Nearly two-thirds of the Job Brokers bid to cover ten or less areas, and just two organisations bid for more than 100 local authorities.

### **3.1.3 Wider organisational setting**

Throughout the life of the programme many of the providers engaged in activities other than job broking (Corden *et al.*, 2003:8; Lewis *et al.*, 2005:29). These wider activities included delivery of other disability programmes (such as Work Preparation and WORKSTEP) and other employment programmes (for example, other New Deals, Employment Zones, Programme Centre, etc), as well as other schemes (like Health Action Zones and youth projects). As a consequence there were differences among Job Brokers in how far they were already specialists in working with disabled people and/or supporting people in moving into or towards work.

The profile of the NDDP contract within the wider organisation could also vary and change over time (Lewis *et al.*, 2005:29). In some organisations managers thought the profile of the service had increased, with firmer commitment from the wider organisation reflecting rising registrations and improved financial performance. In other organisations, however, the profile of the service had decreased with reductions in staffing levels and sometimes a decision not to bid for a contract extension.

The degree to which the job broking service was integrated into the parent organisation varied. There were, initially at least, four organisational models of integration (Corden *et al.*, 2003:9):

- The Job Broker service was run as a completely separate activity, with no integration with other existing services. Staff working on other services might be seen as a source of advice or contacts, and Job Broker participants might have previously been users of other services or might de-register from the Job Broker service and instead use another one.

- The Job Broker service was run as a separate activity but with some use of other services (for instance, training courses) run by the organisation.
- The Job Broker service was completely integrated within the organisation's other activities. Here, no new services or provision were set up under the Job Broker contract: the Job Broker contract was essentially seen as a source of people for existing services, nothing distinctive was provided within it and it was thought that staff would often not be aware of Job Broker participants as a distinct group at all.
- The Job Broker service was the sole activity of the organisation, so that there were no other services or activities offered. (There might, however, have been an intention to set up other services or activities in the future.)

Over time there was evidence that in some organisations the job broking function became more integrated with other services (Lewis *et al.*, 2005:29). For instance, services were integrated at management level.

### 3.1.4 Staffing

There were also differences in how far job broking services had separate staffing arrangements, or shared staff with other services (Corden *et al.*, 2003:62; Lewis *et al.*, 2005:30). In some organisations, the Job Broker service had dedicated frontline adviser staff who worked solely on the Job Broker service. Other staff, such as managers, administrative staff and marketing staff generally worked on other contracts alongside the Job Broker service. Elsewhere, some or all of the frontline adviser staff divided their time between the Job Broker service and other services or contracts. Over time organisations could change the extent to which staff involved with NDDP were dedicated or non-dedicated to the contract (Lewis *et al.*, 2005:30). However, neither approach was consistently seen as a more effective way of organising staff. Dedicated staffing was believed to build up staff expertise, whilst non-dedicated staffing was thought to avoid marginalisation or isolation of NDDP, to maintain flexibility if caseloads varied, and to provide cover for staff absences.

A further aspect of the organisation of staffing was the extent to which Job Broker frontline staff had generic roles (working with the same participants throughout their contact with the service), or specialist roles (Corden *et al.*, 2003:11-12). It appears that where staff roles changed they tended to move from generic to specialist roles, in particular the greater use of staff in specialising in delivering in-work support (Corden *et al.*, 2003:11; Lewis *et al.*, 2005:30). The perceived advantages of specialist working were that it allowed staff to develop expertise in an area of work and so strengthen service delivery, and helped to build team working.

### 3.1.5 Caseloads

Job Brokers also allocated participants to staff in different ways (McDonald *et al.*, 2004:17-18). Over one-third of Job Brokers (37 per cent) said participants were primarily allocated depending on the participant's geographical location. Over a sixth (16 per cent) said participants were allocated to whoever was available and for a seventh (14 per cent) participants were allocated depending on the support they required.

The number of cases allocated to frontline staff varied. Around November-December 2002 the mean number of cases allocated was 43 and the median was 35 cases (McDonald *et al.*, 2004:11). The qualitative research shows that over time staff caseloads grew (Corden *et al.*, 2003:13; Lewis *et al.*, 2005:30-31). Early on some advisers had caseloads of 70-100 participants, but by early 2004 several Job Brokers had caseloads of around 150, with the highest being 300-400. The caseloads were heterogeneous in nature – some participants were actively engaged with their advisers, but some were not in active contact with their adviser.

Nevertheless, Job Brokers sometimes felt that such caseloads were unfeasibly high and that they were unable to provide the support needed by all participants (Corden *et al.*, 2003:37-38; Lewis *et al.*, 2005:31). Building up registrations to meet registration targets could be seen to leave Job Brokers with more participants than they could adequately support. High participant caseloads were believed by some advisers to have the effect of reducing services to participants, for example, in the frequency and number of contacts, in support for job search and in undertaking contacts with employers. As a consequence, some Job Brokers increasingly made decisions about who they registered, based on the likely timescale of participants moving into work. Some also prioritise participants who were already job ready or likely to become so more quickly within their caseloads. Participants could also report that their adviser was overloaded with work and dwindling contacts with advisers (Lewis *et al.*, 2005:31).

### 3.1.6 Impacts of NDDP on Job Brokers

In general, Job Brokers perceived the various impacts of NDDP on their own organisations as positive (Corden *et al.*, 2003:47-48). The programme was seen as expanding an organisation's activities through:

- generating a new income stream or source of funding;
- widening the operation of the organisation;
- expanding its workforce; and/or
- leading to more engagement with other organisations and providers, and more generally it was seen as raising the profile of the parent organisation.

For some organisations NDDP also raised awareness of disability within the organisation as a whole, particularly if this was a new area of operation, and led to the acquisition of new skills and knowledge. Where the Job Broker contract was being operated by a number of different areas or offices, it had sometimes led to better communication within the wider organisation, with more discussion of experiences or difficulties and more sharing of good practice.

In addition, the programme could impact on the organisation's approaches to, or ways of, working. The key features of the Job Broker contract – the emphasis on outcomes and targets – had led to a more focused way of working with more attention to '*moving people on*' and helping clients to achieve changes and results.

The service was also described as having been '*a catalyst*' for more efficient practices and resource usage, with more focus on training, management systems and staff development (Corden *et al.*, 2003:48). It was also sometimes felt that the demands of the job broking contracts had stimulated more creative approaches to work, a willingness to experiment with different ways of working, a broader outlook and a more flexible and '*fresher*' approach to working.

Notwithstanding these perceived benefits of the programme, to some organisations there were consequences that were viewed as negative (Corden *et al.*, 2003:48). Essentially, Job Brokers saw themselves as operating in an unsupportive environment. The initial version of the funding regime (see Section 3.2) was seen as unfair, especially by smaller Job Brokers who had limited access to other resources. Most of the Job Brokers in the qualitative research had had to subsidise the Job Broker service internally from other funds. Although some felt that the service had become self-funding, or would do so at some point, not all believed it would (the profitability of the contract is discussed further in Section 3.1.7). There were also concerns that the NDDP contract had diverted resources away from other areas of operation, and that operating under acute financial pressures had been demoralising for staff and managers. Where funding arrangements meant that there had been changes to the level or nature of service given, or where they had led to different approaches to prioritising cases, there were often concerns about organisational or personal standards of practice being compromised.

In addition, in more extreme cases where the Job Broker service had become marginalised within the organisation, staff felt that they were inadequately supported by the organisation in terms of training, scope for team work or peer support, supervision, management and access to knowledge and information. Elsewhere, however, although they felt the job was pressured and demanding, staff emphasised the job satisfaction they gained from their work.

### **3.1.7 Job Brokers' costs and profitability**

The evaluation includes an analysis of Job Brokers' costs (Greenberg and Davis, 2007) (and the methodology used is summarised in Section 5.1.2). This cost analysis reveals that there was a large variation in Job Brokers' costs and profitability, with the cost to Job Brokers of delivering NDDP to a typical participant probably between

£600 and £900 in 2002/03 (Greenberg and Davis, 2007).<sup>28</sup> This range includes about £25 (or three per cent of total expenditures) paid to other organisations for providing services to participants.

It is possible to calculate the profits or losses incurred by Job Brokers by subtracting the costs they incurred from the outcome payments received for participants from the Department (Greenberg and Davis, 2007). In the cost analysis the average outcome payment received was £857 per participant in 2002/03. On this basis, 13 of the 19 Job Brokers in the cost analysis suffered net losses, and six appeared to have made a profit. The average Job Broker incurred a loss of over £300 per participant. Nonetheless, the analysis suggests that it is the smaller-sized Job Brokers (in terms of numbers of registrations) that tended to lose money, whilst the larger Job Brokers were likely to be profitable.

Costs and profits (or losses) per participant appear to be associated with the:

- number of participants;
- type of Job Broker; and (possibly)
- rate of sustained employment achieved.

#### *Number of participants*

Much of the variation in costs and profits is associated with differences amongst Job Brokers in the number of customers they had registered, which suggests that there were large economies of scale (Greenberg and Davis, 2007). Larger Job Brokers tended to have lower costs than smaller Job Brokers and to be more profitable. So, for example, costs per participant for a typical Job Broker would fall by £2 to £4 as a result of a one per cent increase in the number of participants at that Job Broker, and profits would increase by around £4 or £5 per participant.

As the costs of smaller Job Brokers tended to be relatively high and the fraction of their participants that they placed in jobs tended to be relatively low, Job Broker size was also strongly inversely related to costs per placement and costs per sustained job (Greenberg and Davis, 2007). For example, a one per cent increase in the number of participants at a Job Broker of average size would reduce that Job Broker's costs per sustained job by around £60.

#### *Job Broker type*

Type of Job Broker was also significant. Costs incurred by public or private sector Job Brokers were £283 to £361 higher per participant than they were for other Job Brokers, and the profits of Job Brokers in the public or private sectors appeared to be around £500 lower per participant than those of other Job Brokers (Greenberg and Davis, 2007).

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<sup>28</sup> Jobcentre Plus also incurred costs of over £127 per participant in administering NDDP (Greenberg and Davis, 2007)

### *Sustainment rate*

For each Job Broker, the proportion of participants that achieve sustained employment for at least six months was associated with Job Brokers' costs (Greenberg and Davis, 2007). A spending increase by a typical Job Broker of £30 or £40 per participant was associated with a one per cent increase in rate of sustainment.

(The rate of sustainment does not have a statistically significant relationship with profits because the increase in the amount of the outcome payment that resulted from a higher sustainment rate tended to be offset by an increase in costs.)

## 3.2 Funding and contractual regimes

### **3.2.1 Overview of the funding regime**

The funding and contractual regimes for Job Brokers and how they changed over time are central to understanding how Job Brokers operated and delivered the programme. The qualitative research suggests that there were three key events that impacted upon Job Brokers (see also Section 1.3.2):

- the original structure of the funding regime and changes to it in October 2003;
- the associated introduction of a minimum requirement to convert 25 per cent of registrations to job entries by March 2004;
- the introduction of district profiling of Job Brokers' targets from April 2005.

In general, changes to the funding and contractual regimes were welcomed by Job Brokers, and in part they were a response to criticisms Job Brokers had of the original funding regime.

The costs Job Brokers actually incurred in running NDDP are discussed in Section 3.1.7, this section focuses on respondents' perceptions of the funding and contractual arrangements and of their impacts on Job Brokers.

### *Original and revised funding arrangements*

Job Brokers operated under an outcome-related funding regime. As already mentioned (Section 1.3.1), Job Brokers received a registration fee for each participant and outcome payments for both job entries and sustained employment.

Initially, the majority of Job Brokers received £100 per participant, and this was increased to £300 in October 2003. The Department increased the registration fee in recognition that Job Brokers had to develop appropriate 'back to work' plans to support people wanting to move into work, and to review and use these plans with participants.

However, Job Brokers' funding was mainly based on job entry and sustained employment outcomes. Funded outcomes were paid for employment and self-employment of more than eight hours per week; although the weighting applied by

the Department to the Job Brokers' contract profiles means that at least 75 per cent of job outcome payments were for full-time jobs. Job Brokers received more for a full-time (that is 16 or more hours per week) job entry by a participant than for a part-time job entry (that is, eight to 15 hours per week). (Outcomes that were not funded were: supported employment, voluntary work, education and training and part-time paid work of less than eight hours.) Separate elements were paid for job entries and sustained employment, but the amount of the payments varied between Job Brokers and was negotiated as part of the contract procurement process with the Department. For example, payments for entry to a full-time job ranged from £500 to £2,368 with a mean of £1,155 (2001 prices) (Stafford *et al.*, 2004:67).

Sustained employment was originally defined as having been achieved when a participant had been in work for at least 26 weeks out of the first 39 weeks following job entry. From October 2003, Job Brokers could claim the sustained outcome payment based on the participant having completed 13 weeks' employment.<sup>29</sup> However, Job Brokers were required to continue to provide ongoing support for a minimum of six months after someone had moved into work.

To help ensure that the programme budget was not exceeded, Job Brokers' contracts contain targets for numbers of registrations, job entries and sustained jobs. In addition, there was a specified maximum amount of funding (the Maximum Indicated Contract Value) that could be paid to each Job Broker.

#### *Minimum requirement for conversion rate*

Owing to the focus on securing registrations at the beginning of the programme, some Job Brokers had accumulated a large number of participants who had not entered work. There was concern within the Department for Work and Pensions (DWP) that some of these participants were no longer receiving services and that Job Brokers were not working with them towards job entry. As part of the autumn 2003 procurement exercise, the Department introduced revised service standards for Job Brokers. Existing Job Brokers were able to bid to continue their operation, provided they met new standards of performance and service. This included the minimum requirement that Job Brokers convert 25 per cent of registrations to job entries. If existing Job Brokers contracts were to be extended in current and new areas, then this had to be achieved by March 2004 or earlier.

#### *District profiles*

In April 2005 those Job Brokers who had bid for additional coverage in the limited procurement exercise of December 2004 signed contracts that required them to adhere to a maximum performance profile, defined monthly and by Jobcentre Plus district. These profiles were set by Job Brokers themselves, based on the total number

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<sup>29</sup> This brought NDDP into line with the definition of sustained employment used in other New Deals.

of outcomes they anticipated being able to provide over the life of the contract, and varied both from one organisation to another, and from month to month, with some anticipating seasonal fluctuations while others remained at a consistent level throughout. The monthly profiles were designed to ensure more consistent delivery of the programme throughout the country and help ensure that Job Brokers did not exceed their Maximum Indicated Contract Value before the end of the contract, which would leave some participants without services before new provision began (Davis *et al.*, 2006:24).

Job Brokers who had not extended their coverage in the December 2004 round of procurement were encouraged to sign up to these conditions, although some remained on pre-existing contracts under the terms of which they were required not to exceed their Maximum Indicated Contract Value.

### **3.2.2 Impacts of the funding and contractual arrangements**

Early on in the programme most of the Job Brokers sampled in the qualitative research had failed to meet their contractual targets (Corden *et al.*, 2003:39; Davis *et al.*, 2006:17). Whilst they tended to meet their registration targets they were less successful with their job entry and sustained employment targets (Corden *et al.*, 2003:37-38). This was because they had typically under-estimated the time and resources that participants required. There was a widespread view that the NDDP client group required more support to move into work than clients of other back-to-work programmes. As a consequence, a 'funding gap' emerged for most Job Brokers in the sample. To overcome this funding gap, Job Brokers turned to three other sources of funding (Corden *et al.*, 2003:40):

- other internal sources, which could be used to cross-subsidise NDDP;
- other external funding particularly European Social Fund funding, which could be used to support the Job Broker service (see also Lewis *et al.*, 2005:42); and
- the Department provided 'advance funding' for some charitable Job Brokers to help with cash flow. (Here Job Brokers were given payments, in exchange for lower outcome payments, to fund some aspect of the service, such as marketing, that required them to make outgoings before they had received any income from job entry payments.)

In addition, some Job Brokers successfully renegotiated their targets with the DWP (Corden *et al.*, 2003:38).

Later on some Job Broker managers thought that the financial performance of the Job Broker service had improved (Lewis *et al.*, 2005:41). Some services were still subsidised, but this was perceived as a more stable situation than previously, with the provision of the NDDP programme meeting the organisation's objectives in some other ways (Lewis *et al.*, 2005:40). Although by spring 2004 some organisations had decided to withdraw from the contract or were uncertain about whether to continue, others reported that the service was breaking even or was self-funding.

### *Impacts on service provision*

The extent to which the funding regime impacted upon services varied between Job Brokers (Corden *et al.*, 2003:39; Lewis *et al.*, 2005:41). Some Job Brokers claimed the funding regime had not had an effect on service delivery or provision. Nevertheless, for some Job Brokers the funding structure had a number of impacts on service delivery and provision. Not fully recovering costs from the programme did lead to, for example (Corden *et al.*, 2003:42; Lewis *et al.*, 2005:41):

- lower staffing levels, which led to waiting lists for registrations and higher caseloads, with the latter affecting contact times;
- less publicity (which in turn may have exacerbated low levels of registrations);
- more use of internal services to prepare (potential) participants for registration on NDDP; and
- increased use of services provided by other organisations, for example, Access to Work and Modern Apprenticeships.

In addition, some Jobcentre Plus staff and DEAs expressed concerns that it had led to a reduction in services, and that some Job Brokers were being paid for work DEAs had done (Corden *et al.*, 2003:43).

### *Impact on registrations and prioritisation of participants*

The three key features of the funding and contractual regime highlighted above did impact upon Job Brokers in similar ways. Job Brokers did become more focused on (potential) participants closer to work (Lewis *et al.*, 2005:41), partly to gain job entry and sustainable employment payments, but also to meet the conversion minimum requirement and monthly profiles, and because such participants could require less support (Corden *et al.*, 2003:43). As already mentioned above, during the early months of the programme, Job Brokers registered as many participants as possible at their first meeting with them, with some managers seeking to maximise the income generated by registrations (Corden *et al.*, 2003:43; Davis *et al.*, 2006:17). However, this practice was sometimes subsequently replaced by a more cautious approach because of the amount of staff time that could be required to support each participant (see also Section 3.4.1).

In addition, the emerging focus on conversion rates encouraged some Job Brokers to only register people who were suitable for the programme (Davis *et al.*, 2006:17). Criteria for judging suitability might differ subtly between Job Brokers, and even amongst staff members within the same organisation. Nevertheless, the key factors that seemed to be taken into account were the job readiness of the participant and the amount of time and resources that they might require in order to achieve a job entry.

Furthermore, the introduction in April 2005 of monthly district profiles for each Job Broker seems to have influenced registration practices (see Section 3.2.1) (Davis *et al.*, 2006:26-28). Some respondents believed that the new focus on monthly performance led to Job Brokers trying to register people closer to the labour market. Job Brokers had to be confident that they could convert registrations into job entries within a reasonably short period of time. This could be achieved by registering people who were able to find work themselves or required minimal time and intervention to obtain employment. Individuals requiring more support, because they were further from the labour market could be referred to other organisations and services, and this included referring the 'hard to help' back to DEAs. Survey evidence on participants' durations on NDDP before entering their first post-registration job supports the view that Job Brokers were registering people requiring little additional help (see Section 4.2.2). However, this does not mean that the programme did not have a positive impact, or that it did not help those further away from the labour market (see Section 5.2). It also possibly shows that Job Brokers became increasingly more realistic about who they could help, and consequently were able to give participants better information about whether they (or another organisation) would be likely to assist them.

Nonetheless, some Job Brokers continued to have 'open' registration practices and to make the service widely available (Lewis *et al.*, 2005:41).

### **3.2.3 Job Brokers' views on the funding regime**

Job Brokers tended to support the principle of outcome-related funding, especially if the focus on outcomes improved the quality of service to participants and/or improved the efficiency and effectiveness of their organisation (Corden *et al.*, 2003:44; Lewis *et al.*, 2005:41-42). The changes to the funding regime outlined above were also welcomed and seen to improve the cash flow situation for organisations (Lewis *et al.*, 2005:43). However, the October 2003 changes were not thought to have significantly eased the financial pressures on Job Brokers.

Recurrent views on the funding arrangements amongst Job Broker staff were (Corden *et al.*, 2003:44; Lewis *et al.*, 2005:41-42):

- it placed too much of the financial risk on the Job Brokers because it was too dependent upon outcomes. Some argued for set-up funding and/or higher fees for registrations;
- even though the Job Brokers proposed the amounts of their job entry and sustainable employment payments in their tenders, there was a view that the amounts did not cover the costs of working with the client group (see Section 3.1.7);
- funding uncertainties made it difficult to work with partner organisations;
- there should have been funding for intermediate outcomes such as training or voluntary work;

- that part-time jobs secured by participants should have received more than half the equivalent payment for a full-time post because, for Job Brokers, part-time work did not require substantially less time and effort to secure.

### 3.3 Job Brokers' links with other organisations

Job Brokers operated within a network of organisations. This section discusses partnership working in general, and Job Brokers' links with Jobcentre Plus and with employers in particular.

#### 3.3.1 Partnership working

In their bids to be Job Brokers, most organisations, especially the public and voluntary sector bidders, envisaged that they would work in partnership with a range of other organisations (Stafford *et al.*, 2004:63). A variety of formal and informal links between the 'partners' was proposed. Thus, the *Survey of Job Brokers* found that many Job Brokers (42 per cent) had a public sector organisation as a partner, a quarter (26 per cent) had a voluntary sector partner, a fifth (20 per cent) had a private sector partner and a tenth (12 per cent) a 'mixed' organisation as a partner (McDonald *et al.*, 2004:29). Named partners included local council departments, Jobcentre Plus, third sector and statutory bodies specialising in particular fields such as mental health, colleges and training providers, and health trusts. Partners could have a strategic or advisory role, but tended to be involved in the delivery of services (notably information, advice and guidance) (McDonald *et al.*, 2004:29-30).

In some instances Job Brokers proposed working collaboratively with other Job Brokers operating in the same area (Corden *et al.*, 2003:33). Some Job Brokers could refer participants to other brokers seen as providing a more suitable service, and staff could meet with other Job Brokers' staff to share support and advice. However, some Job Brokers felt they were in competition with other Job Brokers operating in the local area. Competition could be perceived as encouraging improvements in service quality or as discouraging the sharing of good practice. There were concerns where competition was seen to lead to a local Job Broker targeting the registration of more job ready people or even the poaching of participants from another Job Broker.

#### 3.3.2 Links with local Jobcentre Plus offices

Job Brokers' relationships with local Jobcentre Plus offices were varied, complex and, overall, improved over time. Relationships also developed against the background of the roll-out of Jobcentre Plus and the introduction of mandatory Work Focused Interviews (WFIs) for people making a new incapacity-related benefits claim, as well as the introduction of the Pathways to Work pilots with their increased emphasis on rehabilitation and returning to work (see Section 1.3.2).

There was a wide range of awareness and understanding of Job Brokers' services among the non-DEA Jobcentre Plus staff who took part in the qualitative research (Corden *et al.*, 2003:33; Lewis *et al.*, 2005:108-109, 113). Most Jobcentre Plus staff had little experience of working directly with Job Brokers, although seeing a Job

Broker working with participants in a local Jobcentre Plus office helped to maintain staff confidence in the service. Those who had almost no knowledge of Job Brokers were people mainly engaged on reception duties. Other staff who had heard of Job Brokers said they knew that services were available to help disabled people who wanted to work, but they did not expect to have detailed knowledge themselves of such services. This was perceived more as the responsibility of DEAs, who had the greatest understanding and knowledge of the work of Job Brokers.

From the beginning of the programme a number of Job Brokers said they had very good working relations with Jobcentre Plus staff (Corden *et al.*, 2003:31-32). These working relationships involved sharing expertise and information, frequent face-to-face contacts and even joint working on certain cases. In other cases the development of a relationship was more problematic; the links could be more *ad hoc* and at arms length, with often only one party seeking to access a particular service. In addition, a few DEAs initially saw some Job Brokers as a threat to their work with customers. However, it soon became clear to them that Job Brokers needed DEAs and their services if the brokers were to operate successfully.

In general, relations between Job Brokers and local Jobcentre Plus offices appear to have improved over time (Corden *et al.*, 2003:31). This was generally felt to be due to more communication between the two services (Lewis *et al.*, 2005:113). However, some Job Broker staff reported that there remained some confusion about the role of NDDP and of Job Broker services. For instance, one Job Broker felt that local Jobcentre Plus staff were sometimes particularly unclear about where the 'in-house' Job Broker service sat (Lewis *et al.*, 2005:114). Job Broker staff also felt that local Jobcentre Plus staff often did not know in detail what services the Job Brokers provided (Lewis *et al.*, 2005:108). Whilst (as already mentioned) DEAs had more detailed information about what Job Brokers did than other Jobcentre Plus staff, and the DEAs' understanding of Job Broker services generally improved over time, their familiarity with the full range of local Job Brokers was sometimes patchy, especially among less well-established DEAs (Lewis *et al.*, 2005:114). In part, this is because DEAs interviewed later on in the evaluation generally had more Job Brokers operating in their area than those interviewed early on. Like some work-focused advisers they could find it time consuming and difficult to maintain up-to-date information on all local Job Brokers.

The overall picture is that over time WFI advisers developed a broader awareness and deeper understanding about Job Brokers and their roles (Lewis *et al.*, 2005:114). WFI advisers became generally more confident about naming local Job Brokers, more knowledgeable about some of the differences between Job Brokers, and had more understanding about the ways in which some of them worked.

For Job Brokers links with local Jobcentre Plus offices, especially with DEAs, were important because (Corden *et al.*, 2003:30-31):

- Jobcentre Plus was a source of potential participants;
- Job Brokers could use DEAs to access Jobcentre Plus services; and
- Job Brokers could use local Jobcentre Plus offices as venues to meet with (potential) participants.

These three aspects of the relationship are discussed below.

### *Signposting customers to Job Brokers*

Jobcentre Plus was an important source of participants for some, but not all, Job Brokers (Lewis *et al.*, 2005:118). For reasons Job Broker staff could not explain some Jobcentre Plus offices signposted a lot of potential participants, and others none.

Local Jobcentre Plus staff described varied approaches to signposting Job Broker services to participants (Lewis *et al.*, 2005:115-118, 121-123). These differences in approach reflected the offices' different stages in Jobcentre Plus roll-out and whether they were included in the Pathways to Work pilots. There were also differences in approach related to preferences in ways of working of individual staff. In general, staff working in offices which were part of the Pathways to Work pilot described an approach which was strongly work-focused, guiding all customers towards thinking about a job goal at an early stage in the discussion. Staff working in non-pilot offices were generally expected to be less directive and they talked about their approach more in terms of trying to raise interest among customers than in trying to encourage strong commitment. In addition, Jobcentre Plus guidance to staff on signposting customers to Job Brokers changed, allowing staff to highlight the aspects of a Job Broker's service that might best meet the needs of a customer (see Section 3.4.1).

There was some selectivity about who was told about Job Broker services based on assessments of a customer's interest in work and whether Jobcentre Plus provision was appropriate. Some WFI advisers referred potential participants to DEAs rather than signposting Job Broker services. Work-focused advisers who were likely to be selective said they would refer people to Job Brokers who were interested in the idea of working and whom they considered to be closer to work. Groups considered unsuitable for Job Broker services included people with a short-term illness, people with a severe mental health condition, and some people whose first language was not English.

DEAs also varied in their practices. DEAs wished to explain to customers what they themselves could offer and, unless people expressly asked, talking about Job Broker services was not a primary concern. They tended either to give a general description or to emphasise elements they felt might suit their customers, such as back-to-work grants, ICT training or confidence-building courses. There were strong, but not universally held, views that people interested in work but needing a longer time to prepare for a move into employment were better served by DEAs. Thus, DEAs tended to steer people towards Job Broker services who were relatively work ready, as judged by having had short periods out of work, already preparing CVs, or appearing '*motivated to work*'.

However, some DEAs said they were scrupulous in talking about all Job Brokers operating in the local area. Others avoided mentioning certain Job Brokers if they were dissatisfied with the quality of their service, if a Job Broker was based outside the locality and was assumed to be less accessible to potential participants, or if they had

little or no information about them. Some DEAs thought they should limit their explanations to factual information on the services offered by local Job Brokers. Other DEAs, to varying degrees, were more directive and pointed customers to specific Job Brokers. One strong influence on which Job Brokers DEAs emphasised or suggested to people was whether the Job Broker fed back to the DEA what was happening with participants, as it could be hard to enthuse about a Job Broker if there was no feedback. Indeed, DEAs sometimes favoured Job Brokers who told them about job entries so that they could claim 'points' towards their targets.

There were also differences among Job Brokers in the types of people they described Jobcentre Plus staff signposting to the service. Some reported that staff tended to refer people who were relatively close to work. This was generally welcomed, and sometimes said to be the result of explicit discussion with Job Broker staff. Although in general Job Broker staff felt that Jobcentre Plus staff did refer appropriate people to them, there were also comments about people who were seen as unsuitable, that is, people who were very distant from work or for whom work was not clearly a goal, such as those who wanted training only. Some managers and staff felt that, on reflection, they should have been clearer that they wanted Jobcentre Plus to refer people who were closer to work. There was a view that Jobcentre Plus frontline staff were less adept at identifying appropriate people than DEAs. There were also comments about people coming forward whom it was felt had been coerced or pressurised into doing so. It was also suspected that there were many more people seen by Jobcentre Plus for whom the Job Broker service might be relevant but who were not coming forward.

### *Accessing services for participants*

Job Brokers' use of Jobcentre Plus services and programmes varied (Lewis *et al.*, 2005:124-125). Job Brokers accessed various Jobcentre Plus services: Work Preparation; Work Based Learning for Adults; WORKSTEP; the Adviser Discretionary Fund; Job Introduction Scheme; Job Grants; Return to Work Credits; better-off calculations; and job search support. Job Broker staff said access was generally unproblematic. Occasional difficulties included forms mislaid in Jobcentre Plus offices, slow response on financial issues and finding it hard to get details of jobs identified on the website. Problems reported by Jobcentre Plus staff related mainly to the time involved in dealing with requests, particularly the time needed to help with on-line tax credit applications and some better-off calculations. It was particularly unhelpful when Job Brokers provided insufficient or wrong information, which made the process even lengthier.

The qualitative research also suggests that as the programme developed there was more willingness to facilitate Job Brokers' access to Jobcentre Plus programmes.

In addition, Job Brokers could offer additional services/resources for DEAs' customers, which helped DEAs achieve positive outcomes for their customers and reach their targets. Some Jobcentre Plus staff described getting in touch with Job Brokers on behalf of people with whom they were working themselves, in particular for funding

not available through the Adviser Discretionary Fund or Work-based Learning for Adults in England and Wales/Training for Work in Scotland, and also for help in contacting particular employers and for help for someone wanting to make use of the Permitted Work rules.

There were also some instances of Job Brokers and Jobcentre Plus staff pooling their expertise in order to benefit a participant (Lewis *et al.*, 2005:125-126). Staff could meet regularly to discuss cases and identify gaps in support. In some cases this was a form of joint or co-working. DEAs also reported that some Job Broker advisers could contact them for advice if they were unsure of how to proceed with a case.

#### *Use of Jobcentre plus' local offices by Job Brokers*

Some Job Brokers made use of Jobcentre Plus offices to interview participants, which helped to maintain the organisation's profile and build relationships with Jobcentre Plus staff (Lewis *et al.*, 2005:112). Over time there appears to have been more personal contact and an increasing presence of Job Brokers in Jobcentre Plus offices. However, there could be equity, resource and timing issues for Jobcentre Plus staff if more than one Job Broker wanted use of a local office.

#### *Factors underpinning Jobcentre Plus-Job Broker relations*

Job Brokers differed in the extent to which they 'marketed' themselves to local Jobcentre Plus staff. Some had intensive contacts and gave it a high priority, others engaged in bursts of activity, whilst some had relatively few contacts (Lewis *et al.*, 2005:109). The methods used by Job Brokers to help local Jobcentre Plus staff become more aware of their services included providing written information and websites, personal visits, and presentations.

The qualitative research identified factors that promoted and hindered effective relationships between Job Brokers and Jobcentre Plus locally. The positive influences on relationships between Job Brokers and local Jobcentre Plus staff that were mentioned were (Corden *et al.*, 2003:31-32; Lewis *et al.*, 2005:129-130):

- If Job Brokers were able to build upon existing or previous successful contacts for other employment programmes this made communication easier (Lewis *et al.*, 2005:110). Some DEAs thought that Job Brokers who provided Work Preparation or WORKSTEP programmes had a better understanding of their work than Job Brokers who had provided only mainstream employment programmes (Lewis *et al.*, 2005:113).
- The sharing of expertise, advice and information, including provision of updated information on what a Job Broker could do. For example, over time some Job Brokers developed their own websites, and for WFI advisers these could be important sources of information of services provided (Lewis *et al.*, 2005:110).

- Knowing that if Job Brokers informed Jobcentre Plus staff of customers' outcomes this gave each side an incentive for supporting the other in working with clients that they had in common, as the same job entry or retained job could contribute towards annual targets of Jobcentre Plus members of staff and earn the Job Broker an outcome payment. However, among Job Brokers interviewed, there was somewhat varied understanding of the importance of feedback in relation to Jobcentre Plus' targets. Nevertheless, both Job Brokers and DEAs said that there had been a growing mutual understanding of how Jobcentre Plus and Job Broker staff could help each other to achieve job entries, encouraged by Jobcentre Plus targets. It was also thought that the new Job Outcome Targets (JOT) system for Jobcentre Plus would facilitate job outcomes being attributed to Jobcentre Plus, but without the need for close communication with the Job Broker to track customers with whom both organisations had worked (Davis *et al.*, 2006:30).<sup>30</sup>
- Direct personal contact between the staff of each organisation was seen as increasing awareness and understanding of one another's services, and as enhancing the opportunities for incapacity-related benefit recipients to access Job Broker services and to take advantage of Jobcentre Plus services. Meetings were said to improve communication, trust and confidence. Those Jobcentre Plus staff who did feel they had more of a relationship with job broking services worked in offices where Job Brokers made themselves accessible, for example by establishing named contacts for Jobcentre Plus staff and/or coming into offices and taking time to speak to staff or answer queries. In this respect, there was generally strong support among WFI advisers, and some DEAs, for having a Job Broker presence in their office.

Job Brokers felt that these personal approaches helped them establish a presence in Jobcentre Plus offices and to become more trusted by Jobcentre Plus staff. This was confirmed by DEAs and other Jobcentre Plus staff, who criticised Job Brokers who '*never showed their face*' or who had only come to see them when their service was first set up – they said that they had better relationships with those who more frequently visited their offices:

- Job Brokers demonstrating the quality of their services was important in building and maintaining working relationships, especially if Jobcentre Plus staff were to suggest to their customers that they contact a particular Job Broker.

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<sup>30</sup> Previously, Jobcentre Plus had measured its performance by recording when individuals were submitted to a specific job vacancy and then subsequently confirming with the employer whether they had taken it up. Under JOT, performance is measured by counting the number of employment starts recorded by P45/46 returns from HM Revenue and Customs (HMRC) for Jobcentre Plus customers. Further information is given in Johnson and Nunn (2005).

- Job Broker staff felt that the structural changes associated with the roll-out of the Jobcentre Plus model and, in some areas, the Pathways to Work pilots, led to Jobcentre Plus staff being better informed about Job Broker services and more open to working with Job Brokers.
- Shared experience gained through joint working to support a participant (Lewis *et al.*, 2005:109).

To some extent factors thought to constrain effective working relationships are the opposite of the positive factors described above. For example, a lack of feedback about what happened to individual customers was a major constraint on working well with Job Brokers for some Jobcentre Plus staff, both because of a professional concern for customers and missed opportunities to help towards targets. Other factors felt to constrain relationships were as follows (Corden *et al.*, 2003:31-32; Lewis *et al.*, 2005:129-130):

- Job Brokers felt DEAs sometimes saw them as competitors. Moreover, DEAs felt antagonistic when Job Brokers were perceived '*to have their own agenda*', and not to appreciate the importance of working with a DEA. However, amongst DEAs the fear that Job Brokers would take over their role, and hostile attitudes were much less pronounced as the programme evolved. This was, in part, because DEAs increasingly saw how the two services could help each other to achieve outcomes (Davis *et al.*, 2006:29), and increased workloads among DEAs meant some felt it would have been impossible to help every incapacity-related benefit recipient coming to them if Job Brokers had not existed.
- Some Jobcentre Plus staff had negative attitudes towards Job Broker services, for example, they could be suspicious of profit-making organisations, and believe that Job Brokers were less skilled but better rewarded for the same work as that done by Incapacity Benefit Personal Advisers or DEAs.
- Job Brokers were not always proactive or responsive in providing staff with information about their services.
- As already mentioned, Jobcentre Plus staff were not all familiar with the full range of Job Brokers serving their area and they could become discouraged from trying to obtain information about services if Job Brokers did not respond to requests for promotional material. Moreover, staff turnover on both sides meant that relationships had to be continually rebuilt.
- Some Job Broker managers explained that there were large numbers of DEAs in their area and that they did not have the resources to establish links with all of them. Similarly, some work-focused advisers working in districts where there were large numbers of Job Brokers (eight or nine) did not try to retain detailed, up-to-date knowledge about all of them (Lewis *et al.*, 2005:114). Rather they chose to deal with a smaller number of Job Brokers usually those that made regular visits to the office.
- When participants were immediately referred back to DEAs for disability services.

- The competitive attitudes of some Job Brokers were viewed negatively by DEAs where Job Brokers worked near DEAs and seemed to be wary of telling DEAs too much about their operations. Whilst competition amongst the providers did encourage DEAs to promote their services more, a lack of trust could get in the way of working together for the benefit of participants.

### 3.3.3 Links with employers

Most employers were not in regular contact with Job Brokers. The *Survey of Employers*, which sampled employment establishments known to have recruited at least one NDDP participant, shows that only a quarter (25 per cent) recalled having a contact with a named Job Broker operating in their local area during the previous 12 months (Dewson *et al.*, 2005b:64). Three-quarters claimed to have had no contact with any of the named Job Brokers (including the Job Broker with whom at least one employee had been registered). (That some employers, who had recruited NDDP participants, were sure that they had had no contact with a Job Broker is also a finding of the qualitative research (Aston *et al.*, 2005:60).)

The qualitative research with employers shows that some employers' contacts with Job Brokers were '*minimal*', in some instances there had been only one specific contact (Aston *et al.*, 2005:59-60) and there was no ongoing relationship with the Job Broker (Aston *et al.*, 2005:99-72).<sup>31</sup> In some instances the establishment of NDDP was the impetus for the contact; in other cases there was a prior link pre-dating NDDP (Aston *et al.*, 2005:64).

Employers' contacts with Job Brokers were often initiated by Job Brokers and focused on particular job vacancies (Aston *et al.*, 2005:64-65, 69-70; Aston *et al.*, 2003:46-48). Such contacts enabled the Job Broker to help participants who might not do themselves justice in an application or interview (Lewis *et al.*, 2005:39). Employers liked this type of contact because it left them in control of the recruitment and selection process. They could agree to include the candidate put forward by the Job Broker in their shortlisting or not, and it did not require them to change their normal recruitment and selection processes. Some Job Brokers also offered to subsidise salaries or training costs (either through the Job Introduction Scheme or from their own funds). The drawbacks of this type of contact were, first, these approaches related to publicly advertised vacancies only, and these generally represent only a minority of vacancies in the labour market. Secondly, where the Job Brokers'

<sup>31</sup> This level of contact does not reflect that reported by Job Brokers in the *Survey of Job Brokers*, which implies a far higher level of contact. A half (51 per cent) of Job Brokers claimed to have had contact with between one and 50 employers. A further third (34 per cent) reported having contacted 51 to 200 employers; the remainder said they had contacts with 201 or more employers (MacDonald *et al.*, 2004:31-32). It is possible that the *Survey of Job Brokers* includes non-NDDP contacts providers have had with local employers over a longer time period. Alternatively, Job Brokers' advisers may have contacted employers about specific vacancies but not mentioned in any detail their organisation or its connection with NDDP.

involvement was evident to the employer, this might serve to indicate to the employer at a very early stage in the recruitment process that the individual in question had a disability, before the individual was able to present their compensating advantages as a recruit. Alternatively, it allowed the Job Broker and/or applicant to establish the perhaps very limited character of the impairment.

Following recruitment, the *Survey of Employers* also found that there was some evidence of in-work support and contact with Job Brokers following a job entry by a participant (see Section 3.5.3) (Dewson *et al.*, 2005b:67).

Other job-related contacts by Job Brokers could be more speculative. Job Brokers could approach employers sometimes with a participant in mind, and sometimes more generally, but in either case seeking to access suitable (but not advertised) vacancies, or more ambitiously, to get on an inside track with the employer as a regular source of jobseekers.

Other Job Broker-initiated contacts with employers arose from the providers' marketing of NDDP. Job Broker staff undertook general networking and marketing activities, for example, going to meetings of local employer groups or making presentations to individual employers. Here the aim was to build links generally with employers and raise their awareness of NDDP. This more general marketing could be followed up by contacts about specific issues/vacancies. Job Brokers could establish close relationships with a 'small' number of employers. In some instances this built upon a pre-NDDP relationship. It allowed Job Brokers to get to know the employers' businesses and better meet their needs and so secure job entries. Some Job Brokers became '*employer-friendly*' (Aston *et al.*, 2005:74-75). However, Job Brokers had mixed views about general marketing; it could be seen as resource-intensive and generating few benefits, whilst others highlighted that it was useful and led to job entries (Lewis *et al.*, 2005:39-40).

In some cases, contacts with Job Brokers were initiated by employers (Aston *et al.*, 2005:65). The employer could be seeking advice or wanting to make more general links with the Job Broker. However, these connections were not prompted by NDDP, rather the aim was to access the range of community-based services offered by many Job Brokers.

In some instances the staff at the Job Broker organisation did not make the contact with the employer, rather it was initiated and maintained by the participant (Corden *et al.*, 2003:87; Lewis *et al.*, 2005:38-39). Advisers would support a participant in looking for work, but applications for jobs would be made directly by the participant and the adviser had no contact with the employer. This was thought to be appropriate in two different circumstances: first, where the Job Broker's office was located a long distance from employers and advisers considered it impossible to have any meaningful contact with them; and, secondly, where advisers thought that participants preferred them not to have any contact with the employer, because they did not want a potential employer to know that they had received the support of a specialised 'disability' agency. Again, employers could like this approach, like the vacancy-

centred approach, it was employer-friendly. Employers need not change their recruitment and selection procedures, and the onus for further action rested with the employer.

The Job Brokers' use of these approaches was fluid. Few Job Brokers focused solely on just one of these approaches (Corden *et al.*, 2003:88). Furthermore, their tactics also changed over time, as they learned what worked and what did not, and as the amount of time available for working with employers changed. The Job Brokers' contacts with employers could be one-off, sporadic or ongoing (Aston *et al.*, 2005:70-72).

Notwithstanding the approach adopted by Job Brokers, employers were generally unwilling to allow their pace, procedures and hiring criteria to be much influenced by Job Brokers' interventions, but they were happy to consider any proffered recruit **within** these parameters (Aston *et al.*, 2003:48).

However, this level of contact between Job Brokers and employers contrasted with participants' expectations about the links between the two. Participants often expected Job Brokers to have developed substantial links with local employers, who, as a result, would be willing and able to accept participants through the programme into employment (Corden *et al.*, 2003:86-87). It was anticipated that this would include: direct access to new vacancies that arose; acting as a 'broker' between participants and potential employers to open up new opportunities for both parties; '*breaking the ice*' by making initial introductions on behalf of participants, and raising awareness with employers about the implications and realities of employing someone who has had a health condition or disability. Participants were surprised and disappointed to learn that often this was not the case.

#### *Factors underpinning employer-Job Broker relations*

Aston *et al.* (2005:90-91) suggest that the following five factors helped to build relationships with employers (beyond the simple, 'hidden hand' approach (see Section 4.2.3)):

- Where there were links with an employer that pre-dated NDDP.
- Where Job Brokers introduced themselves to the employer at an early stage in the recruitment process.
- Where there were both regular and face-to-face contacts.
- If there was a single contact at the Job Broker's, who could get to know the employer and their business.
- Where Job Broker advisers were experienced and enthusiastic about their work.

As the relationship matured, employers became confident that a Job Broker would put forward the 'right person' for job vacancies, and that the broker could help the employer with any support needs that the employee might have.

Factors that could undermine a relationship with employers included the absence of the above, as well as (Aston *et al.*, 2005:91-92):

- Where Job Brokers worked with participants and not directly with employers.
- If employers had their own support systems they might feel that they did not require the expertise offered by Job Brokers.
- Where the employer had a low level of awareness of NDDP and/or knowledge of the Job Brokers' services.
- How and where Job Brokers targeted their contacts – in a large (multi-site) organisation the impact of an adviser's contact with a line manager was likely to remain localised.
- If the Job Broker relied upon the employer to initiate post-employment contact, the employer might not do so.
- Lack of follow-up contacts by Job Brokers post-recruitment, even if there were no subsequent problems the absence of any contact by advisers could leave employers feeling vulnerable.
- Where (occasionally) Job Brokers put forward unsuitable participants for consideration by employers.
- Where key individuals left either Job Brokers' or the employers' organisations, the relationship could quickly deteriorate unless there was a strategy to manage the handover to other staff.

## 3.4 NDDP registration and contacts

### 3.4.1 The registration process

#### *Choosing a Job Broker*

As already mentioned in Section 2.2.1, potential participants could first hear of NDDP from a variety of sources, including from Jobcentre Plus and through the Job Brokers' own marketing. The ways in which participants tended to first hear of NDDP or of local Job Brokers changed over time, with Jobcentre Plus becoming the most common means by which participants first heard about the service. Around November 2002, a third of participants (32 per cent) first heard of NDDP or of Job Brokers via a letter or leaflet from the Department, and a fifth (23 per cent) from Jobcentre Plus (Ashworth *et al.*, 2003:60-61). By around March/April 2004 this had changed to 44 per cent first hearing via Jobcentre Plus and 17 per cent from a Departmental letter or leaflet (Legge *et al.*, 2006:50-51). Throughout the evaluation those first hearing about the service from Job Brokers remained at six to seven per cent.

The increase in the proportion of participants' first hearing about NDDP or Job Brokers via Jobcentre Plus reflects the greater role Jobcentre Plus staff had in helping people on incapacity-related benefits move into work, the roll-out of Jobcentre Plus

and the introduction and expansion of the Pathways to Work pilots (see also Lewis *et al.*, 2005:31). Indeed, participants living in the Pathways to Work pilot areas were more likely to have first heard about the service from a local Jobcentre Plus office than those living elsewhere (57 per cent compared to 42 per cent) (Legge *et al.*, 2006:50).

In addition, the role Jobcentre Plus staff had in signposting potential participants to Job Brokers changed. Initially, Jobcentre Plus required staff to be impartial and not promote one Job Broker over another, with the expectation that equal amounts of information about each Job Broker would be imparted. Subsequent revised guidance allowed advisers to identify features of Job Brokers' services that best suited a customer's needs. However, guidance was that the customer should always make the final choice of Job Broker.

A feature of NDDP is that prospective participants had a choice of Job Broker. The policy intent was that each local authority area would be served by more than one Job Broker so that participants could choose a provider who best suited their needs and aspirations. Job Brokers were obliged to register all members of the eligible population wishing to do so. Participants were only allowed to register with one provider at one time, although they could de-register and, if they wished, re-register with another Job Broker (see Section 2.2.2).

However, there is little evidence of participants actively choosing a Job Broker, rather, decisions were based on limited information about both the number of Job Brokers they could approach and the type of service they provided. The decision-making process and level of choice was usually, though not always, linked to the way in which participants had found out about the Job Broker service (Corden *et al.*, 2003:63). Those who had become aware of NDDP, for example through a communication from the Department, were more likely to know that the service could be provided by various organisations, whilst those directed to a specific Job Broker by a third party were less likely to know that NDDP could be provided locally by different organisations.

The *Survey of Registrants* shows that approximately three-quarters of participants did not see themselves as having a choice of provider – 73 per cent around November 2002 and 75 per cent around March/April 2005 either did not know how many Job Brokers were available locally or believed there was only one they could have registered with (Ashworth *et al.*, 2003:66 and Legge *et al.*, 2006:58-59). In some instances this is because participants were unaware that there could be more than one provider in their area. Or possibly they defined their geographical area narrowly and did not appreciate that a provider further afield might be prepared to travel to meet with them. Moreover, in a small number of areas there was no choice of Job Broker, as there was only one provider.

Nevertheless, approximately one in six participants contacted more than one Job Broker before registering on the programme (Ashworth *et al.*, 2003:66 and Legge *et al.*, 2006:59). Of these participants, around a quarter (27 per cent around November 2002 and 23 per cent around March/April 2005) contacted only one other Job Broker before registering.

The level of information participants had about the Job Broker(s) and services provided before they registered varied (Corden *et al.*, 2003:63-64). Some made the decision to register with a Job Broker effectively on the basis of no information, in the sense that they knew about only one local provider. Others had limited information about other Job Brokers. However, even if participants were aware that there was more than one local Job Broker, there was according to the qualitative research, little evidence that participants knew that different Job Brokers offered different types of services (Lewis *et al.*, 2005:52).

A few participants did select a Job Broker on the basis of an informed choice, having obtained information (usually by telephone) about the services provided. The reasons for selecting a particular Job Broker varied, and they generally related to first impressions (Corden *et al.*, 2003:69). Overall, participants who were aware that there was more than one local provider registered with a Job Broker because it was the closest or most convenient provider, it appeared to be the most helpful and/or provided a good service or the help on offer seemed to be more tailored to the participants' needs (Ashworth *et al.*, 2003:69-70; Legge *et al.*, 2006:61; see also Lewis *et al.*, 2005:52). A direct referral from a Jobcentre Plus adviser was also increasingly important in influencing with whom participants registered (see Section 3.3.2).

### *Capping*

Following the stocktaking exercise in 2004 (see Section 1.3.2), some Job Brokers who seemed likely to exceed their Maximum Indicated Contract Value if they continued to perform at the same level had their performance 'capped' (Davis *et al.*, 2006:27-28; Lewis *et al.*, 2005:121). This meant that the Job Brokers were discouraged from activities that might result in further over-performance, for example by marketing to potential participants or taking referrals from Jobcentre Plus staff, and had, instead, to focus on the participants with whom they were already working. Indeed, the Job Broker was expected to inform Jobcentre Plus staff that they were unable to take referrals, as a result of which the broker's activity levels could decrease quite steeply. However, it was reported by Job Brokers to be quite difficult to communicate a reversal of the previous message to local Jobcentre Plus staff. This could be further complicated in areas where there was a new Job Broker working to grow their business at the same time as the existing Job Broker had been trying to reduce theirs. The new Job Broker would be able to take on referrals that might previously have gone to the existing Job Broker and could build relationships with local Jobcentre Plus staff without having to compete against the existing provider.

### *Pre-registration contacts*

Some Job Brokers registered individuals on the same day as their first visit/main discussion with an adviser. Most participants – 59 per cent around November 2002 (Ashworth *et al.*, 2003:66) and 68 per cent around March/April 2005 (Legge *et al.*, 2006:62) – registered on the same day as their first discussion with an adviser. The others had discussions with Job Brokers' advisers prior to their registration. These

sessions could be used by Job Brokers to assess whether the individual should be registered on NDDP, another of their programmes or referred to other agencies. In other words, contacts with a Job Broker did not necessarily result in a registration. The qualitative research with 'knowledgeable non-participants', that is, people who had contacted a Job Broker but not registered, shows that some respondents had contacts with a Job Broker over an extended period (Pires *et al.*, 2006:95) (see Section 2.2.2). It is possible that they were receiving another service provided by the Job Broker. This could arise where Job Brokers were providing services and support to some individuals but only registering them on NDDP once they were confident of them entering employment (this is discussed further below).

### *Job Brokers selecting who to register*

Some people having contacted a Job Broker decided themselves not to register. Whilst participants could choose whether to register with a Job Broker and formally brokers could not refuse to register anyone wishing to do so, some providers had strategies for ensuring that some people did not register on the programme (see Section 2.2.2). Job Brokers may have been selective in registrations:

- because they sought to maximise fee income in order to make the service break even and hence sustainable, or to maximise their profits (see Section 3.1.7);
- because in some instances, NDDP would not have been a suitable programme and individuals were not encouraged to use the service. Some Job Brokers did not register people if they were too ill, their work plans involved a long training course or if they required a level of support that could not be provided by NDDP (Corden *et al.*, 2003:16-17). In not registering these people, Job Brokers were arguably better managing claimants' expectations;
- to cope with increasing workloads and limited resources.

This filtering by Job Brokers appears to have become more important and prevalent over time. Initially, some Job Brokers had an 'open access' policy and were keen to register as many people as possible, partly because it could be difficult to identify at an initial meeting who was likely to gain employment, and partly because registration fees were important to funding the service (Corden *et al.*, 2003:16). Others (as outlined above) had a more focused approach. The increased focus by Jobcentre Plus on registration to job entry conversion rates that emerged from the beginning of 2004 onwards, encouraged some Job Brokers to reconsider their registration practices (Davis *et al.*, 2006:17) (see Section 3.2.1). Job Brokers increasingly tried to ensure that they only registered people most likely to enter employment. Criteria for judging suitability might differ subtly from Job Broker to Job Broker, and even between members of staff. However, the key factors that seemed to be taken into account were the job readiness of the potential participant and the amount of time and resources that they might require in order to achieve a job entry (see also Corden *et al.*, 2003:42-43).

Moreover, as the programme continued and contracts neared expiry, many Job Brokers, and especially those whose sole activity was NDDP delivery, were conscious that it did not make financial sense to register people who might need assistance over a period that exceeded the length of the contract.

### *The registration process*

Administratively, registration was an important stage in the programme, as it indicated first that people were signing up to receive services, support and advice to help them with their transition towards work, and secondly, ensured that individuals who register with one Job Broker were not able to secure services from another Job Broker until they had de-registered from the first one.

In general, participants thought that the pace of the registration process was just right and had no difficulties in registering (Ashworth *et al.*, 2003:72-73). However, seven per cent found the registration process fairly or very difficult, mainly because the information given to them was confusing or complicated, or they found the forms difficult to complete. Moreover, some participants had only limited, or no, awareness of the registration process (Corden *et al.*, 2003:69-70). The former group were aware of signing up to a programme or to a specific organisation but seemed unaware of having registered on NDDP. The latter group had no recollection, or were unaware, of having registered on NDDP. The *Survey of the Eligible Population* confirms that the registration process was often confusing, and in some instances not memorable. The survey asked respondents whether they had registered on NDDP, and around five per cent of all respondents claimed they had (Pires *et al.*, 2006:70-71). However, less than one per cent of the eligible population who reported they were registered were in fact on the registration database when this was checked against administrative records. The remaining four per cent of respondents claiming registration status were not found on the NDDP database. A further two per cent had registered, but did not report this status when asked during the survey interview.

### **3.4.2 Participants' post-registration contacts with Job Brokers**

The *Survey of Registrants* shows that for Cohorts 1 and 2, seven out of ten participants (71 per cent) remained registered with the Job Broker for which they were sampled one year after registration (Kazimirski *et al.*, 2005:40). (Some of those no longer registered will have re-registered with another Job Broker. De-registration is discussed in Section 2.2.2).<sup>32</sup> However, registration status was not indicative of an ongoing relationship with a Job Broker, with under a half of those still registered in contact with their Job Broker one year after registration (47 per cent; or 33 per cent of the original sample) (Kazimirski *et al.*, 2005:42-43).

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<sup>32</sup> If re-registrations are taken into account, the proportion still in contact with a Job Broker increases slightly to 49 per cent (Kazimirski *et al.*, 2005:43).

Multivariate analysis suggests that those participants still in contact with their Job Broker one year after registration were those (Kazimirski *et al.*, 2005:43 and 202-203):

- with better health – it remained self-assessed as ‘fair’ over the year rather than (very) bad;
- having no mental health conditions;
- living in an ‘other’ household type rather than living without a partner or children;
- registering with a Job Broker who provided a generic service with a specialist focus/specialist service rather than a generic service; or
- registering with a Job Broker who provided all or most of the service themselves rather than in partnership with others.

In addition, participants living in the North East of England were more likely, and those residing in the North West of England were less likely, to still be in contact than those in London. It is not clear to what extent this reflects differences in local labour markets and/or the variations in performance of Job Brokers operating in the regions.

Most post-registration contacts were by telephone and/or face-to-face, and in total lasted typically 90 minutes (Kazimirski *et al.*, 2005:47-48; Legge *et al.*, 2006:65-66).<sup>33</sup> Over time the frequency of contacts declined, that is, contacts were more likely to occur within six months of registration rather than later on (Kazimirski *et al.*, 2005:46-47). Participants were not always sure why contacts had declined in frequency or even ended completely (Corden *et al.*, 2003:75). For Job Broker advisers the length of the gap between meetings depended upon circumstances, such as the stage in the participant’s progress towards work or the adviser’s availability. In some instances, advisers did not schedule follow-up meetings, as some relied upon the person to re-contact them so demonstrating that they wanted to work with the Job Broker and that they were proactive.

Participants had many and varied reasons for contacting their Job Broker after registration. Most participants had contacts that were work-related (Table 3.1). Approximately half wanted to discuss progress with getting a job. A further four out of ten said they wanted to discuss job-search related activities. A fifth said they wanted help with applying for a job. Job Brokers also realised that most participants contacted them for these sorts of reasons (McDonald *et al.*, 2004:16).

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<sup>33</sup> This is the median value. It rises to 105 minutes for all Job Brokers, that is, when including re-registrations.

**Table 3.1 Participants' reasons for contacting Job Brokers since registration**

	Cell Percentages	
	Cohorts 1 and 2	Cohort 3
To discuss progress in getting a job/moving into work	51	45
To help me look for work/To find out about jobs	41	37
Regular meeting/follow up meeting to registration	37	33
To help me apply for a job/help with applications/CV	23	18
To see how I am getting on at work (general follow-up)	14	13
To discuss benefits/financial aid	10	15
Job Broker found me a (possible) training course	9	8
Job Broker found me a (possible) job	8	6
To let them know I found a job	8	7
Help with preparing for an interview	7	6
Attending a training course at Job Broker site	6	6
Help with taking up a job	5	4
Job Broker found me a (possible) work placement	5	3
Job Broker found me (possible) voluntary work	5	1
To discuss my health	4	11
To withdraw from NDDP/deregister	4	1
Problems at work	3	3
Other	6	13
Don't know	1	–
<i>Base: All registrants who had been in contact with their sample Job Broker since registering</i>		
<i>Weighted base</i>	3,691	2,317
<i>Unweighted base</i>	3,710	2,336

Sources: Kazimirski *et al.* (2005), Table 3.6; and Legge *et al.*, (2006), Table 4.2.

### 3.5 Types of service delivered

#### 3.5.1 Approaches and service mix

Job Brokers were contracted to deliver NDDP, however, the Department did not pre-specify the services they should provide (other than basic skills assessments and action plans (see Section 3.5.2). Job Brokers offered a mix of services. However, the range or type of support offered was not always clear to participants (Lewis *et al.*, 2005:52).

Job Brokers' approaches to service delivery varied and changed over time (Corden *et al.*, 2003:34-35; Lewis *et al.*, 2005:36). Some provided all of the services participants would receive in-house. Others used services from other local providers to complement their own. Some of these services were funded by local or central government (for instance Work Preparation) and others involved a fee. Initially, access to some

services provided by Jobcentre Plus was occasionally problematic; such as a DEA disagreeing about the need for a service. Organisations new to job broking or covering large geographical areas could also find it difficult to identify and source required provision. A further approach was to work collaboratively or jointly with other providers such as DEAs or Community Mental Health Teams.

The qualitative research also shows that over time Job Brokers made more use of other provision within their organisations (such as training, job search resources, information about vacancies or links with employers) and more use of external provision (Lewis *et al.*, 2005:36). This was thought to reflect advisers' greater knowledge of local provision, financial pressures, the need to find supplementary sources of help for participants who were further from work, and an increased flow of participants which meant that Job Brokers were able to develop more active relationships with other providers.

In addition, the emphasis Job Brokers placed on different aspects of the service varied (Lewis *et al.*, 2005:51). Some Job Brokers focused on participants' immediate barriers to work, such as those related to job search, and provided, for example, vocational direction and financial support. Where personal barriers, such as lack of confidence, were addressed, they were done so in a more unstructured and informal way. Other Job Brokers addressed both immediate and personal barriers to work, but the latter were dealt with in a more formal and structured manner. Programmes and courses addressing motivational issues and increasing self-confidence could be provided. Another group of Job Brokers also addressed both types of barrier, but provided a more intensive form of support, sometimes based on the supported employment model.

That a Job Broker could provide a service, of course, did not mean that individual participants received the service, merely that the service was available if required.

Whilst most Job Brokers provided a face-to-face service, a small number provided their services by telephone.

### **5.3.2 Basic skills assessments and action plans**

Job Brokers are contracted to 'screen' participants for basic skills prior to job entry; and they were paid a small sum (£4 per person), which was added to their registration fee (see Section 3.2.1) for conducting this assessment (Stafford *et al.*, 2004:75-76). The basic skills assessment could be conducted immediately after registration or a few weeks later. Most of the Job Brokers' contracts mentioned some form of participant assessment, although its content and structure varied considerably from the use of formal procedures or tests to an initial interview with a member of Job Broker staff. Job Brokers used a variety of methodologies to conduct these assessments, some were computer-based (Lewis *et al.*, 2005:37). Assessments were mainly conducted on an individual basis, although some providers mentioned use of group sessions. Assessment had two aims: to assess participants' current abilities and personal circumstances; and to identify participants' goals and aspirations, and the training and support that would be required to achieve them. However, participants' recall of the assessments was low (Corden *et al.*, 2003:77).

Action Plans were introduced by the Department as a condition for payment of a higher registration fee (see Section 1.3.2), although some organisations had already been using them. There appeared to be some variation amongst Job Brokers in the amount of detail recorded and in how Action Plans were used: some advisers appeared not to use them actively in their work with participants, but others reviewed them regularly with the participant and used them as a case management aid (Lewis *et al.*, 2005:37-38; Corden *et al.*, 2003:77-78). There were also different views about their value. They were seen as useful to set and monitor goals, as a joint record of what has been agreed between adviser and participant, and as a transparent check on the service provided. However, other advisers felt that they did not add anything useful, that participants could feel discouraged if they failed to meet agreed goals and that the plans were just another administrative burden. Moreover, participants had only limited recollection of their Action Plans.

### **3.5.3 Services provided by Job Brokers**

Whilst not all Job Brokers provided the same mix, there was a fairly high degree of consistency in the types of services provided. The core services provided were vocational guidance, help with job search, financial advice, and in-work support, although some also provided training or access to training and work placements.

#### *Advice about vocational direction*

The overwhelming majority of participants who had contacts with their Job Broker after registration discussed work and/or training-related issues with their adviser. Over nine out of ten of participants had discussed work and/or training with a Job Broker post-registration: 94 per cent in Cohorts 1 and 2 and 93 per cent in Cohort 3 (Kazimirski *et al.*, 2005:50-51; Legge *et al.*, 2006:69-70).<sup>34</sup> Of these participants the majority discussed the work they might do, previous work or other experience, the hours they might work, training and qualifications needed and concerns about working. There could also be discussions about specific types of work, notably work trials, supported employment, Permitted Work and voluntary work. Such discussions were necessary because participants could be unclear about the jobs that could be available to them and they wanted some vocational guidance (Corden *et al.*, 2003:76-77). Those not having these sorts of discussions could be disappointed, as could those who considered the jobs suggested by advisers as being unsuitable (for example, if the hours were unsuitable). Vocational guidance could be delivered using a variety of informal or formal methods including computer based systems and use of professional career service advisers at the Careers Service. For some participants

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<sup>34</sup> The time period covered by these cohorts varies: Figures for Cohorts 1 and 2 refer to activities over a one-year period since registration, whilst Cohort 3 covers approximately six months since registrations. Thus, in this sub-section differences in the two sets of percentages should not be interpreted as indicating any change in the nature of the Job Brokers' service provision over time. For instance, percentages for Cohorts 1 and 2 could simply be higher because there was a longer period of time over which participants might have engaged in an activity.

the vocational guidance they received was the most important input from their Job Broker (Lewis *et al.*, 2005:160). However, in some cases Job Broker advisers thought participants had ambitions that were seen as inconsistent with their skills, experience, or qualifications (Corden *et al.*, 2003:76-77). In such cases, Job Brokers had to carefully manage participants' expectations.

### *Advice and help with job-searching*

Most Job Brokers helped with job-searching (91 per cent) (McDonald *et al.*, 2004:25). Three-fifths of participants in contact with their Job Broker had discussed getting a job with advisers (61 per cent in Cohorts 1 and 2 and 59 per cent in Cohort 3 (Kazimirski *et al.*, 2005:51-52; Legge *et al.*, 2006:70-71). The most common topics of discussion were where to look for job vacancies, followed by how to complete a job application and prepare for interviews. Help with completing an application form was appreciated by those with poor literacy skills or whose impairment made the task difficult, as well as those seeking help with formulating responses to specific questions (Corden *et al.*, 2003:84-86). Most Job Brokers (91 per cent) also helped participants prepare CVs (McDonald *et al.*, 2004:25), especially as participants could be concerned about how to present significant gaps in their work history (Corden *et al.*, 2003:84-86). For participants with job interviews, advisers could discuss how to behave in and prepare for interviews, conduct mock interviews and even accompany participants to a job interview. Participants varied in the extent to which they required support for these activities, and there were differences in the degree to which their perceived needs were met. For example, younger participants with limited work experience could require intensive help with job search, whereas those with specialist skills or qualifications needed more specific help that was rarely received.

In addition, the majority of participants in contact with their Job Broker since registration discussed health issues in relation to finding work – 72 per cent in Cohorts 1 and 2 and 70 per cent in Cohort 3 (Kazimirski *et al.*, 2005:52; Legge *et al.*, 2006:71-73). The discussions focused on how their health might limit their work and how any work might affect their health.

Some participants were surprised that their Job Broker did not have 'lists' of job vacancies that were obtained through brokers' contacts with employers. However, many Job Brokers tended not to operate in this way (see Section 3.3.3). Nor did they offer a job-matching service.

Job Brokers generally approached supporting job search activities in two ways: identifying vacancies themselves and then bringing them to participants' attention, and supporting participants to conduct their own job search. The former approach could be time consuming and was an activity that was squeezed as caseloads grew and advisers had less time. Directly contacting employers was also seen as time consuming and having a low direct return. The second approach could be supported by job clubs and drop-in sessions. That a participant engaged in job search could be seen by advisers as a commitment by the participant to finding a job.

### *Advice and information on finance-related issues*

Participants could be concerned about the financial implications of moving from benefits to employment (Corden *et al.*, 2003:78-79) (see also Section 2.3.1). Most Job Brokers said they provided benefits advice to participants (84 per cent) (McDonald *et al.*, 2004:25). The majority of participants said they discussed financial issues with their Job Broker advisers; 75 per cent in Cohorts 1 and 2 and 71 per cent in Cohort 3 (Kazimirski *et al.*, 2005:53; Legge *et al.*, 2006:73-74). Most discussed how working would affect their entitlement to benefits or tax credits and/or the benefits or tax credits they could claim whilst working. It is possible that not all participants discussed financial matters with their Job Brokers because they were some distance from moving into employment, were unaware that their adviser could offer such assistance or preferred to seek such advice elsewhere (for example, from Jobcentre Plus or a Citizen's Advice Bureau) (Corden *et al.*, 2003:79). In the qualitative research participants reported receiving varying amounts of financial advice and information. It could include detailed information and advice, indeed, in several cases Job Brokers calculated whether a participant would be better off in paid work, with some advisers having access to the Department's own software for such calculations. However, other participants claimed Job Brokers had limited knowledge about benefits or tax credits.

Job Brokers' views on giving financial advice varied. Some saw giving advice as central to their activities, others that it was the domain of other organisations. Many advisers did not see it as their role to give financial advice; they lacked confidence in doing so and encouraged participants to use other organisations' services. Some advisers distinguished between giving general information on benefits and tax credits and giving individualised financial advice, and they were only comfortable with doing the former.

### *In-work support*

A key design feature of NDDP was that Job Brokers could provide in-work support to ease participants' transition into employment and address any concerns that might affect a participant's ability to sustain employment. However, the *Survey of Job Brokers* suggests that not all Job Brokers provided a wide range of in-work support (McDonald *et al.*, 2004:25-26). For example, whilst 86 per cent would assist with participants' travel arrangements/route planning, only 43 per cent would consider appointing a job coach or similar, and 45 per cent would accompany a participant to work for an initial period.<sup>35</sup> In the qualitative research participants receiving in-work support generally did not receive an intensive service (Lewis *et al.*, 2005:99), the priority Job Brokers gave to in-work support within their service profile varied (Lewis *et al.*, 2005:102) and the type of provision changed over time (Lewis *et al.*, 2005:37).

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<sup>35</sup> These proportions may of course reflect the, then, (that is, September 2002–February 2003) relatively low number of participants in paid work and they might have increased as more people move into employment.

In-work support was possibly one of the less developed services provided by Job Brokers (Lewis *et al.*, 2005:162).

The *Survey of Employers* found that where there had been contacts between an employer and a Job Broker that resulted in a participant gaining a job, the Job Broker had delivered some form of in-work support in two-thirds (66 per cent) of the cases (Dewson *et al.*, 2005b:67). That is, the clear need for in-work support is one of the main reasons for generating Job Broker contact with an employer. However, Dewson *et al.*, (2005b:67) emphasises that this only represents the situation in a small proportion of the sample of employers. Moreover, the figure of 66 per cent may be an over-estimate, because its base (the number of contacts known by the respondent to have resulted in a job entry) is by definition an underestimate (as it is a sample of employers who had recruited at least one participant). The number of post-recruitment contacts from Job Brokers ranged from one (16 per cent) to more than five contacts (15 per cent).

The qualitative research also shows that participants were generally aware that Job Brokers were able to support them post-employment (Corden *et al.*, 2003:89). The nature of the in-work support provided varied between Job Brokers, and provision depended upon the requirements and circumstances of participants (Corden *et al.*, 2003:89). The surveys reveal that over half of those participants in contact with their Job Broker since registration (that is, 55 per cent in Cohorts 1 and 2 (Kazimirski *et al.*, 2005:53-54) and 54 per cent in Cohort 3 (Legge *et al.*, 2006:74-75)) had discussed in-work support, notably training needs, the help and support needed to keep a job, aids and adaptations and help with transport to work.

Participants who had started or whose pre-registration job had changed after registration were asked if they needed certain types of in-work support and if their needs had been met (see Table 3.2). Although only around one in ten identified a support need, the majority had their needs met. In Table 3.2 the aids and adaptations provided included more suitable chairs, computer-related equipment and work-related uniforms. The personal assistants or support workers helped with lifting or mobility, assisting with specific job-related tasks and emotional support. Other in-work support provided to participants included job coaches.

In-work support was not only provided or funded by Job Brokers (Legge *et al.*, 2006:78-79). For example, in Cohort 3 help with travel comprised mainly funding of fares (33 per cent), but a fifth of those getting help received a lift from a relative (18 per cent). Similarly, aids and adaptations were, according to participants, funded by Job Brokers (39 per cent), employers (26 per cent), Access to Work/Jobcentre Plus (20 per cent) and themselves (14 per cent). Indeed, according to participants, most (40 per cent) personal assistants or support workers were funded by employers; however, this may be an overestimate as participants' knowledge of the source of the funding for their support is likely to be imperfect.

**Table 3.2 In-work support needed and provided**

Support needed	Support provided	Cell percentages			
		Cohorts 1 and 2	Cohort 3	Cohorts 1 and 2	Cohort 3
Help with travel to, or in, work	13	13	76	81	
Use of special aids or adaptations	10	7	76	79	
Use of personal assistant/support worker	8	7	78	68	
<i>Base:</i>		<i>All registrants who had started or whose pre-registration job had changed after registration</i>		<i>All registrants who needed a particular type of in-work support</i>	
<i>Weighted base*</i>		2,268		173-304	
<i>Unweighted base*</i>		2,260-2,261		173-297	

\* In Legge *et al.* (2006) sample sizes are not given in the text.

Sources: Kazimirski *et al.*, 2005: Tables 3.12 and Table 3.14; Legge *et al.*, 2006:74-79.

In addition, a third of participants in paid work had received further advice or support from their Job Broker at some point since registration (Kazimirski *et al.*, 2005:55-57; Legge *et al.*, 2006:75-76). For around three-quarters of these participants the contacts were about how their jobs were going. Other reasons for post-employment contacts mentioned by a significant minority of participants were discussing the benefits or tax credits available to people in work, participants' health condition and simply that they needed someone to talk to. These contacts tended to be by telephone or at the Job Brokers' offices (Legge *et al.*, 2006:76). That so few contacts took place at participants' place of work suggests that most participants did not feel that their work environment offered them the necessary facilities or privacy to conduct discussions with Job Brokers. Alternatively, some participants did not want their employer to know of their connection with NDDP or that they might have a disability. Of course, some of the telephone calls could have been made from workplaces. Job Brokers could contact participants on more than one occasion to check that all was well and to remind them to contact their adviser if they encountered any problems (Corden *et al.*, 2003:89).

Some Job Brokers also offered financial incentives. In Cohort 3, 11 per cent of participants who started a post-registration job or whose pre-registration job changed after registration discussed incentive payments with Job Brokers, with most (55 per cent) discussing the Job Introduction Scheme (Legge *et al.*, 2006:77-78).<sup>36</sup> However, in all the cohorts only a few participants claimed that a payment was made

<sup>36</sup> Under the Job Introduction Scheme, Jobcentre Plus paid a weekly grant of £75 to the employer for the first six weeks of employment. In some exceptional cases, this could be extended to 13 weeks.

to the employer. The qualitative research suggests that over time Job Brokers increased their use of direct and indirect financial support to participants, using both their own resources and that of other organisations, notably Jobcentre Plus' Adviser Discretionary Fund. (Lewis *et al.*, 2005:36-37). The adoption of financial incentives by Job Brokers was partly attributed to other local brokers using them and the feeling that they then had to offer something similar. Payments to participants ranged from £25 to £200 for a job entry, with a further payment at 13 weeks of sustained employment. Some Job Brokers also made payments to help participants with the transitional costs of moving into work.

In Cohorts 1 and 2 nearly half (48 per cent) of participants who started a post-registration job or whose pre-registration job changed since registration had received at least one of the in-work supports mentioned above (Kazimirski *et al.*, 2005:55). In the qualitative research, participants receiving in-work support said they generally valued what the Job Broker had done (Lewis *et al.*, 2005:102).

Some participants did not want nor sought in-work support from Job Brokers. Some participants did not need such assistance and some were unwilling to have the Job Broker further involved in their work (Aston *et al.*, 2005:67; Corden *et al.*, 2003:88; Lewis *et al.*, 2005:99). In the qualitative research there were examples of participants who encountered the sorts of post-employment problems Job Brokers claim to be able to address, but who did not contact a Job Broker, and some were unable to resolve the issue themselves. Participants' reasons for non-contact with a Job Broker post-employment include (Lewis *et al.*, 2005:100-101):

- The participant had resolved any issue themselves.
- It was some time since the participant had last been in touch with their adviser. (However, some participants doing Permitted Work were surprised that the Job Broker had not contacted them.)
- It simply did not occur to the participant to contact the Job Broker; they tended to associate them with pre-employment issues.
- Some were concerned it could draw attention to their disability or health condition if they asked the Job Broker to intervene with their employer.
- They did not want to admit to a third party that things had gone wrong (see also Corden *et al.*, 2003:88). Participants might believe that it was important to be independent in their work.
- It was felt that there was little the Job Broker could do to remedy the situation.
- The participant lacked the confidence to contact the Job Broker.
- The participant was reluctant to contact the Job Broker because s/he was dissatisfied with the service previously received.
- Support was obtained from other organisations, including Jobcentre Plus, social services, voluntary groups and family members.

Whether contact was made depended upon the nature of the relationship built with an adviser pre-employment.

From the employers' perspective, Job Broker involvement was mainly focused on the period when the participant started work. Post-employment contacts were less frequent, but this was often not perceived negatively by employers (Aston *et al.*, 2005:68). They sometimes felt that they needed an occasional call or check from the Job Broker. This was partly because they knew they could contact the Job Broker if required, and they could have their own internal systems and resources.

In the *Survey of Employers*, the reasons respondents gave for post-recruitment contacts with Job Brokers were (Dewson *et al.*, 2005b:68):

- checking on the progress of employees;
- providing ongoing support to the employer and employee;
- discussing potential new job applicants; and
- helping to improve any poor performance by an employee.

The nature of these contacts varied, from being a 'courtesy call' to developing (or being part of) an ongoing, longer-term relationship. Dewson *et al.*, (2005b:68) believe that where Job Brokers had developed a relationship with an employer it was '*mutually beneficial*'.

From the employers' point of view, Job Brokers could have four roles post-recruitment (Aston *et al.*, 2003:53-54):

- Advisory role – reassuring the employer about how best to meet any of the employees' needs and providing necessary advice and resources on aids and adaptations.
- Liaison/monitoring role – where the employees' needs were not immediately evident, employers appreciated having the option of being able to call upon the Job Broker and/or having an adviser regularly contact the employer to check upon progress.
- Facilitator role – occasionally the adaptations for a participant required specialist technical knowledge or experience and employers could turn to Job Brokers for this.
- Intermediary role – employers could turn to a Job Broker's advisers as 'honest brokers' where there were problems or disputes with a participant.

### *Training and work placements*

Initially, Job Brokers could see training and work experience as an important part of the service for participants (Corden *et al.*, 2003:80-82). However, over time some Job Brokers reduced their use of work experience placements and training because they were not felt to be cost-effective in helping participants get jobs, and Job Brokers

were tending to focus on (potential) participants closer to work who did not require such provision (Lewis *et al.*, 2005:37).

Nonetheless, training could be provided in-house or by an external body. The majority of Job Brokers claimed to provide in-house training in soft skills (such as confidence building and communication skills) (82 per cent) (McDonald *et al.*, 2004:25). A third (34 per cent) provided in-house training in basic skills and four out of ten (42 per cent) in key skills (for example, computer or communication skills). In some cases participants received help in accessing or paying for specialist training, such as bookkeeping.

A large proportion of participants (for instance, 42 per cent in Cohort 3) had looking into, applied for or started training schemes and educational programmes (Legge *et al.*, 2006:134-135). Participants could attend more than one course, the courses tended to be vocational or educational (including basic skills), and most courses were run by organisations other than the Job Broker or Jobcentre Plus (Ashworth *et al.*, 2003:93; Kazimirski *et al.*, 2005:131-132). Not all participants wanted training; some had received training prior to registering, or saw no need for further training or believed they were too old to begin training (Corden *et al.*, 2003:80-82). Some participants had wanted training, but it had not been discussed with an adviser, or if it had, not materialised. Participants and advisers could have mixed views about the role and usefulness of training. Some participants thought they had learnt valuable skills, but others were concerned that it had not been accredited training or led directly to employment. Job Brokers' views differed on the extent to which training should be provided in-house or outsourced, and many felt that the funding regime limited what courses they could pay for.

Although many Job Brokers claimed to provide (unpaid) work experience for participants (72 per cent) (McDonald *et al.*, 2004:25), few participants (around three per cent in Cohorts 1 and 3 and in Cohort 3) had started work preparation.<sup>37</sup> In some cases the Job Broker organisations operated their own businesses and these could provide work placements for participants (Corden *et al.*, 2003:80-82). Participants could realise that they could acquire soft skills through such placements, but could be critical if the placement was unpaid and if it did not meet an expectation that they would move on to employment. Some Job Broker advisers saw work placements as having a key role in NDDP, but others were concerned that a placement did not attract an outcome payment and yet organising placements was seen to be as time consuming as securing a job entry.

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<sup>37</sup> Here work preparation does not necessarily refer to Jobcentre Plus' Work Preparation programme.

### 3.6 Assessments of the service

Participants' and employers' views about the service delivered by Job Brokers will be influenced by a variety of factors, including personal circumstances, previous experiences, expectations, outcomes achieved and the wider social and economic environment. As a consequence, their assessments of aspects of the service do not necessarily simply relate to how well it was organised and delivered.

#### 3.6.1 Participants' views

In general, participants expressed fairly positive views about the service they had received from Job Brokers, although some had specific criticisms about aspects of NDDP.

In the qualitative research, participants (especially those with a mental health condition) tended to praise Job Broker staff for being courteous, friendly, enthusiastic and committed to working with disabled people (Corden *et al.*, 2003:75). Participants could hold these views even if they were dissatisfied or disappointed with the service they received. However, there were difficulties for participants if advisers were not contactable, for instance, they were on sick leave or had even left the organisation. Moreover, there was criticism of some Job Broker staff not having the relevant experience to deal with people with severe impairments or severe health needs (Corden *et al.*, 2003:75).

Participants were also fairly positive about both the location and office environments of Job Broker services (Corden *et al.*, 2003:74). Although some people found it difficult to access the offices (for example, they were located out of town), in general the premises were seen as accessible. Participants registered with Job Brokers offering mainly a telephone-based service sometimes wished for a local outlet to visit advisers face-to-face. However, other participants welcomed this mode of delivery as well as the frequency of the contact and their relationship with their adviser.

In the *Survey of Registrants* respondents were asked to rate aspects of the Job Brokers' service. In general, the majority of participants rated the discussions they had with Job Brokers on specific work-related issues as helpful (Kazimirski *et al.*, 2005:58-59; Legge *et al.*, 2006:91-92). So, for example, for the first wave of interviewing for Cohorts 1 and 2 the proportions rating the discussions as helpful ranged over a narrow band from 68 per cent on the '*type of work they might do*' and on '*health and work*' to 72 per cent on '*training*' and on '*support and help participants would need in a job*'.<sup>38</sup> In addition, Job Broker advisers were generally seen as well-informed on work-related, health and benefit issues (Legge *et al.*, 2006:93).

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<sup>38</sup> In Cohort 3 the proportions ranged from 68 per cent for discussions on training to 73 per cent on financial and benefit issues.

However, participants' overall assessment of how helpful contacts with Job Brokers had been so far was more polarised. Whilst most (for instance, 42 per cent in wave 1 of Cohorts 1 and 2) rated them as very helpful, there were significant minorities (23 per cent) who rated them as very unhelpful (Kazimirski *et al.*, 2005:61-64; Legge *et al.*, 2006:98-100) (Table 3.3). Over time there was also a decline in those finding the contacts very helpful (from 42 per cent five months after registration to 37 per cent five to 12 months after registration). There is some evidence of an 'outcome effect' in that those who had secured paid work were more likely to rate the Job Broker as very helpful (44 per cent compared to 29 per cent who had not entered work).

**Table 3.3 Participants' overall assessment of how helpful their contact with Job Brokers had been to date**

	Cohorts 1 and 2		Cohort 3
	Wave 1	Wave 2	
Very helpful	42	37	47
Helpful	14	14	15
Unhelpful	21	21	21
Very unhelpful	23	28	17
<i>Base</i>			
	All registrants	All registrants who had contact with Job Broker	All registrants
<i>Weighed base</i>	4,062	2,183	2,513
<i>Unweighted base</i>	4,063	2,212	2,153

Sources: Kazimirski *et al.* (2005), Figure 3.3; Legge *et al.* (2006), Figure 5.6.

When asked for their reasons for their overall assessment of helpfulness, participants tended to say it was simply because the Job Broker had been (very) helpful (50 per cent in Cohort 1 and 2, and 44 per cent in Cohort 3). The second most common positive reason was that the Job Broker had shown understanding or concern (16 per cent and nine per cent for Cohorts 1 and 2 and Cohort 3, respectively). The three most negative reasons for their assessments were:

- little or no contact with the Job Broker (17 per cent Cohorts 1 and 2, and ten per cent Cohort 3);
- insufficient or no help with looking for work (15 per cent Cohorts 1 and 2, and seven per cent Cohort 3); and
- the help received was of no use (14 per cent Cohorts 1 and 2, and eight per cent Cohort 3).

These reasons seem to imply inadequacy of service provision from the perspective of some participants.

### 3.6.2 Employers' views

In the context of many employers not being aware of NDDP and many having only 'modest' links with Job Brokers, employers generally reported few problems with working with Job Brokers (Aston *et al.*, 2003:57; Aston *et al.*, 2005:75). Indeed, those employers knowingly working with Job Brokers tended to believe that the relationship worked well.

For employers, the main problems or issues that did arise were: Job Brokers referring unsuitable participants for consideration; using a Job Broker could be more time-consuming than using other recruitment methods; the adviser not being initially open or explicit enough about the extent of the participant's health condition or disability; some felt that Job Brokers failed to provide participants and employers with sufficient support post-recruitment; poor financial advice given to participants about benefit entitlement; and the profile of Job Brokers, as a source of advice on employing disabled people, needed raising (Aston *et al.*, 2003:57-59 and 2005:75-77).<sup>39</sup>

However, where there had been problems, they had not deterred employers from using Job Brokers in future (Aston *et al.*, 2005:75).

## 3.7 Other organisations' services used

Users of NDDP did not restrict themselves to using only the services of Job Brokers. In most cases the contact was made with Jobcentre Plus or a DEA: 41 per cent and 24 per cent in wave 1 of Cohort 1, respectively; and 48 per cent for either in Cohort 3 (Ashworth *et al.*, 2003:102; Legge *et al.*, 2006:79-80). A fifth contacted recruitment agencies and around a seventh another Job Broker. Most participants contacted only one other organisation, with nearly a fifth contacting two or more other organisations.

### 3.7.1 Participants' use of other organisations

Participants could be referred to other organisations for advice, information and services as well as seek support elsewhere themselves.

Job Brokers might feel that their service was not appropriate for particular individuals (Corden *et al.*, 2003:34; Lewis *et al.*, 2005:51). This could arise where participants had health-related needs (such as mental health conditions), or if there were issues around drugs and alcohol abuse and housing problems. In the *Survey of Job Brokers* the most popular reason why they referred participants to other organisations, agencies and/or professionals was so that participants could acquire further educational qualifications (74 per cent) (McDonald *et al.*, 2004:27-28). A high proportion also referred participants to get specialist help with other problems such as alcohol/drug addiction (71 per cent), to obtain specialist help with a participant's illness or

<sup>39</sup> Some employers also argued that they should receive a subsidy for employing people from NDDP.

disability (70 per cent), to obtain basic skills training (65 per cent), to access more intensive support than the Job Broker could offer (63 per cent), to gain work experience within a voluntary organisation (59 per cent), to obtain key skills training (57 per cent), and to refer participants who were not job ready (53 per cent). However, referrals were also a response to the prioritisation of participants due to the funding arrangements (see Section 3.2.2) (Corden *et al.*, 2003:34).

The qualitative research suggests that over time Job Brokers made more use of external services (see Section 3.5.1), because the Job Brokers had acquired greater knowledge of local provision, as a response to financial pressures (see Section 3.2.1), the need to find supplementary provision for participants further from work and an increase in the flow of participants which meant that Job Brokers could develop a more active relationship with other providers (Lewis *et al.*, 2005:36). However, this was not matched by any significant increase in the proportion of participants saying that they had contacted other organisations. At around five months after registering in May-June 2002, 25 per cent of participants in Cohort 1 had reported they had contacted another organisation (Ashworth *et al.*, 2003:102), and this slightly increased to 27 per cent by around March/April 2004 for those in Cohort 3 registering in August to October 2004 (Legge *et al.*, 2005:79). However, not all of these are referrals by Job Brokers. Around a quarter heard about the organisation they contacted through a member of staff at Jobcentre Plus (Ashworth *et al.*, 2003:103-104; 80-81). Only around a tenth heard about the organisation from their Job Broker. Other sources included friends and relative personal contacts, newspapers and magazines, and advertising.

Participants had a variety of reasons why they were involved with other organisations, and the salience of some of these reasons changed over time (Table 3.4). In wave 1 of Cohort 1 more than a third (37 per cent) of participants said they contacted other organisations because they thought it would be useful to them; and by Cohort 3 this reason was still important but fewer mentioned it (27 per cent). The most commonly mentioned reason in Cohort 3 was that it was another way to help the participant find work (29 per cent), and this is a dramatic change from the earlier cohort where only eight per cent gave this as a reason. The increase in the proportion giving this reason perhaps reflects the increase in emphasis Job Brokers were giving to work outcomes as the programme evolved and as they responded to changes in their regulatory regime.

**Table 3.4 Participants' reasons for becoming involved with another organisation**

	Cell percentage	
	Cohort 1 Wave 1	Cohort 3
Thought it would be useful for me	37	27
They offered something I hadn't been offered elsewhere	21	13
Referred by Job Broker	14	14
They understood me better	13	10
They seemed more efficient	10	7
I felt more comfortable talking to them	10	7
They seemed more professional	9	6
It was more convenient	8	4
Another way to help me to find work	8	29
More accessible	8	3
They seemed more friendly	7	7
Promise them employment	[6]	2
Already involved with another organisation	[3]	9
They offered a financial incentive	[3]	2
Lack of support from main Job Broker	[2]	8
They contacted me	[1]	3
Other	7	19
<i>Base: Registrants who contacted another organisation</i>		
<i>Weighted base:</i>	765	679
<i>Unweighted base:</i>	772	695

Sources: Ashworth *et al.*, (2003), Table 6.21; Legge *et al.*, (2006), Table 4.12.

Other key reasons stated included the organisation offered the participant something no one else had, they were referred by the Job Broker, the organisation understood them better and unspecified 'other' reasons.

### 3.7.2 Employers' use of other organisations

Employers could also make use of the services of other organisations (Aston *et al.*, 2005:60-61). In general, employers made little distinction between the NDDP services of Job Brokers and those of other organisations. In general, this was because the Job Brokers' NDDP activities were so subsumed within the organisations' work that they were indistinguishable to the employer. The *Survey of Employers* reveals that 18 per cent of employers who had recruited a NDDP participant had contact with at least one other local organisation during the previous 12 months in connection with the recruitment of someone with a disability or health condition (Dewson *et al.*, 2005b:69). In 45 per cent of these cases, the contact led to a job appointment – a percentage that is higher than for their contacts with Job Brokers. Most of these other organisations (78 per cent) provided ongoing post-recruitment contact. The employers had contacts with a wide range of organisations including disability organisations,

local authorities and Jobcentre Plus. In some instances these organisations acted as Job Brokers in other areas. For smaller employers, Jobcentre Plus was often the 'first port of call' for advice on employing people with a disability and health conditions (Aston *et al.*, 2005:60; Aston *et al.*, 2003:59).



# 4 Outcomes

## Summary

- The participants' work histories from registration until one year later show that the proportion whose main activity was in paid work (employee, Permitted Work, or self-employment) or looking for work increased from 39 per cent in the registration month to 52 per cent one year after registration.
- Of the 260,330 New Deal for Disabled People (NDDP) registrations between July 2001 and November 2006, 110,950 (43 per cent) had found jobs by November 2006.
- Most participants who entered work did so within the first few months of registering with a Job Broker. Nearly one-half (44 per cent) of those who had entered work had done so within one month of registration, seven out of ten (68 per cent) had started work within three months, and eight out of ten (83 per cent) had started within six months. There was, however, a small proportion (six per cent) who entered paid work after 12 or more months.
- Factors that appear to have affected participants movements into employment are:
  - **Participants' characteristics**, in particular:
    - Women were slightly more likely to have found paid work than men.
    - Those with no problems with English or mathematics were more likely to have entered paid work compared to those with problems with English or mathematics.
    - Participants who rated their health as fair and/or (very) good or who said their health condition had no or little impact upon everyday activities were more likely to be in paid work than other participants.
  - Other factors were identified in multivariate analyses, but the findings are not consistently significant across the survey cohorts.
  - **Job Brokers' characteristics and activities** – There is a suggestion of a link between effectiveness in obtaining job entries and the following factors:

- Jobcentre Plus management of Job Brokers' contracts, especially contract reviews, the 'capping' of registrations of over-performing Job Brokers and the more effective use of management information all impacted on Job Brokers' performance.
- In general, the better performing Job Brokers all had good relationships with at least some local Jobcentre Plus staff.
- Well-established Job Brokers tended to perform better than newer Job Brokers; this is probably because it took time for new providers to establish their services.
- Job Brokers that were part of a larger organisation benefited from financial and other support from the parent organisation and this could enable them, for example, to build links with local Jobcentre Plus office staff.
- The better performing Job Brokers had staff either working on the Job Broker service exclusively or did not differentiate between their job broking work and their work on other contracts.
- Job Brokers who experienced difficulties recruiting staff or problems with staff turnover were perceived as performing less well than other Job Brokers.
- Successful Job Brokers were seen as having well-trained staff who were '*pro active*', '*committed*', '*enthusiastic*' and '*helpful*'.
- Those Job Brokers with a generic service performed better than those that specialised in a disability or health condition.
- **Geography and location of Job Brokers' services** – The evidence that the geographical location of the Job Brokers' services influenced movements into employment is mixed.
  - Job Brokers operating in rural areas tended to say that the setting affected their performance. Rural districts tended to cover a larger geographical area which could make travel for both Job Brokers and participants more problematic.
  - Multivariate analysis of survey data shows that the region a participant lived in affected the likelihood of moving into paid work. However, there is no obvious association with the state of regional labour markets.
  - Nevertheless, participants in Pathways to Work pilot areas were more likely to enter employment (39 per cent) than those living elsewhere (29 per cent).
- The majority of participants (73 per cent) entered full-time employee work (that is, worked 16 or more hours per week). More participants (around a quarter) entered routine, unskilled occupations than any other occupational group. Eight out of ten participants worked 16 or more hours per week. The median gross pay per hour for employee work was £6.09 (around March/April 2005).

- The majority of participants (70 per cent) in employment had not experienced any changes to their pay, hours or level of responsibility since starting work. The most likely change was an increase in pay, with 17 per cent having had a pay rise.
- Administrative data shows that of those participants entering work by August 2006, 57 per cent (or 59,080 participants) achieved sustainable employment (defined as employment lasting for 13 or more weeks).
- According to survey data for Cohorts 1 and 2, of those participants who had started paid work, three-quarters (74 per cent) had one spell of employment since registration, a fifth (22 per cent) had two spells, four per cent had three spells and one per cent had four or more spells.
- The survey data reveals that by around one year after registration, a half of participants who had started work were still in their initial job. However, for those whose first post-registration job had ended most (65 per cent) had left their jobs within the first six months.
- The factors undermining or supporting participants remaining in employment were:
  - **Participants' characteristics:**
    - Participants' health status – Participants in jobs that suited their health needs tended to say that their employment position was relatively stable. Health or disability reasons were, according to participants, the main factors behind giving up work.
    - Participants with a mental health condition were more likely to leave their work compared to participants without this condition.
  - **Job characteristics:**
    - Participants were more likely to stay in work if they were satisfied with their job. Participants valued developing positive relationships with colleagues and working in a friendly environment.
    - Some jobs were temporary and had come to a natural end.
    - The job could be unsuitable for the participant in terms of hours worked, the nature of the work and/or the individual's unrealistic expectations about what they could do.
    - Job retention was aided where employers were supportive and flexible in terms of making adaptations to the working environment and conditions of work.

Financial issues did not generally emerge as a very strong factor affecting job retention, although the increase in income from working was certainly valued by participants. Moreover, financial advice from Job Brokers and the in-work tax credits participants received were both seen as important in promoting job retention.

- NDDP also had some 'soft' or intermediate outcomes:
  - Job Brokers sought to improve participants' levels of confidence and some participants reported that involvement with the programme had been beneficial in terms of their levels of confidence. For example, at five/six months after registration, four to five out of ten participants agreed that their involvement with a Job Broker had meant that they were more confident about getting a job. However, attributing these improvements in self-confidence to NDDP is problematic, as other factors unconnected with the programme may be responsible.
  - Involvement with NDDP may have increased some participants' expectations about entering work in the future.
  - Five/six months after registration five to six out of ten participants had looked for work since registering on NDDP, of these around a third claimed that the programme had brought about or brought forward their decision to search for work.
  - Four out of ten participants by around five/six months after registration had engaged in some form of training or educational activity, with a fifth having started a training scheme or educational programme and of these just over four-fifths said that they had looked for, applied for or started training as a result of registering on NDDP.
  - At five/six months since registration, less than one-tenth of participants had started any voluntary work, of these around a third reported that their decision was brought about or brought forward by registering on the programme.
  - The evaluation does not provide any conclusive evidence that participation in NDDP led to any health benefits, but equally it does not appear to have had any adverse impact on participants' health.

The focus of this chapter is the outcomes achieved by participants in the NDDP programme. The chapter covers job entries (Section 4.2) and sustainable employment (Section 4.3) as well as some 'soft' programme outcomes (Section 4.4). For both job entries and sustainable employment there is a discussion of the factors that appear to be associated with these outcomes. The types of jobs gained by participants are also considered in Section 4.2.5. Before discussing the outcomes, Section 4.1 sets the context by outlining participants' work histories since their registration on the programme.

## 4.1 Participants' work histories since registration

The combined data for Cohorts 1 and 2 of the *Survey of Registrants* provides information on participants' work histories for up to 16 months after registration (Kazimirski *et al.*, 2005:140-144). This shows that the proportion of participants either in paid work (defined as employee work, Permitted Work, or self-employment)

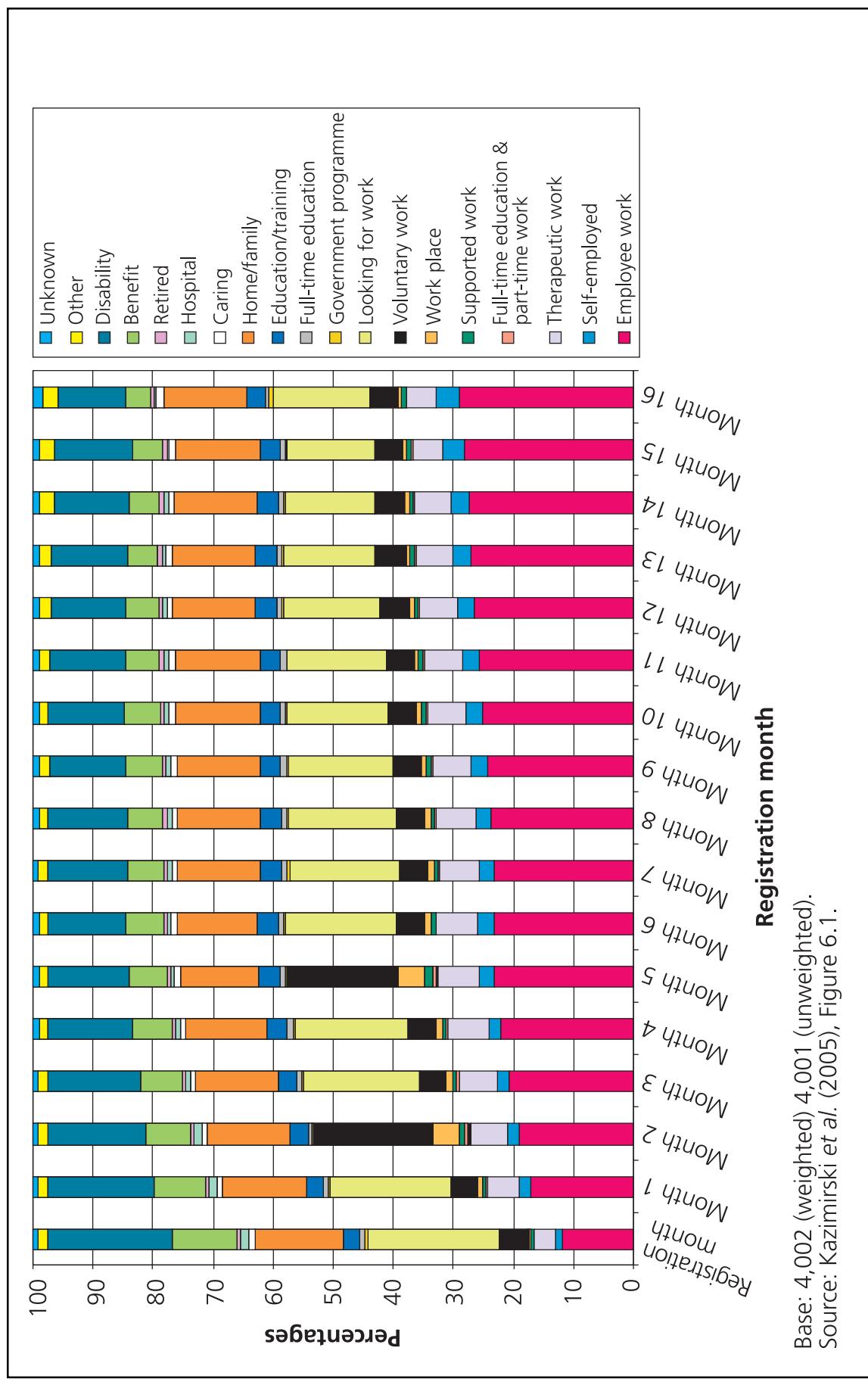
or looking for work increased from 39 per cent in the month of registration to 52 per cent one year after registration (Figure 4.1). For the registration month, this economically active group comprised 17 per cent who were in paid work (with 12 per cent in employee work, four per cent in Permitted Work, and one per cent in self-employment) and 22 per cent who were looking for work.

Five months after registration, the proportion in employee work had risen from 12 per cent to 22 per cent, and one year after registration it was 26 per cent. This is the same level as for two years before registration (see Section 2.3.2), where the proportion in employee work was also 26 per cent. Nevertheless, **overall** participation in the labour market was slightly higher three years on. One year after registration, three per cent of participants were in self-employment and six per cent in Permitted Work, bringing the proportion in paid work up to 36 per cent (compared to 30 per cent two years before registration), and 15 per cent were looking for work (compared to 12 per cent two years before registration).

Grouping activities, ten per cent of participants were doing one of the following 'other' activities in the registration month: voluntary work; education or training; supported work; work placement; a government programme. For all these activities, the proportion for whom it was their main activity stayed constant throughout the year after registration.

There were a small number of participants in the sample who undertook a single activity from registration until the wave 2 interview. Six per cent were in employee work only (including education and part-time work), one per cent was self-employed only and two per cent were in Permitted Work only. Very few people were in supported or placement work only. A further eight per cent of participants were looking for work throughout the period. A larger proportion of participants, 23 per cent, were inactive in the labour market from registration until their wave 2 interview.

**Figure 4.1 Participants' labour market activities over 16 months after registration**



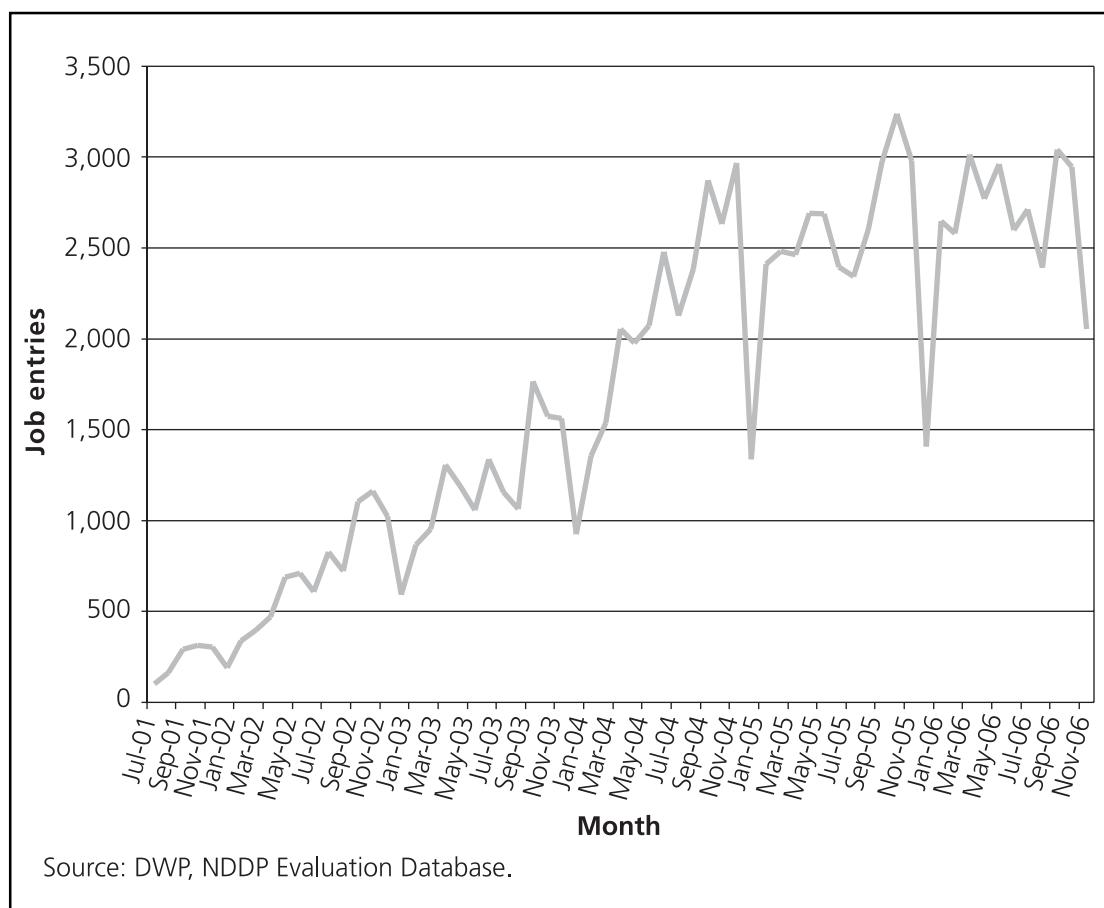
Base: 4,002 (weighted) 4,001 (unweighted).  
Source: Kazimirska et al. (2005), Figure 6.1.

## 4.2 Job entries

### 4.2.1 Job entries since 2001

Of the 260,330 NDDP registrations between July 2001 and November 2006, 110,950 (43 per cent) had found jobs by November 2006 according to administrative data (see Figure 4.1).<sup>40</sup> The proportion of registrants finding work has also increased over time. Of those registering between July 2001 and June 2002, 32 per cent found work within 12 months, compared to 44 per cent of those registering between December 2004 and November 2005. Since July 2001, the mean number of job entries has been 1,707 per month. There are, as with registrations (see Section 2.1), notable dips in the numbers of job entries during the December of each year, which can be attributed to the Christmas period. Likewise, there tends to be reductions in the number of job entries around the Easter period and at some point over the summer holidays; (although there was no corresponding fall in numbers in April 2002).

**Figure 4.2 Job entries by month, July 2001-November 2006**



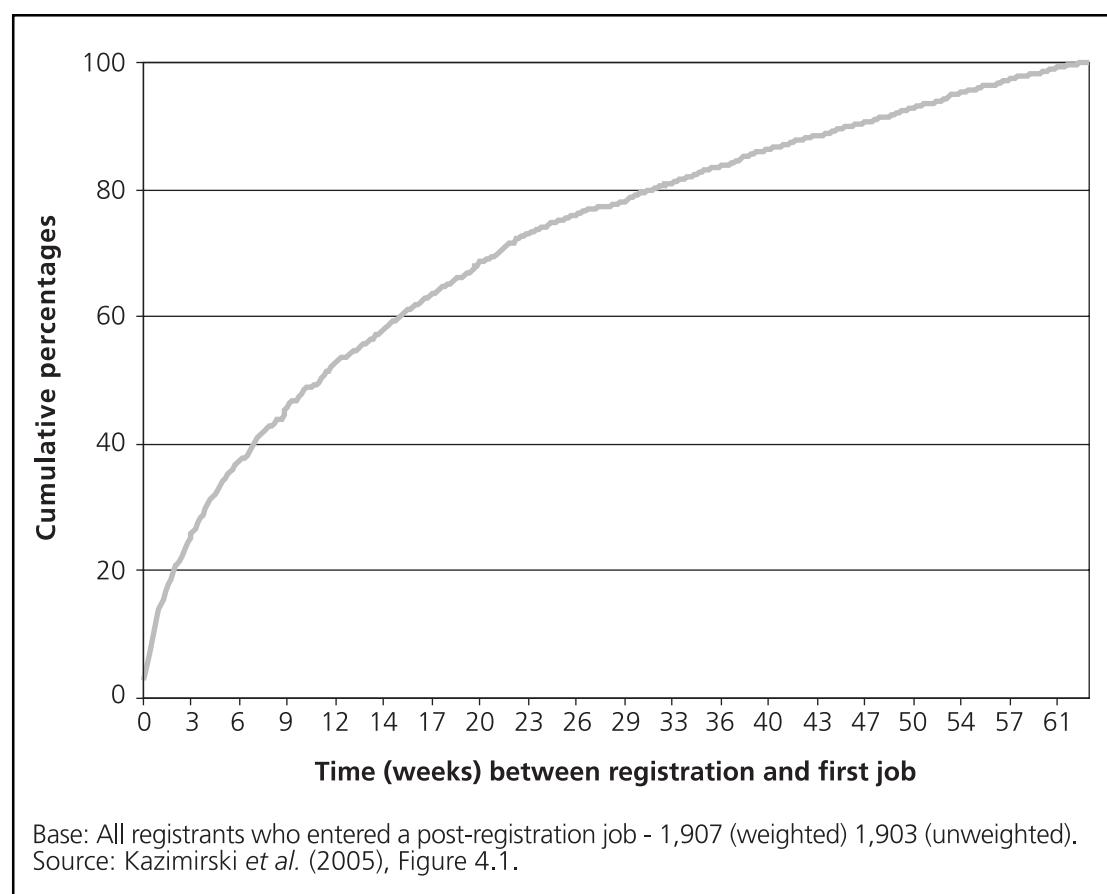
<sup>40</sup> These figures represent all Job Broker job entries and exclude Jobcentre Plus' NDDP job entries.

#### 4.2.2 Time taken from registration to first job entry

Administrative data shows that most participants who entered work did so within the first few months of registering with a Job Broker. Thus, nearly one-half (44 per cent) of those who had entered work had done so within one month of registration, 68 per cent had started work within three months and 83 per cent had started within six months. There was, however, a small proportion (six per cent) who entered paid work after 12 or more months.

The survey data also shows that most participants entered paid work within the first few months of registration, albeit at an increasingly slower rate (Kazimirski *et al.*, 2005:74-78; Legge *et al.*, 2006:154-158). Figure 4.2 shows the cumulative entry into work by week since registration, and illustrates the slowing down of job entry over time – the convex shape of this curve is typical of labour market programmes (although the high rate of job entries at 52 weeks is less common).

**Figure 4.3 Time taken to enter first post-registration job**



The survey data also tentatively suggests that the proportion entering employment within a few months of registration increased as the programme evolved (Table 4.1).<sup>41</sup> Overall, 65 per cent of those moving into work from Cohorts 1 and 2 had done

<sup>41</sup> This comparison between the findings from Cohorts 1 and 2 and Cohort 3 is not straightforward because of differences in the bases used – see Table 4.1.

so within three months of registering and by Cohort 3 this had increased to 70 per cent. This increase reflected participants entering both employee work and self-employment more quickly by the time of the third cohort (see Table 4.1).

That around a sixth of surveyed participants entered employment within one week of registration confirms the qualitative finding that Job Brokers could register people already in work or about to accept a job (Corden *et al.*, 2003:91). Indeed, the proportion moving into employee work within a week increased from 14 per cent for Cohorts 1 and 2 to 20 per cent for Cohort 3. People in work or very close to entering work at registration could still receive a service from Job Brokers that helped with their transition to employment. They could have sought support from Job Brokers because they were in part-time work, were on sick leave but still with a contract of employment or wanted to extend their Permitted Work

In addition, changes in Job Brokers' contractual arrangements, in particular the introduction of the 25 per cent minimum requirement for registration to job entry conversions in October 2003 and district profiles from April 2005, gave Job Brokers a financial incentive to register and prioritise people closer to work (see Section 3.2.2) (Lewis *et al.*, 2005:51) (Davis *et al.*, 2006:50). Job Brokers could work with people, sometimes using other programmes within the organisation, before registering them so that they were confident that they registered people who were likely to gain paid work and/or they managed the timing of the registration so that their activities were not capped by Jobcentre Plus (Davis *et al.*, 2006:28). Some Job Broker staff felt that following the introduction of the 25 per cent conversion rate minimum requirement they had to focus on those participants that were more job ready (Lewis *et al.*, 2005:51).

**Table 4.1 Time taken for participants to move into employment**

	Employees Cohorts 1 and 2	Cohort 3	Self-employed			Permitted work Cohorts 1 and 2	All types of paid work			Column percentages
			Cohorts 1 and 2		Cohort 3		Cohorts 1 and 2		Cohort 3	
			Employees	Self-employed	Cohort 3		Employees	Self-employed	Cohort 3	
Within 1 week	14	20	11	13	15	8	14	18	18	
More than 1 week-1 month	17	22	18	29	18	25	17	23	23	
More than 1-2 months	13	18	18	21	15	18	14	18	18	
More than 2-3 months	10	11	9	10	10	13	10	11	11	
Over 3 months	46	29	43	27	42	37	45	30	30	
Weighted cases	1,377	647	177	62	355	63	1,907	772		
Unweighted cases	1,365	665	174	66	364	59	1,903	790		

Bases: Cohorts 1 and 2 – All registrants who entered a post-registration job and who provided information about their first job  
 Cohort 3 – Registrants who entered a post-registration job of at least eight hours per week (information on date of start of first post-registration work missing for one case)

Sources: Kazimirska et al. (2005), Table 4.5; Legge et al. (2006), Table 8.9.

Analysis examining the personal characteristics of participants and how long they took to move into paid work is largely inconclusive (Kazimirski *et al.*, 2005:75-78; Legge *et al.*, 2006:155-157). However, analyses of both Cohorts 1 and 2 and Cohort 3 suggest that those with (higher) qualifications took longer to move into work. Possibly more of those with qualifications were willing to spend longer finding higher-skilled jobs that suited their experience; or perhaps it became relatively more difficult for some of those without qualifications to secure work after this period of registration.

The Cohort 3 data also suggests that participants with children, especially lone parents, were likely to take a relatively shorter time before entering work, whilst Cohorts 1 and 2 reveal that lone parents were more likely than other household types to enter employment within six months of registration.

Changes in perceived health status and timing of moves into work can be analysed with Cohorts 1 and 2, and this shows that entries into work occurred around the time of reported better health to a limited extent (Kazimirski *et al.*, 2005:58-59). Job entries tended to be early for those who started off in good health but whose health later declined, and were late for those who started off in poor health but whose health improved. Thus, 22 per cent of those whose health improved entered work within a year (but not within six months) whilst only 15 per cent of those whose health declined entered work in this time. Those whose health remained bad or very bad but who nevertheless entered work, were more likely to do so within one month of registration than those whose health remained good or very good (42 per cent compared to 31 per cent). In contrast, those whose health remained good or very good were more likely to take over a year to enter their first post-registration job than those whose health remained bad or very bad (seven per cent compared to two per cent). This may reflect a less hurried approach to jobseeking among some of those in relatively stable good health; or it may be that those in poor health become relatively unlikely to start work unless they did so quite quickly after registration.

#### **4.2.3 Factors associated with movements into work**

The evaluation provides some indication of the factors that may affect participants' movements into paid work. These factors can be considered under the following three headings:

- participants' characteristics;
- Job Brokers' characteristics; and
- geographical location of Job Brokers' services.

##### *Participants' characteristics*

Multivariate analysis of the *Survey of Registrants* suggests that a number of personal (and other) characteristics were associated with movements into employment (Kazimirski *et al.*, 2005:69-72; Legge *et al.*, 2006:148-151). Table 4.2 summarises

the factors from the analyses of Cohorts 1 and 2 and Cohort 3 that are associated with an increased likelihood of participants moving into paid work. Overall, the personal characteristics summarised in Table 4.2 lend support to the view that NDDP tended to help those participants closer to the labour market. The factors identified in the two sets of analyses differ and have slightly different bases, nevertheless, the findings confirm the favourable work outcomes for women, those with basic skills and those with a 'better' health status.<sup>42</sup>

Women were slightly more likely to have found work than men (49 per cent compared to 45 per cent in Cohorts 1 and 2, and 34 per cent compared to 28 per cent in Cohort 3) (Kazimirski *et al.*, 2005:69; Legge *et al.*, 2005:143). This is despite men being more likely than women to have either worked or looked for work in the two years prior to registration and for more men than women to have registered for NDDP.

Those with no problems with English or mathematical skills were more likely to have entered work compared to those with such problems (49 per cent compared to 34 per cent in Cohorts 1 and 2 (Kazimirski *et al.*, 2005:70)). That some participants had problems with basic skills (see Section 2.3.1) confirms that some participants faced multiple disadvantages in the labour market.

Participants who rated their health status as fair and/or (very) good or who said their health condition had no or little impact upon everyday activities were more likely to enter employment than other participants. For example, over one-half (55 per cent) of participants whose health remained good or very good had entered work since registration, whilst just over one-quarter (27 per cent) of those whose health remained bad or very bad had done so (Kazimirski *et al.*, 2005:70). The qualitative research also shows that a key factor influencing whether or not people were able to move forward was their health status (Lewis *et al.*, 2005:69 and 84). Some participants said their health had deteriorated to the extent that they were not able to consider working, and had withdrawn from the Job Broker service. Equally, however, improvements in health could accelerate progress towards work.

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<sup>42</sup> The analysis for Cohort 1 and 2 is based on all respondents who entered a post-registration job and provided relevant information (Kazimirski *et al.*, 2005), but Cohort 3 is based on those who entered employee or self-employment post-registration of at least eight hours per week (Legge *et al.*, 2006).

**Table 4.2 Factors associated with an increased likelihood of participants moving into employment**

Factor associated with increased chance of employment	Cohorts 1 and 2	Cohort 3
<b>Personal characteristics</b>		
Gender – women	•	•
Ethnicity – white	•	
Age – older participants (50-59 years)	•	
No basic skills problems	•	•
Possess a full driving licence with access to a vehicle		•
Has a positive attitude towards work	•	
Has a partner	•	if partner has a positive attitude towards work
Job-search – used Jobcentre Plus or a recruitment agency before registration; and not looking at job advertisements in papers etc.		•
<b>Health:</b>		
Self-assessed health status is ...	• fair/(very) good	• (very) good
Health has little or no impact on everyday activities	•	•
<b>Type of disability/health condition</b>		
Has musculo-skeletal condition (main)	•	
Has chronic, systemic or progressive condition (main)	•	
Mental health condition (main) ...	• (has condition)	• (does not have condition)
<b>Job Broker-related</b>		
An existing Job Broker (versus new Job Broker)		•
Job Broker delivers a generic service (versus specialist disability service)	•	
Mode of contact – by post		•
Nature of discussion – on job interview, provision of a job coach, how to fill in benefit or Tax Credit forms, and how to approach health condition with an employer		•
<b>Other</b>		
Region	•	•
Located in a Pathways to Work pilot		•

• Factor identified as significant in multivariate analysis.

The analysis of the survey data also suggests that independently of the participants' perception of their health status (and other factors), the type of disability or health condition could also affect their chances of gaining employment. However, the results of the analyses are ambiguous, even contradictory. Thus, the analysis of

Cohorts 1 and 2 suggests that those with a mental health condition were more likely to enter paid work than those without such a condition, whilst Cohort 3 suggests the opposite of this. In part this might reflect differences in variables included in the analyses; only whether or not a participant has a mental health condition is common to both analyses and other disability/health conditions are omitted from the Cohort 3 analysis. The composition of the samples also varies – there were fewer people with a musculo-skeletal condition and more with a mental health condition in the Cohorts 1 and 2 sample than in the Cohort 3 sample. Moreover, the analyses cover different periods of time – Cohorts 1 and 2 up to one year after registration against six months for Cohort 3 – and the significance of some types of disability/health condition might change over time.

Having a partner also emerged as a factor that led to a greater likelihood of employment in both sets of analysis, but again the findings are not conclusive. The analysis of Cohorts 1 and 2 suggests that participants with a partner 12 months after registration were more likely to enter work (Kazimirski *et al.*, 2005:71). Partners possibly provide additional support to participants that enable them to take work. However, analysis of Cohort 3 shows a more complex association (Legge *et al.*, 2006:203-205). Having a partner with a positive attitude towards work (regardless of whether the partner worked) was associated with a participant being more likely to move into work. As Cohort 3 had only one wave of interviewing it is not possible to determine the direction of causality – whether the partner having a positive attitude towards work was a factor contributing to the participant moving into paid work or a consequence of the move.

Other personal characteristics associated with an increased likelihood of entering paid work that were identified in one of the two analyses were:

- Age – older participants were more likely to enter employment; in Cohorts 1 and 2, 49 per cent of those participants aged 50 or over entered paid work compared to 46 per cent of younger participants. This might seem slightly surprising, given that those aged 50 or over were more likely to have had no qualifications (and hence be further from the labour market) and, more generally, a high proportion of this sub-group were economically inactive. However, the proportion of working age people aged 50 and over who are economically inactive has declined in recent years (from 31 per cent in the mid-1990s to 27 per cent in September-November 2006) and the employment rate for older working age people is increasing (National Statistics, 2004 and 2007). Older participants might be benefiting from more general labour market trends, despite their lack of qualifications.
- Ethnicity – white participants were more likely to obtain employment than members of other ethnic groups; in Cohorts 1 and 2, 48 per cent of White participants entered paid work compared to 31 per cent of Black and 33 per cent of Asian participants.

- Having a positive attitude towards work – one-half (50 per cent) of those with a positive attitude towards work (at wave 1, Cohorts 1 and 2) had entered work at one year after registration whereas 39 per cent of those with a neutral or negative attitude had entered work.
- Possession of a full driving licence with access to a vehicle was associated with an increased chance of entering work in Cohort 3. The qualitative research also reveals that lack of access to transport, poor local public transport networks and lack of a driving licence were seen as having an adverse impact on participants' progress to work (Lewis *et al.*, 2005:69).
- Method of job search used both before and after registration – participants who had used Jobcentre Plus or a recruitment agency before registration were more likely to have entered a post-registration job, than those who had not used these services. For instance, those who had used a recruitment agency before registration had a 61 per cent higher chance of entering work than those who had not done so. However, those who looked at job advertisements in papers, magazines, shop windows, and so on, after registration were less likely to have entered work than those who had not used this method. This may reflect the amount of effort put into finding employment and/or indicate an assessment by participants of their likelihood of obtaining employment, with those judging their chances to be low using less demanding methods for finding work. Using employment services arguably requires more effort than looking at job advertisements.

Separate analysis on the Cohorts 1 and 2 data also shows that participants who were closer to the labour market, in the sense of having been in work one month before registration, were highly likely to be in work post-registration (Kazimirski *et al.*, 2005:147).

### *Job Brokers' characteristics*

The performance of Job Brokers measured in terms of the number of job entries, the conversion of registrations to job entries and the proportion of contracted job entries achieved varied widely (Lewis *et al.*, 2005:137-141; Davis *et al.*, 2006:15-22). The qualitative research reported in Lewis *et al.* (2005) and Davis *et al.* (2006) has systematically explored the characteristics of Job Brokers that influence their performance. In addition, the analysis of the *Survey of Registrants* identifies some of the Job Broker related factors that were associated with participants' movements into paid work (see Table 4.2). This section draws mainly upon Davis *et al.*, (2006), because it was specifically designed to investigate the drivers of Job Brokers performance, and to a lesser extent on the analyses of the survey data.<sup>43</sup>

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<sup>43</sup> In Davis *et al.*, (2006:20-22) the Job Brokers' performance is measured in terms of the percentage of contracted (or profiled) job entries achieved.

The main Job Broker characteristics affecting participants' movements into employment were:

- **Management of the NDDP contract by Jobcentre Plus**

There were three main aspects to the management of the NDDP contact by Jobcentre Plus that appears to have affected the performance of Job Brokers:

- contract management, reviews and re-profiling;
- the introduction of Jobcentre Plus district monthly profiles; and
- the capping of over-performing Job Brokers.

Jobcentre Plus' Contract Managers alongside Policy Managers had a key role in monitoring and influencing Job Brokers' performance (Davis *et al.*, 2006:30-32). Each Contract Manager worked with between four and seven Job Broker organisations and conducted formal contract reviews and site visits to examine the delivery of the service. From 2004 onwards they also had access to a computer system to assist them in managing the programme budget and the Job Brokers' performance using the monthly district profiles (see below). Contract reviews were conducted every three to four months, and, if necessary, could result in Contract Managers and the Job Brokers' managers producing a development plan to address any underperformance or areas that required improvement.

If Job Brokers failed to improve their performance by following the development plan, they might be subject to re-profiling. This involved reducing the number of registrations and job entries a Job Broker was expected to attain for each remaining month of the contract. In the qualitative research it was suggested that for some of the new Job Brokers post-April 2004 this had been almost inevitable as the activity levels projected in their tenders were extremely ambitious. Some providers had their job entry profiles cut by as much as 50 per cent. This subsequently enabled them to achieve a high proportion of their new profile and their performance subsequently appeared to be much improved.

The need for re-profiling might arise for several different reasons:

- Where an inexperienced Job Broker had been unaware of, or unrealistic about, how long it would take to set up a successful operation.
- Where Job Brokers had anticipated a higher level of referrals from Jobcentre Plus than they received, usually because the roll-out of Jobcentre Plus was incomplete in the district.
- Where Job Brokers had anticipated a higher level of interest from the client group in terms of self-referrals.

The introduction, in April 2005, of Jobcentre Plus district monthly profiles for job entries for each Job Broker enabled both Jobcentre Plus and the relevant Job Broker to monitor more closely their progress and address any under- or over-performance issues (see Section 1.3.2) (Davis *et al.*, 2006:24-26). The district profiles appear to

have helped some (especially new) Job Brokers improve their performance through more comprehensive and effective use of management information (see below).

Moreover, the 'capping' of Job Brokers that were over-performing (see Section 3.2.1) had an impact upon job entries (Davis *et al.*, 2006:27-28). As referrals from local Jobcentre Plus offices and hence, registrations declined for a capped Job Broker, a point could soon be reached at which it was now under-performing. However, (and as already mentioned in Section 3.2.1) it was reported to be quite difficult for Job Brokers to communicate to local Jobcentre Plus staff the need to re-instate referrals. This could be further complicated where there was a position where a new Job Broker was working to grow their business at the same time as an existing Job Broker had been trying to reduce theirs. The new Job Broker would be able to take on referrals that might previously have gone to the existing Job Broker and could build relationships with local Jobcentre Plus staff without having to compete against the existing Job Broker. In addition, organisational restructuring within local Jobcentre Plus offices could result in staff with whom the existing Job Broker had built up a rapport being redeployed elsewhere, so that they would have to build relationships with staff new to the role. If Jobcentre Plus staff fresh to the post had developed a close relationship with the new Job Broker and had a perception of the existing Job Broker as an organisation that did not have capacity to help customers, it could be particularly difficult for the existing Job Broker to increase activity levels.

- **Relationships between Job Brokers and the local Jobcentre Plus office**

In general the better performing Job Brokers had good relationships with at least some local Jobcentre Plus staff (Davis *et al.*, 2006:33; Lewis *et al.*, 2005:151). There are two aspects to the relationship between local Jobcentre Plus offices and Job Brokers that appear to have affected performance: First, Job Broker staff thought that the roll-out of Jobcentre Plus had led to higher referrals, which in turn was associated with better performance (Davis *et al.*, 2006:29-30). Mandatory Work Focused Interviews (WFIs) were conducted in integrated Jobcentre Plus offices and this helped to generate referrals to Job Brokers (see Section 1.3.2).

Secondly, the better performing Job Brokers were those best able to market job broking services to Jobcentre Plus staff in terms of the potential for mutual benefit (Davis *et al.*, 2006:29-30, 33-37; see also Lewis *et al.*, 2005:151). The perceived benefits were an increased likelihood of achieving organisational targets and provision of a more comprehensive service to the client group. (See also discussion on Job Broker-Jobcentre Plus links in Section 3.3.2.)

- **Type of Job Broker**

Analysis of the third cohort of the *Survey of Registrants* suggests that whether the Job Broker was new to job broking or an existing Job Broker was significantly associated with movements into work by participants (Table 4.2; Legge *et al.*, 2006:147 and 150). Proportionally more participants registered with existing Job Brokers (31 per cent) entered work about six months after registration compared to those registered with new Job Brokers (25 per cent). This is likely to be because it takes time for new providers to build up the capacity and experience needed to maximise their ability to place participants in paid work. New providers had to establish their services and develop their understanding of local labour markets and of the client group. To the extent that there was a learning curve, then the job entry rates of new Job Brokers can be expected to lag behind those of existing Job Brokers.

Also possibly relevant here is the organisation's prior experience of the client group. Lewis *et al.* (2005:144) reveal that amongst their sample, all four of the Job Brokers who had been involved in the earlier Personal Adviser Service phase of NDDP (see Section 1.3.2) were in the highest performing group of Job Brokers. Notwithstanding these Job Brokers' prior experience of NDDP, it is likely that it is their experience of the client group that was relevant, because the analysis of the *Survey of Registrants* shows that respondents who were registered with organisations involved with the pilots were not significantly more likely to enter work than those of other Job Brokers (Kazimirski *et al.*, 2005:72).

- **Size of Job Broker**

In Davis *et al.* (2006:38-39) 'size' refers to the coverage of Jobcentre Plus districts and the study shows that three factors appear to have affected performance:

- Size of operation – whether the Job Broker was a stand-alone operation or part of a larger regional, national or international organisation. Job Brokers who were part of a larger operation could benefit from financial and other support from the parent organisation during the early part of the contract when they were attempting to establish themselves. Financial support would, for example, enable them to recruit to staffing levels that reflected anticipated activity rather than actual activity during the start-up phase when there was minimal revenue. This could facilitate relationship building activities with local Jobcentre Plus staff who tended to make referrals to Job Brokers that they perceived to be more 'visible'. They might also receive support in the form of marketing and access to expertise and infrastructure within the larger organisation.
- Whether the Job Broker delivered NDDP exclusively or combined it with other programmes. Participants were more likely to move into work where either staff worked exclusively on NDDP or, if they worked across several programmes, where NDDP was well integrated within these (see also Lewis *et al.*, 2005:109 and 150). Those organisations delivering NDDP exclusively appeared to be more focused on improving their performance on the programme, presumably because they could not rely on any other sources of revenue.
- Number of Job Broker staff working in a given district (this is discussed further later).

### • Factors internal to the Job Broker organisation

The organisational factors within the Job Brokers that appear to have an effect on performance were (Davis *et al.*, 2006:41-47):

- The number of staff. Job Brokers experiencing difficulties recruiting staff or problems with staff turnover were perceived as performing less well than other Job Brokers. Although a Job Broker could be part of a larger organisation, the number of staff working on the programme in any given district could be relatively small (one or two people). Job Brokers perceived to have insufficient staff to cover the geographical area and/or high caseloads were seen by Jobcentre Plus staff as less accessible and less likely to provide timely feedback on customer progress. Local Jobcentre Plus staff were more inclined to refer customers to other Job Brokers operating in the district that appeared to have more staff and be better resourced. Moreover, Job Brokers with more local staff were better placed to visit local Jobcentre Plus offices; these visits raised their 'visibility' with advisers and helped to generate referrals.

Staff turnover in Job Brokers could adversely impact on relationships with local Jobcentre Plus staff. The latter could be unsure about who to contact within the provider organisation and concerned about whether staffing levels were sufficient to ensure consistency and continuity of care for their customers.

- The suitability of the staff. Successful Job Brokers were seen as having staff that were '*pro active*', '*committed*', '*enthusiastic*' and '*helpful*' (see also Lewis *et al.*, 2005:148). Some Job Brokers when setting up in a new district could experience difficulties in recruiting staff and their perceptions of the essential qualities for staff could change over time. It was thought that Job Broker staff needed to combine a sensitive approach to dealing with participants with an awareness of how they were performing. Job Broker managers who had previous experience of working with people with impairments and/or serious health conditions said that this had given them an advantage over Job Brokers with less experienced staff.
- Staff training. Some Job Brokers said that staff training (especially in '*commercial awareness*', the correct use of paper and electronic systems for data and evidence management, and, if the organisation performed better off in-work calculations, the use of benefits software) played an important part in maximising potential performance.
- Use of management information. There is no simple association between use of management information within a Job Broker and levels of performance. Nevertheless, the better performing Job Brokers tended to use management information in conjunction with more detailed information about individual staff activity in order to drive performance (see also Lewis *et al.*, 2005:147). Such organisations placed an emphasis on understanding how staff performance was linked to performance data, for example by conducting case-by-case reviews with staff, or discussing with teams the reasons why figures for registrations or job entries had been lower than anticipated. However, some of the lower performers also appeared to have strategies in place, based on detailed knowledge of management information, that were designed to increase levels of staff activity.

- Type of premises. Although views differed about what type of accommodation best suited the delivery of the programme, some Job Brokers believed that the nature and quality of some premises benefited their performance. It was seen as advantageous to have prominent, highly visible shop-front premises in city centres, as well as smaller '*more cosy*' local premises for people who did not wish to travel into a city centre. Conversely, some local Jobcentre Plus staff thought that high quality city centre accommodation could be an intimidating environment for some of their customers, and that this type of location occasionally deterred them from recommending a particular Job Broker. Some city centre Job Brokers' premises were seen as being difficult to access because of a lack of nearby parking and/or the necessity for customers to negotiate stairs or lifts in order to reach the Job Brokers' offices.

- **Services provided**

Davis *et al.*, (2006:47) concluded that differences in performance could not be attributed to variations in the types of services delivered by Job Brokers (see also Section 3.5.3). This was because the evaluation team were unable to measure any systematic variation in the services provided. All the Job Brokers said that they adopted an individualised client-based approach with packages of support being tailored to each participant's needs. It is possible that different Job Brokers emphasised different aspects of their service but the evaluation team collected no systematic data on this.

However, multivariate analysis of the *Survey of Registrants* (Table 4.1) suggests that differences in services received (including the topic of discussions with Job Broker advisers) may be associated with participants' movements into work.

Analysis of Cohort 1 and 2 survey data reveals that participants of Job Brokers who provided a generic service rather than one with a specialist focus (in terms of type of disability) were more likely to enter work (Kazimirski *et al.*, 2005:71). (However, this is not an indicator of a more effective service by one type of Job Broker, as it could equally reflect the different characteristics of participants recruited by each of these broad types of provider.)

Analysis of the third cohort reveals, first, that certain modes of contact had a significant effect on participants' chances of entering work (Legge *et al.*, 2006:150). Those who made postal contact with a Job Broker had a 59 per cent higher chance of entering work than those who had not used a postal contact. This could simply mean that the Job Broker sent details of a vacancy to a participant, such as an application form, or that the participant sent, for instance, a CV to the adviser. In either case, it implies that having a postal contact with a Job Broker is possibly a proxy measure for a participant being closer to the labour market.

Secondly, those participants talking to Job Broker advisers about voluntary work, what work participants might do, or how participants' health might limit work were less likely to have entered work than those who had not discussed these issues. On the other hand, having discussed how to present at a job interview, provision of a job coach, how to fill in benefit or Tax Credit forms, and how to approach one's health condition with an employer were all significantly associated with a higher likelihood of entering work, than not having discussed these issues. Again, these discussions may be, in different ways, indicators of the employability of the respondent.

### *Geography and location of Job Brokers' services*

The evidence that the geographical location of the Job Brokers' services influenced movements into employment is mixed. On the one hand it is known that the physical location of a provider's office could influence Jobcentre Plus staff decisions on whether to make a referral (see above) (Davis *et al.*, 2006:41) and potential participants' choices about selecting a Job Broker (see Section 3.4.1). On the other hand, the evidence about the effect of type of area/region and local labour markets on movements into employment is less conclusive.

In the first wave of the qualitative research with employers (Aston *et al.*, 2003:51), some employers (especially the smaller and private sector firms) highlighted the importance of the supply of labour in local labour markets. They were less likely to recruit someone with a disability or health condition if they could hire fairly easily locally. Similarly, the qualitative study by Davis *et al.*, (2006:40) reveals that in urban areas local labour markets were seen as reasonably buoyant and so local labour markets were not identified as a factor affecting Job Brokers levels of performances.

Nevertheless, respondents interviewed about job broking in rural districts were much more likely to identify the nature of the setting as being a factor affecting performance than those in urban settings. Rural districts tended to cover a larger geographical area, which could make travel for both Job Brokers and participants more problematic. Job Brokers reported that participants could be extremely widely dispersed and that much time could be spent travelling in order to do outreach work.<sup>44</sup>

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<sup>44</sup> In addition, labour markets in rural areas tended to be affected by the predominance of seasonal work relating to tourism and/or agriculture. This could mean that participants who entered employment might have contracts lasting only a few weeks or months, or might be made redundant through seasonal changes in the employers' needs.

Multivariate analyses of the factors associated with participants' movements into paid work also suggest that region was significant (Kazimirski *et al.*, 2005:71; Legge *et al.*, 2006:148). However, other than showing that there was a significant regional variation, the findings are inconsistent across cohorts and difficult to interpret, as there is no obvious association with regional labour markets.

Nonetheless, whether participants lived in a Pathways to Work pilot area was associated with movements into employment (Legge *et al.*, 2006: 147-148 and 150). The proportion of participants entering work in the Pathways to Work areas was considerably higher than elsewhere. Thirty-nine per cent of participants in Pathways to Work pilot areas had entered work, compared to 29 per cent of participants in non-Pathways to Work pilot areas. This confirms other published findings that suggest that Job Brokers in Pathways to Work pilot areas are more successful in securing entries into employment than in other areas (DWP, 2004). It is conceivable that this area difference arises from the nature of the interventions available in Pathways and non-Pathways areas, in particular the availability of a Return to Work Credit of £40 per week for up to 52 weeks to NDDP participants (and others) where gross earnings are less than £15,000 (see Section 1.3.2). However, the higher employment rate for Pathways to Work pilot areas might also reflect other variables, such as differences in the performance of local labour markets.

A further breakdown of entry into work by type of Job Broker and area shows that participants registered with existing Job Brokers in Pathways to Work pilot areas were the most likely to enter work (40 per cent), followed by those who registered with new Job Brokers in Pathways to Work pilot areas (33 per cent). Those who registered with new Job Brokers in non-Pathways to Work pilot areas were the least likely to enter work (24 per cent).

#### 4.2.4 Role of employers

A role envisaged for Job Brokers was that they would work closely with employers in order to match participants to employers' needs and provide in-work support.

The *Survey of Employers* shows that where the employer could recall a contact with a Job Broker, just under a third (31 per cent) of these contacts resulted in at least one person being recruited (Dewson *et al.*, 2005b:64). The implication is that most employers in the survey had recruited participants without being aware that their employees were on NDDP (because, by definition, all of the employers in the sample had done so). This finding needs to be seen in the context of one-third of the employers (31 per cent) being unaware of having any disabled employees (Dewson *et al.*, 2005b:29-30).

In the *Survey of Employers* where the employer had had contact(s) with a Job Broker the main reasons for there being **no** recruitment were (Dewson *et al.*, 2005b:66) the employer had no vacancies (36 per cent), or the contact had been of a general nature and not focused on recruitment (34 per cent). In addition, in a minority of cases there had been no recruitment because the employer was unsure that the Job Broker could

provide a suitable applicant (nine per cent); the Job Broker had sent an unsuitable job applicant (five per cent); or the Job Broker did not understand the employer's business (one per cent). However, that a participant was not recruited did not necessarily harm a Job Broker's links with an employer (Aston *et al.*, 2005:83).

However, the qualitative research with employers suggests that for some employers certain participants would not have been recruited had it not been for the intervention of the Job Broker (Aston *et al.*, 2005:83). Indeed, Job Brokers could be influential with employers and help change how they thought and acted. However, the Job Brokers' effectiveness did depend upon the closeness of their relationship with employers, and it took time to develop this relationship. Critically, a Job Broker had to understand the employer's selection criteria (in terms of qualifications, skills, experience and personal characteristics), in order to secure a job for a participant (Aston *et al.*, 2005:89-90).

From both waves of the qualitative research with employers (Aston *et al.*, 2003 and 2005) it is clear that some employers recruited participants without knowing of their registration on the programme, and this reflects minimal or non-existent contact with the relevant Job Broker.

Indeed, in the qualitative research with participants and employers it would appear that the jobs NDDP participants had found had generally not been secured through any direct intervention of the Job Broker with the employer. Rather, the role of the Job Broker had been instrumental in providing assistance with job search techniques, with the application form, or with advising and supporting the participant through the interview process. These participants had been recruited on their own merits, because they met the employers' recruitment criteria (Aston *et al.*, 2003:51). From the perspective of the employer, the Job Broker's role was neither central nor key to the participant securing employment (Aston *et al.*, 2003:52).

Aston *et al.*, (2005:89) propose two reasons why employers might not have heard of local Job Brokers and were not actively working with them: First, Job Brokers could adopt a 'hidden hand' approach, whereby they focused on specific vacancies, worked behind the scenes with participants and had no or minimal contacts with employers, and this was seen as an effective strategy (see Section 3.3.3). Secondly, the relationship between Job Brokers and employers was asymmetrical. Job Brokers often dealt with relatively small numbers of participants, whilst some employers in the research had high staff turnovers, and consequently for these employers the brokers were a relatively small source of (successful) job applicants and as a result employers were vague about their links with the provider.

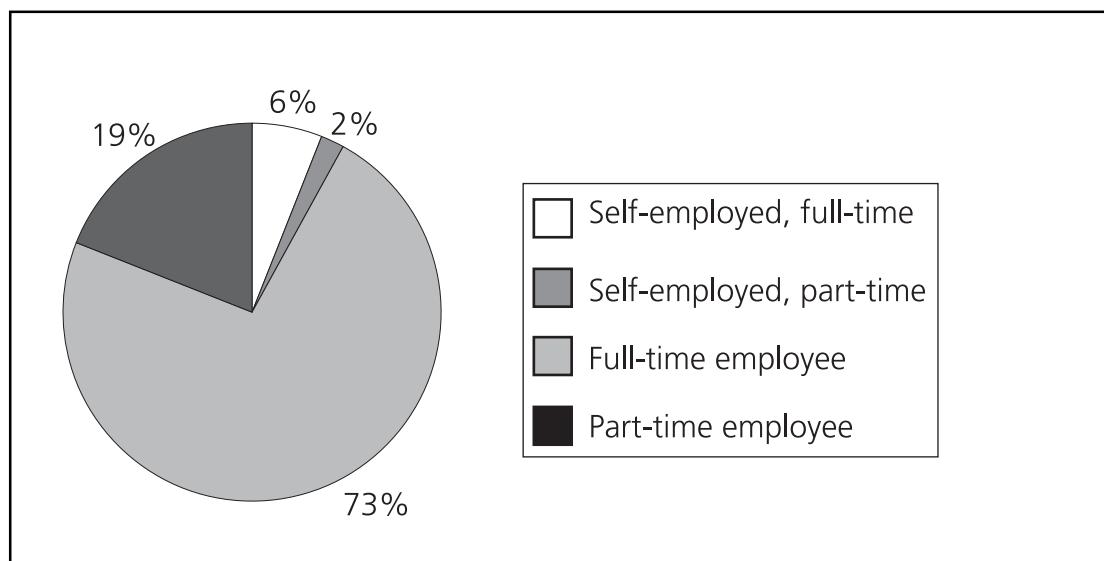
Other research demonstrates that larger-sized establishments and public sector organisations are more likely to recruit disabled people (see, for instance, Stuart *et al.*, 2002; and Roberts *et al.*, 2004). As Section 4.2.2 demonstrates, Job Brokers also tended to secure employment for participants in these areas. By implication, Job Brokers were not '*breaking the mould*' (Dewson *et al.*, 2005b:13), nor were they successful in securing job opportunities in areas not traditionally associated with hiring people known to be disabled.

#### 4.2.5 Characteristics of the jobs participants obtained

##### *Types of job*

The administrative data reveals that nine out of ten (93 per cent) participants obtaining a job were employees, with most in full-time employment, and seven per cent were in self-employment, again most working full-time (see Figure 4.4).

**Figure 4.4 Type of employment gained by participants**



Moreover, the *Survey of Registrants* shows that of participants who had entered paid work up to 12 months after registration, a fifth (19 per cent) had entered Permitted Work (Kazimirski *et al.*, 2005:72). The restriction on the number of hours worked under Permitted Work to up to 16 hours per week, means that those participants doing Permitted Work were working part-time.

There were differences in the characteristics of participants and the types of work they obtained (Kazimirski *et al.*, 2005:72-73; Legge *et al.*, 2006:151-154):

- Women were more likely to enter work as employees (Cohort 3).
- Younger participants (16 to 29 years) were more likely to be employees and less likely to be self-employed than older participants (Cohorts 1 and 2 and Cohort 3).
- The distribution of type of work by housing tenure and access to a vehicle suggests that higher socio-economic status might be associated with a reduced likelihood of being an employee and an increased chance of self-employment (Cohort 3). Home-owners and those with a full driving licence and access to a vehicle were less likely to enter employee work, but more likely to enter self-employment, compared to their counterparts.

- Participants who perceived their health status as (very) bad were less likely to have entered employee work, but more likely to have entered Permitted Work than those who perceived their health as (very) good or fair (Cohort 3). Those who perceived their health as (very) good were the most likely to have entered self-employment.
- Similarly, participants whose health condition limited them a great deal were less likely to enter employee work as their first post-registration job than those whose health condition did not limit them at all (Cohorts 1 and 2 and Cohort 3). The opposite pattern was found for self-employment. This suggests that the greater flexibility of self-employment makes work more accessible to those with a more limiting health condition or disability. Indeed, those in self-employment were more likely to work at home, which does avoid some of the issues around travelling to work, access to a workplace and inflexibility of working conditions. Those whose health condition or disability limited them a great deal were also more likely to enter Permitted Work than those who were not limited in this way (Cohorts 1 and 2 and Cohort 3). This outcome reflects the aims of Permitted Work, which include allowing people who may not be able to sustain full-time work to maintain contact with the labour market.

### *Occupational group*

Participants entered employment in all the major occupational groups, although significantly more, around a quarter, entered elementary occupations (or routine, unskilled occupations) than entered any other group (Kazimirski *et al.*, 2005:87-89; Legge *et al.*, 2006:165-168).<sup>45</sup> A further one in six participants entered sales and customer service jobs. That most of the jobs people with a disability or health condition entered were routine, unskilled occupations, or sales and customer service, is confirmed by the *Survey of Employers* (Dewson *et al.*, 2005b:65; see also Aston *et al.*, 2005:80).

However, there was a difference by type of job with those moving into self-employment more likely to enter managerial/professional/technical jobs (41 per cent in Cohorts 1 and 2 and 32 per cent in Cohort 3).

There was also a gender dimension to the type of occupation entered, with women were more likely to have administrative and secretarial, personal service and sales or customer service jobs (Kazimirski *et al.*, 2005:87-89; Legge *et al.*, 2006:165-168). In contrast, men were more likely to have entered a skilled trade, an elementary occupation or a process, plant and machine job.

Possessing educational qualifications was also associated with type of occupation. Those with the highest qualifications were more likely to enter managerial/

<sup>45</sup> This pattern contrasts with that among the wider population of long-term disabled people in employment, where 13 per cent worked in elementary occupations in spring 2005 (Disability Rights Commission, 2006:12).

professional/technical occupations than those with lower or no qualifications. Those with no (or lower) qualifications were more likely to have elementary or process, plant and machine jobs.

#### *Hours worked<sup>46</sup>*

Overall, eight in ten (82 per cent) participants in Cohort 3 who entered a post-registration job of at least eight hours per week worked for 16 or more hours per week (Legge *et al.*, 2006:246). This included three in ten (29 per cent) who worked for 38 hours or more hours per week and nearly a fifth (18 per cent) who worked eight to 15 hours per week. The median number of hours per week worked was 32 (Legge *et al.*, 2006:161).

The number of hours worked varied by (Legge *et al.*, 2006:159-165; see also Kazimirski *et al.*, 2005:82-85):

- type of work – those in self-employment were more likely to work the most number of hours and those in Permitted Work the least number of hours per week. (This is not surprising as Permitted Work is for paid work up to a maximum average of 16 hours per week.);
- gender – men tended to work for longer hours (an average of 31.6 hours compared to 24.7 hours for women per week);
- age – younger participants tended to work for longer than older participants;
- health status – participants who self-reported their health status to be good or very good or who stated that their health condition limited their daily activities only a little or not at all worked for more hours than their counterparts. There was little variation in the number of hours worked by type of disability or health condition, although those with a mental health condition were more likely to work for fewer hours than other participants.

#### *Earnings*

Cohort 3 of the *Survey of Registrants* provides information on average earnings for employees and the self-employed (Legge *et al.*, 2006:160-165). Self-employed participants had considerably higher weekly earnings than employees, mainly as a result of working for significantly more hours per week (see above), in combination with somewhat higher earnings per hour (Table 4.3). Moreover, average earnings

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<sup>46</sup> Figures for hours worked for participants in Cohorts 1 and 2 and reported in Kazimirski *et al.* (2005) are based on all respondents who entered a post-registration job and provided relevant information, but for Cohort 3 they are based on those who entered employee or self-employment post-registration of at least eight hours per week (Legge *et al.*, 2006). The latter provide a better estimate of the work gained by participants for whom Job Brokers would have received an outcome payment. Cohorts 1 and 2 show that nine per cent of participants entered work of less than eight hours (Kazimirski *et al.*, 2005:83).

were above the National Minimum Wage, which at the time of the survey fieldwork for an adult was £4.85 per hour. Among those who worked more than 16 hours per week, the mean hourly pay was £6.30, and mean weekly pay was £215.

**Table 4.3 Weekly and hourly earnings by type of first post-registration job, Cohort 3 (February-May 2005)**

Type of job	Mean hours per week	Mean earnings (£) weekly	Mean earnings (£) hourly	Weighted cases	Unweighted cases
<b>First post-registration job</b>					
Employee					
Self-employed	*29.6 34.7	*179.33 252.58	6.09 7.51	597 50	621 52
Overall				647	673
Mean	29.8	184.98	6.20		
Median	32.0	170.66	5.48		

*Base: Registrants who entered a post-registration job of at least eight hours per week and provided information on earnings*

\* Differences are significant at 5 per cent level.

Source: Legge *et al.*, (2006), Table 8.13.

Levels of average pay varied by:

- gender – although there was no significant difference in average hourly earnings between men (£6.22) and women (£6.17), men had, on average, significantly higher weekly earnings (£207.72 compared to £155.66 for women) because they worked for more hours;
- age – both weekly and hourly earnings increased with age. Thus, even though younger participants worked longer on average (see above), their average weekly earnings were lower than older participants whose hourly earnings were significantly higher;
- health status – those who perceived their health status to be good or very good or who stated that their health condition limited their daily activities only a little or not at all, had, on average, higher weekly earnings than their counterparts because they worked, on average, longer hours (see above). For example, participants assessing their health as (very) good received on average £210.66 per week compared to £151.74 for those who assessed it to be (very) bad.

#### 4.2.6 Job progression

The nature of the participants' jobs changed over time. Respondents in Cohorts 1 and 2 of the *Survey of Registrants* were asked if there had been any changes in their first post-registration job in terms of pay, hours and responsibilities since they had started the job (those whose first post-registration job had ended were asked if there had been changes throughout the period of their job).

The majority of participants (70 per cent) had not experienced any change to their job (Kazimirski *et al.*, 2005:97-100). The most likely change was an increase in pay, with 17 per cent having had a pay rise. This proportion, however, went down to nine per cent of those in self-employment and 13 per cent of those in Permitted Work (compared to 19 per cent of employees). For those participants who had increased their pay, their median gross pay increased from £171 to £212 a week, while their net pay increased from £140 to £164 a week.<sup>47</sup>

To some extent, the rises in pay reflect additional hours worked, although this is not the whole explanation, since increases in pay seem to be greater than changes in hours. The proportion experiencing an increase in hours worked, 13 per cent, is slightly less than the proportion with a pay rise (17 per cent). This suggests that most of those receiving a pay increase did so, at least in part, through working longer hours, but some will have gained a rise without working more hours. This is especially true of employees, where the 19 per cent having a pay increase is accompanied by only 13 per cent working more hours. For those in Permitted Work the proportion with changes in pay was similar to those for changes in hours worked. In contrast, some of those in self-employment worked longer hours (20 per cent compared to 13 per cent of each of the two other groups) but a much smaller proportion experienced a pay increase (nine per cent). Indeed, the self-employed were more likely to experience a pay decrease than the other two groups (ten per cent compared to just two to three per cent of the other two types of work).

Those in employee work were the most likely to have changed their responsibilities – 12 per cent compared to seven per cent of those in the other two types of work. Those whose responsibilities had changed were asked whether the amount of responsibility they had at the time of the interview (or at the end of the job if the job had ended) was more, less or the same as when they had started the job. Nine out of ten had increased responsibility (89 per cent), while five per cent had reduced responsibilities and for seven per cent the amount of responsibility had stayed the same.

Table 4.4 summarises the type of changes experienced by participants who had started work, by grouping participants according to whether they experienced increases or decreases for each type of change. The first group consists of individuals whose pay, hours or responsibility increased without being accompanied by a decrease in any one of these factors. The second group consists of those whose pay, hours or responsibility decreased without being accompanied by an increase in one of the factors. This summary shows that the majority of changes experienced by participants who had started work represented an upward move in the labour market. One-quarter of participants (24 per cent) had experienced increases in hours, pay or responsibilities during their first post-registration job, while just five per cent experienced decreases in hours, pay or responsibility.

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<sup>47</sup> Sample sizes for a decrease in pay were too small for analysis.

**Table 4.4 Summary of changes by type of work**

	Cell percentage			
	Employee work %	Self- employed %	Permitted work %	All types of work %
Hours/pay/responsibility increases (no hour/pay decrease)	26	19	18	24
Hours/pay/responsibility decreases (no hour/pay increase)	4	8	5	5
Other combination of changes	2	4	2	2
No changes	68	69	75	70
<i>Base: All registrants who entered a post-registration job and who provided information about changes to their first job</i>				
<i>Weighted base</i>	1,322	169	332	1,823
<i>Unweighted base</i>	1,311	168	340	1,819

Source: Kazimirska *et al.*, (2005), Table 4.29.

## 4.3 Sustainable jobs

### 4.3.1 Employment spells and sustainability

Administrative data shows that of those participants entering work by August 2006, 57 per cent (or 59,080 participants) achieved sustainable employment (defined as employment lasting for 13 or more weeks). This is probably an underestimate as Job Brokers are unlikely to maintain contact with all participants achieving sustainable employment.

#### *Number of employment spells*

According to survey data for Cohorts 1 and 2, of those participants who had started paid work, three-quarters (74 per cent) had one spell of employment since registration (Kazimirska *et al.*, 2005:96). A further fifth (22 per cent) had two spells, four per cent had three spells and one per cent had four or more spells.

#### *Length of employment spells of first post-registration job*

Employment spells may be of varying duration. The survey data reveals that by around one year after registration, a half of participants who had started work were still in their first post-registration job (Kazimirska *et al.*, 2005:100). Whilst the *Survey of Employers* shows that where employment establishments had recruited people following contact(s) with a Job Broker, three-quarters (76 per cent) of the jobs were seen by employers as permanent posts (Dewson *et al.*, 2005b:65).

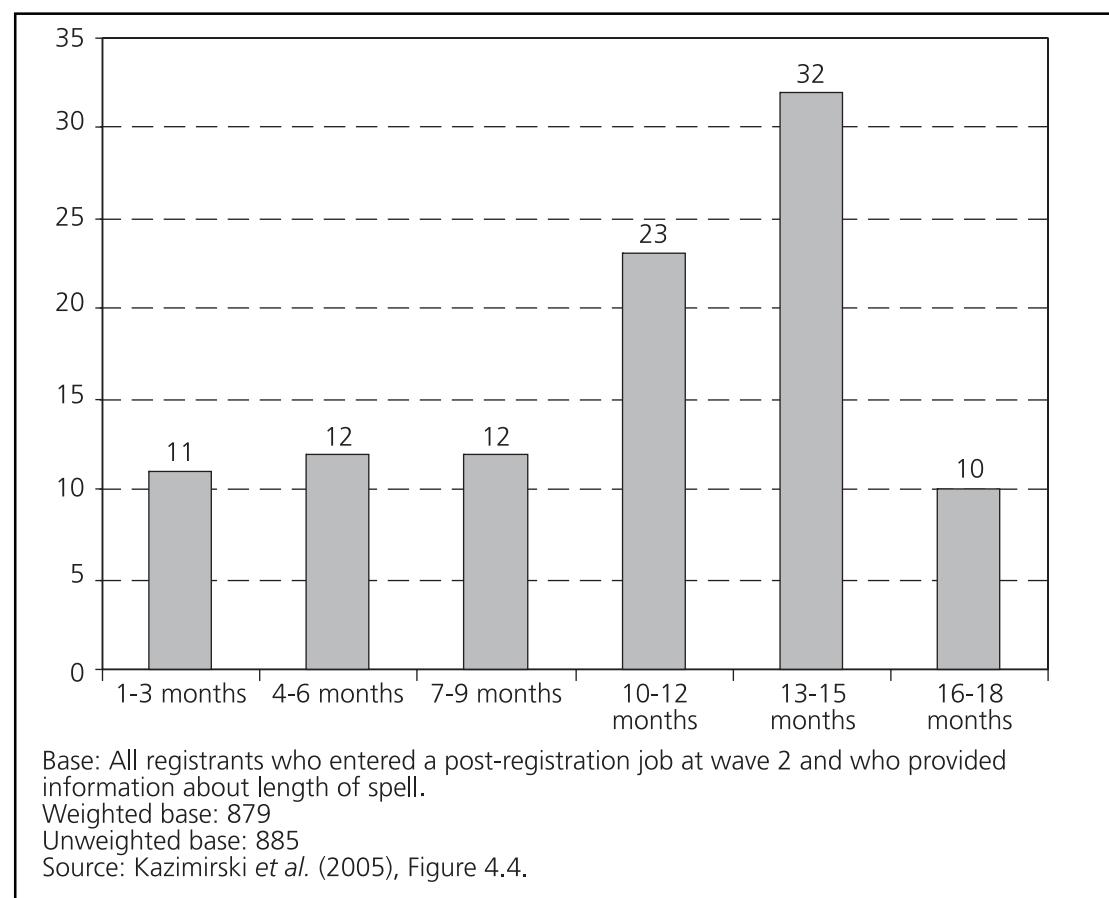
The *Survey of Registrants* also shows that participants in self-employment were more likely to have sustained their first post-registration job, with six out of ten still in the same job (62 per cent) (Kazimirska *et al.*, 2005:100-101). Although Permitted Work is time-limited and intended (at least for some who undertake it) to be a stepping stone

to more substantial work, those in Permitted Work were not significantly more likely than employees to have finished their spell of work by one year after registration. This is probably because NDDP participants qualified for a 52-week period of Permitted Work, a point that may not have been reached at the time of the second survey interview.

Moreover, of those participants that had started a post-registration job and were still in that job at the wave 2 interview, three-quarters (76 per cent) had reached at least the, then, 26 weeks definition of sustained employment within the first year after registration (Figure 4.4) (Kazimirska *et al.*, 2005:102).<sup>48</sup>

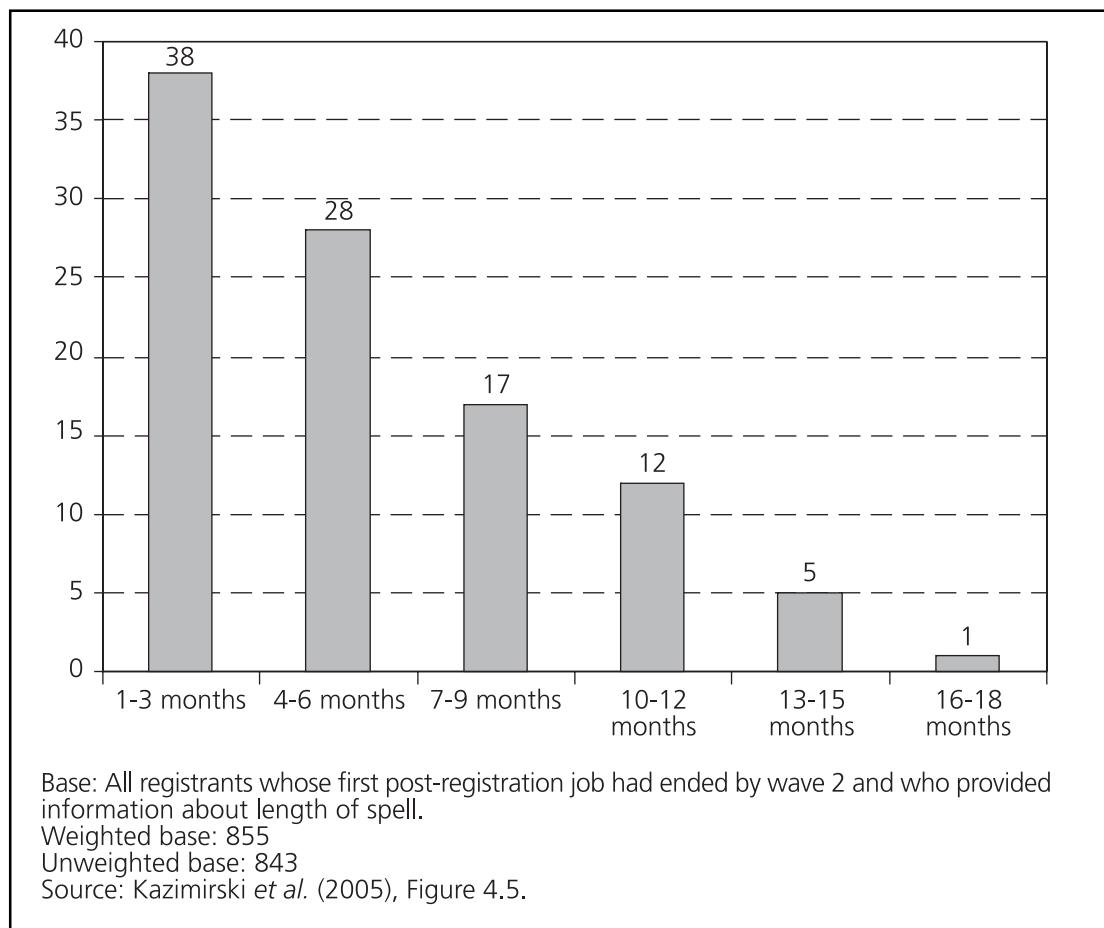
For those whose first post-registration job had ended by the wave 2 interview, two-thirds (65 per cent) had left their jobs within the first six months (Figure 4.5).

**Figure 4.5 Length of first post-registration job spell so far (if still in it)**



<sup>48</sup> Here sustainable work is defined as employment that lasts for a minimum of 26 weeks over a 39 week period since job entry and it applies to first jobs only. This '26-week' definition was the one used by the Department for Work and Pensions (DWP) that applied during the period of the survey fieldwork. However, since October 2003, as part of a package of funding improvements, Job Brokers have been able to claim the sustained outcome fee at 13 weeks, although they continue to be required to offer in-work support for 26 weeks. In addition, the survey derived figures are an estimate, as exact dates were not collected for jobs starting after the wave 1 interview.

**Figure 4.6 Length of first job spell (if ended)**



### 4.3.2 Factors associated with sustainability

The evaluation reveals a number of factors (notably health status and job satisfaction) that are associated with participants staying in work or conversely leading them to exit from employment (Ashworth et al., 2003:161-164; Corden et al., 2003:93-95; Kazimirski et al., 2005:104 and 101-102; Legge et al., 2006:182-184; Lewis et al., 2005:95-99).

#### *Participants' characteristics*

Multivariate analyses identify two participant characteristics that influenced job retention:

- Participants self-reported health status – Participants in jobs that suited their health needs tended to say that their employment position was relatively stable. Similarly, health or disability reasons were, according to participants, the main factors behind giving up work. In particular participants perceiving their health status as (very) bad were less likely to have remained in employment compared to those reporting it to be fair or (very) good. People had left jobs when they had become too physically demanding for them or when they became 'stressed' by work. Difficulties in travelling to work could also exacerbate health problems. Some participants whose contract had not been renewed or who had been laid off felt that this may have been linked to their health.

Job Broker staff reported that some participants' health conditions deteriorated after entering work or that secondary health problems had arisen. Some advisers had participants who had left their jobs as a result of these health problems. Some Job Broker staff said that if they were aware of the problems they would offer to approach the employer on the participant's behalf to negotiate some time off or renegotiate the conditions of the job. They also described helping some participants to obtain special equipment through Access to Work. However, providing this support was difficult or impossible where employers were unaware of the individual's involvement with NDDP.

- Type of health condition or disability – Two separate analyses of the *Survey of Registrants* for participants at around six months after registration who had entered a post-registration job reveal that those with a mental health condition were more likely to leave their work compared to those without a mental health condition (Ashworth *et al.*, 2003:162 ; Lewis *et al.*, 2005:183).

In addition, the analysis reported by Ashworth *et al.*, (2003:162) identified having a partner and/or children as reducing the likelihood of leaving paid work. However, these factors were not found to be significant in the later analysis by Legge *et al.*, (2006:184). (It is possible that this is due to the lack of sufficient statistical power given the smaller number of participants who had entered work in the third cohort reported in Legge *et al.*, (2006).)

### *Job characteristics*

Key job-related factors that influenced employment retention rates were:

- Job satisfaction – Job satisfaction was a key reason for participants staying in work; and developing positive relationships with colleagues and working in a friendly environment were important aspects of job satisfaction. Jobs were valued where they had improved participants' confidence and self respect – although it could take time for people's confidence to build up. People also valued doing 'something' interesting and stimulating and being out of the house. Those in Permitted Work were the most likely to appreciate being out of the home, and those in self-employment the least likely, as would be expected given that more of these people worked at home. Perhaps reflecting their higher salaries, those in employee work were more likely to mention money as the aspect they liked most about their jobs (13 per cent compared to five to six per cent for other workers). Those in self-employment were twice as likely to cite using their skills as what they liked most about their jobs (12 per cent compared to five to six per cent of other groups). Moreover, one-fifth (22 per cent) of those in self-employment mentioned having flexibility or freedom, compared to just eight per cent of those in employee work and five per cent in Permitted Work. Just five per cent of participants who had started a job could not identify anything they liked about it.

Conversely, participants experiencing problems with colleagues or with their employer were more likely to leave work than those who did not experience such problems. Where people had been less satisfied with their job, for example because it was unsuitable (see below) or because of difficult workplace relationships, confidence had not generally increased and participants could be disappointed with their apparent lack of progress. The condition of their workplace was the aspect of their jobs that most participants disliked, although this was mentioned by just around one in eight.

In general, employers were satisfied with those they had recruited via Job Brokers (Dewson *et al.*, 2005b:66).

- Jobs ending naturally – Multivariate analysis shows that the likelihood of leaving work was strongly associated with length of period since entering work. An increase in the period since entering work of one week resulted in an increase in the likelihood of leaving work by four per cent (Legge *et al.*, 2006:184). Employers believed the main reasons for an employee leaving a job were that they had resigned, left voluntarily or left to take up another job (Dewson *et al.*, 2005b:66). Whilst participants said that the most common reason, after health reasons, for jobs terminating was that they had come to a natural end, such as a fixed-term contract ending. As might be expected, participants who had undertaken Permitted Work were more likely to say their job had come to a natural end.<sup>49</sup>
- Suitability of the job and type of work – The qualitative research shows that the suitability of the job and the type of work undertaken could affect job retention in the following three ways (Lewis *et al.*, 2005:96):

- Hours of work:

Some participants who did full-time work found it difficult to cope with long hours, particularly if it involved shift work, overtime, or a long travelling time. Participants appeared not to have anticipated these difficulties before taking the job, and it was not clear whether they had discussed them with Job Brokers. When people had attempted to negotiate a reduction or adjustment in hours with their employer, the employer could be unwilling to amend their hours of work.

- The job content:

Examples include where employers asked people to do jobs or tasks that they were not qualified or experienced enough to do (for example, certain types of care work), or tasks that they had not expected to be asked to do (for example, cleaning toilets). Often these difficulties were not apparent beforehand or did not occur until after the early weeks in work and thus, it may have been difficult for a Job Broker or participant to predict them. The demands work placed on people was also relevant, for example, heavy physical work could take its toll on people and lead them to leaving a job. Conversely, where job tasks were

<sup>49</sup> Other than under certain specific conditions, individuals may only undertake Permitted Work for a maximum of 12 months. At the end of that time, they must either reduce their hours of work and earnings, or leave benefit.

within what people felt they were able to cope with, they were more likely to stay in work.

- Participants' unrealistic expectations:

Job Brokers provided vocational guidance to varying degrees as part of their service. In part, these services were to help manage participants' expectations and guide them toward what were considered realistic employment goals and so suitable, sustainable jobs. Some Job Broker staff expressed concerns about participants having unrealistic expectations of the kind of work they were able to do and recognised that not being able to sustain a job would have a negative impact on their confidence. Although they said they tried to help a participant to see the ways in which a vacancy might not be an optimal match to capabilities, they recognised that ultimately participants made their own choices. If participants found vacancies themselves the Job Broker might not be aware of them until after the participants had decided to, or had actually applied, for it. Discussing possible vocational directions with participants and carrying out job matching were seen as time-consuming although Job Brokers said that investing time and effort at this stage reduced the need for further support at a later stage. Work placements and job 'tasters' were also seen as helpful for participants to develop an understanding of the realities of a particular type of work.

- Employment environment, working conditions and employer behaviour – Qualitative research suggests that the support and degree of flexibility of employers influenced job sustainability (Lewis *et al.*, 2005:97). Employers could support the likelihood of job retention by, for example, gradually increasing working hours at the request of the participant to enable them to adapt to the job, being flexible in the hours worked over a period of ill-health, and generally being understanding about the consequences or implications of a health condition.

Few people said they had raised these issues with their employer and even fewer said they had asked a Job Broker to help.

The analysis reported by Ashworth *et al.*, (2003:162) also identifies having a job that made use of participants' previous skills to a '*great extent*' as reducing the chances of leaving paid work. However, the significance of the use of previous skills diminishes in the Legge *et al.* (2006) analysis once type of occupational group is introduced to the model, presumably due to the strong association between these two factors. Here, participants in managerial, professional and technical and skilled trades were less likely to leave their work compared to those in elementary occupations.

### *Financial issues*

Financial issues did not generally emerge as a very strong factor affecting job retention, although the increase in income from working was certainly valued (Lewis *et al.*, 2005:98-99). However, it could lead to people feeling under pressure to stay in work, and to work full-time hours, because of financial commitments, and some participants felt quite concerned about this. This situation was typically the case where the participant was the main earner in their household and less so where there

were other earners in the home or where they lived at home with parents. Similarly, a decline in income once someone was in work could lead to doubts about staying in employment. People also occasionally received a payment from the Job Broker when they had stayed in work for 13 weeks, which they found helpful (see Section 3.5.1).

There was also concern about the financial impact of a Permitted Work period ending. For example, one participant had returned to professional work using Permitted Work but was concerned that, once the 12 month period ended, she would be unable to find other work that paid enough for her to come off benefit, and was worried she would end up in a worse position than while she was doing Permitted Work.

Financial advice from Job Brokers (see Section 3.5.3) and the in-work tax credits received by participants were both seen as important in promoting job retention. The fact that financial issues did not generally emerge as an influence on leaving jobs suggests that financial support needs were largely addressed by tax credits and other in-work financial support, and by the help of Job Brokers in setting them up and resolving any issues.

### *Job Broker services*

Although factors relating to in-work support from Job Brokers were considered in the analyses of the *Survey of Registrants*, none of these factors, nor any other Job Broker-related factors emerged as important in affecting exits from work (Legge *et al.*, 2006:184).

However, Job Brokers said that participants did sometimes contact them when they found that their job or work environment had become unsuitable (Lewis *et al.*, 2005:97). In some cases employers appeared to have changed the terms or conditions of the job and while participants could do the original job, they found the new role too much. Where participants wanted it, Job Brokers offered to act as an advocate and negotiate with the employer, or they advised participants on how they might respond. Nonetheless, amongst the participants interviewed in the qualitative research, there were only a few instances where the Job Broker had been in touch with employers.

Some employers were aware that Job Brokers had done some work with their employees before they had started work with them (Aston *et al.*, 2005:68). Others knew that the Job Brokers had provided some in-work support. Whilst employers would not necessarily know all the contacts an employee had with their Job Broker, there were instances where employers felt that Job Brokers could have provided further support to the participant and/or the employer; and in some of these cases the employment of the participants had been terminated.

## 4.4 Intermediate activities

Entry into paid work was not the only positive outcome from the NDDP programme, other labour market-related (soft) outcomes, which did not qualify Job Brokers for outcome payments, included:

- changes in participants' levels of confidence;
- changes in participants' work aspirations;
- engaging in job-search related activities;
- undertaking training and educational programmes; and
- undertaking voluntary work.

### 4.4.1 Changes in participants' levels of confidence

Job Brokers sought to improve participants' levels of confidence and self-esteem as part of the support provided to help them enter employment (see Section 3.5.1) (Lewis *et al.*, 2005:51). Indeed, at five/six months since registration, four to five out of ten participants strongly agreed or slightly agreed that their involvement with a Job Broker had meant that they were more confident about getting a job (44 per cent for wave 1, Cohort 1 and 48 per cent for Cohort 3) (Ashworth *et al.*, 2003:127-129; Legge *et al.*, 2006:100-102). However, significant minorities strongly or slightly disagreed with this statement (33 per cent and 22 per cent for Cohort 1, wave 1 and Cohort 3, respectively).

Moreover, over half of participants thought that their Job Broker had been fairly or very helpful in them feeling confident about working (62 per cent and 52 per cent for Cohort 1, wave 1 and Cohort 3, respectively) (Ashworth *et al.*, 2003:128-131; Legge *et al.*, 2006:101 and 103). However, it also follows that there were significant minorities who said the Job Broker had been unhelpful (there was no 'neither' response category to the question).

Half of participants also said that their involvement in NDDP had been fairly or very helpful in 'having confidence in themselves' (48 per cent for wave 1, Cohort 1 and 49 per cent for Cohort 3) (Ashworth *et al.*, 2003:132-133; Legge *et al.*, 2006:104-105). However, only slightly lower proportions said NDDP had been **neither** helpful nor unhelpful with respect to their confidence (45 per cent and 44 per cent for Cohort 1, wave 1 and Cohort 3, respectively).

Hence, some participants reported that involvement with a Job Broker and/or NDDP had been beneficial in terms of boosting their levels of confidence. However, Ashworth *et al.*, (2003) shows that those saying this also tended to have positive attitudes towards work or expected to work in the near future. The direction of causation is unclear here. Whilst it could be that it is their involvement with the programme that helped improve their confidence, other factors that increased their chances of gaining paid work could give rise to their positive attitudes towards work/expectations about working which in turn led to improved self-confidence.

#### 4.4.2 Changes in participants' work aspirations

There is some survey evidence that for some participants, involvement with a Job Broker may have increased their work aspirations (see also Lewis *et al.*, 2005:56). Participants' work expectations were summarised in Section 2.3.1 and Box 2.1. In addition, using Cohorts 1 and 2 it is possible to explore changes in participants' work aspirations between the two waves of interviewing at five and 12 months after registration (Kazimirski *et al.*, 2005:113-116). Participants' commitment to undertaking paid work increased over time in the sense that:

- of those participants who said they did not expect or were unsure of working in the future at five months since registration, 42 per cent had a more positive work commitment at 12 months since registration. (Here, positive work commitment is defined as having moved into work, currently looking for work or expecting to work in the future.);
- of those participants expecting to work (but not looking) at five months after registration, only 16 per cent expressed a more negative view seven months later, that is, they did not expect or were unsure of working in the future;
- similarly, of those participants looking for work at five months after registration only eight per cent stated the more negative opinion at 12 months that they did not expect or were unsure of working in the future.

Although 58 per cent of participants retained a negative work aspiration – they did not expect or were unsure of working in the future at both time points – the percentages above are arguably encouraging given that over time the rate at which participants moved into paid work diminishes (see Section 4.2.2). Whilst it is not possible to quantify, it could be anticipated that the proportion stating that they did not expect to work in the future would be higher.

Furthermore, at five/six months since registration, nearly half of the participants strongly or slightly agreed that their involvement with a Job Broker meant that they were keener to be in paid work. In Cohort 1, 47 per cent agreed with this statement compared to 20 per cent who disagreed (Ashworth *et al.*, 2003:127-129), and in Cohort 3 the proportions were 48 per cent and 20 per cent, respectively (Legge *et al.*, 2006:101 and 103).

#### 4.4.3 Job-search-related activities

Five/six months after registration, five to six out of ten participants had looked for work since registering (58 per cent and 52 per cent for Cohorts 1 and 2 and Cohort 3, respectively) (Kazimirski *et al.*, 2005:116; Legge *et al.*, 2005:129). For those not in the same pre- or post-registration job, a similar proportion (60 per cent) had looked for employment at some point between five and 12 months since registration. So that overall, three-quarters of participants (77 per cent) had looked for work by one year after registration. This proportion should be viewed in the context of 20-40 per cent of participants not giving as a reason for registering that they wanted to help in obtaining work (see Section 2.2.2).

Some participants had started, or stopped looking for work between five and 12 months after registration (Kazimirski *et al.*, 2005:118). Thus, of those registrants who had not looked for work by five months after registration, 42 per cent had looked between five months and one year after registration. Looking for work was a sustained activity for many participants – three-quarters (73 per cent) of those who had looked for work up to five months after registration had continued to do so between five months and one year after registration. However, a minority ceased job hunting – of those who had looked by five months after registration, over one-quarter had not looked in the period between five months and one year since registration (27 per cent).

Some participants said they looked for work as a consequence of registering with a Job Broker; although this effect declined over time. Around a third of participants claimed at five/six months after registration that registering had brought about or brought forward their decision to search for work (36 per cent and 31 per cent for Cohorts 1 and 2 and Cohort 3, respectively) (Kazimirski *et al.*, 2005:119-120; Legge *et al.*, 2005:128). However, in Cohorts 1 and 2 the proportion saying this at 12 months since registration had fallen to 16 per cent. It also follows that most participants thought that looking for work was something that they would have done regardless of their contacts with a Job Broker.

Although similar proportions of participants in Cohorts 1 and 2 and in Cohort 3 were looking for work five/six months after registration, the proportion making at least one job application was smaller for the earlier cohort (44 per cent compared to 68 per cent) (Kazimirski *et al.*, 2005:122; Legge *et al.*, 2006:132). This might reflect differences in the buoyancy of the labour market; or that it had taken Job Brokers time to acquire knowledge of the local labour market so that they were better placed to identify vacancies and encourage applications from participants; or selection effects, that is, over time Job Brokers registered people who were more 'job ready' and so more likely to have made job applications.

#### **4.4.4 Undertaking training and educational programmes**

As already mentioned in Section 3.5.3, four out of ten participants by around five/six months after registration had engaged in some form of training or educational activity, with a fifth having started a training scheme or educational programme (Ashworth *et al.*, 2003:92-93; Legge *et al.*, 2006:134-136). Most of these courses were vocational or concerned with work skills development.

Few participants (around three per cent) engaged in Work Preparation (or Work Trials) (see also Section 3.5.3) (Ashworth *et al.*, 2003:93-94; Kazimirski *et al.*, 2005:133; Legge *et al.*, 2006:134).

At five/six months after registration in Cohorts 1 and 2 and in Cohort 3 a significant minority of participants (44 per cent) reported that they had looked for, applied for or started training as a result of registering on the programme (Kazimirski *et al.*, 2005:133-134; Legge *et al.*, 2006:136). However, it follows that over half claimed it

was something they would have done anyway, irrespective of their registration. For the Cohort 1 and 2 respondents, the proportion attributing their training and education activities to the programme declined to 35 per cent for those who looked for/started training or education programmes in the period between five months and one year after registering.

#### 4.4.5 Undertaking voluntary work

Only a minority of participants had started voluntary work since registering with NDDP (Kazimirska *et al.*, 2005:134-138; Legge *et al.*, 2006:136-137). At five/six months since registration, less than one-tenth of participants had started any voluntary work (nine per cent and seven per cent for Cohorts 1 and 2 and Cohort 3, respectively). Moreover, in Cohorts 1 and 2 a similar proportion started voluntary work between five and 12 months after registration. The majority of participants (for example, 63 per cent in Cohorts 1 and 2 and 71 per cent in Cohort 3) claimed at five/six months since registration that starting voluntary work was something they would have done anyhow. Nonetheless, around a third reported that their decision was brought about or brought forward by registering on the programme.

#### 4.4.6 Changes in health

It is conceivable that participation in NDDP also leads to an improvement in a claimant's health, possibly because it helps individuals obtain employment (Waddell and Burton, 2006). However, the direction of causality is unclear – whether participation in NDDP leads to perceived improvements in health or *vice versa*.

Subjectively, a minority of participants reported that involvement with NDDP had been fairly or very helpful in improving their health; 18 per cent stated this in Cohort 1, wave 1 (Ashworth *et al.*, 2003:132) and 14 per cent in Cohort 3 (Legge *et al.*, 2006:105). The majority of participants, however, responded '*neither helpful nor unhelpful*', suggesting that at five months since registration, NDDP had had neither a beneficial nor an adverse effect on their health.

The longitudinal aspect of Cohorts 1 and 2 shows that participants reported type of health condition or disability did not change much over time. As already mentioned in Section 2.3.1, only two per cent of participants who had reported a health condition or disability five months after registration reported a different condition or disability as their main condition or disability seven months later (Kazimirska *et al.*, 2005:168). This stability in health condition/disability could be seen as consistent, with the majority of participants reporting that NDDP had been neither helpful nor unhelpful with respect to their health condition.

However, more participants reported an improvement in their perceived health **status** than reported a deterioration (Kazimirska *et al.*, 2005:160-163). For instance, at five months after registration, 32 per cent of participants described their health as good or very good, and this had increased to 35 per cent by 12 months after registration. Of those self-assessing their health status to be 'very bad' five months after registration, just one-quarter (26 per cent) reported this to be the case 12

months after registration; whereas over one-third (37 per cent) of those reporting 'bad' health at five months after registration gave the same response seven months later, as did two-fifths of those with 'very good' or 'good' health (41 and 42 per cent, respectively).

There was a corresponding reduction in the extent to which participants' health conditions and disabilities were seen to limit their normal everyday activities (Kazimirski *et al.*, 2005:163-165). For instance, whilst seven per cent of participants reported no limitation on daily activities five months after registration, this increased to 11 per cent one year after registration. Nonetheless, there were significant minorities of participants who found that their health condition or disability increasingly limited their normal everyday activities. For example, two-fifths of those with 'just a little' limitation at five months had 'some' limitations 12 months after registration (42 per cent), and over one-quarter had deteriorated from no limitations to 'some' limitations over the same period (27 per cent).

That overall there was some improvement over time in some participants self-assessed health status does not mean that the improvement can be attributed to their involvement in NDDP. People's health conditions will fluctuate over time, irrespective of their involvement in NDDP. That participants' health status changed shows that Job Brokers need to be flexible when planning a participant's return to work and need to maintain regular contact with participants.

In summary, the evaluation does not provide any conclusive evidence that participation in NDDP led to any health benefits, but equally it does not appear to have had any general adverse impact on participants' health.

# 5 Impacts and cost-benefit analysis

## Summary

### Impact analysis

- The New Deal for Disabled People (NDDP) was effective in helping participants (especially longer-term participants) move off incapacity-related benefits:
  - For people registering on NDDP between 1 July 2001 and 31 December 2002 (the Early Cohort), there was a reduction in benefit receipt by the end of the two-year follow-up period of 16 percentage points for longer-term claimants and 13 percentage points for more recent claimants.
  - For people registering on NDDP between 1 July 2001 and 31 December 2001 (the Maximum Follow-up Cohort), there was a reduction in benefit recipient by the end of the three-year follow-up period of 18 percentage points for longer-term claimants. For more recent claimants the net effects began shrinking at the two-year point, dropping from a reduction of 14 percentage points to 11 percentage points over the succeeding 12 months.
  - Net impacts for people registering on NDDP between 1 January 2004 to 31 December 2004 (that is, after the changes made to the programme in October 2003) (the Late Cohort), were nearly double those of the Early Cohort in the first six months after registration. NDDP reduced the benefit receipt rate by 15 percentage points for longer-term participants and 19 percentage points for more recent participants at the end of the six-month period. The increase in impacts observed in the Late Cohort cannot be definitively attributed to the policy changes in the programme as other factors, such as the state of the labour market, may have changed in the interim between the two cohorts. Nonetheless, at least in the short-term, the programme had much larger effects on benefit receipt (and amount) for participants in 2004 than it did in 2001/02.

- The impacts of NDDP on benefit receipt varied across sub-groups, and it reduced receipt more for participants who: were aged 50 or older; suffered from physical disabilities rather than mental health and/or behavioural conditions; had received benefits for at least three years at the point of registration; were further from the labour market; were served by the largest Job Brokers (that is, Job Brokers with 900 or more registrations); relied on Job Brokers in the public and private sectors rather than the voluntary/charitable sector; lived in comparatively rural areas (that is, areas of low population density); and lived in communities where a larger share of working age adults received Incapacity Benefit.
- NDDP led to a small increase in Jobseeker's Allowance benefits in the first seven months after registration for more recent claimants and for up to three years for longer-term recipients. While the evaluation team could not measure this directly, this would be consistent with an increased number of people moving into work from incapacity-related benefits, some of those subsequently leaving employment, and a proportion of those claiming Jobseeker's Allowance rather than Incapacity Benefit.
- The impacts of NDDP on the average amount of incapacity-related benefits received, essentially mirrored those on benefit receipt and generated benefit savings. For example, the Early Cohort reveals that average monthly benefit savings initially grew and by month 24 were £81 for longer-term participants and £51 for more recent participants.
- NDDP helped people move into employment:
  - For the Early Cohort, NDDP had 24 months after registration increased the employment rate for longer-term participants by 11 percentage points and by seven percentage points for more recent participants.
  - For the Maximum Follow-up Cohort, impacts on the employment rate for longer-term participants appear to level off at around 10-11 per cent in the third year after registration. Impacts on more recent claimants moved much more erratically (due to the smaller sample sizes in the cohort), peaking at around 12 per cent in month 20, then falling back to eight per cent at the end of the third year.
  - For the Late Cohort, impacts on the employment rate for more recent claimants were similar to those in the Early Cohort. For longer-term participants, employment impacts were two to three percentage points larger in the Late Cohort compared to the Early Cohort.
  - As might be expected, NDDP also increased the proportion of days worked during the cohort's follow-up periods by participants compared to non-participants.
  - NDDP increased employment for all observed sub-groups. The proportion working two years after entering the programme rose between four and 16 percentage points depending on the sub-group.

### Cost-benefit analysis

- The cost-benefit analysis presents separate estimates for NDDP's effects on: the Government's budget, the well-being of the participants and society as a whole.
- **Government's perspective:** Taking account of reductions in benefit payments received by NDDP participants, reductions in the cost of administering benefits and increases in tax payments, the cost-benefit analysis indicates that NDDP reduced the Government's budgetary requirements by over £2,500 for a typical longer-term participant and by about £750 to £1,000 for a typical more recent participant.
- **Participants' perspective:** There is considerably uncertainty as to whether or not NDDP is cost-beneficial from the perspective of NDDP participants, especially for longer-term claimants. Much of this uncertainty results from shortcomings in the administrative data used to estimate the effects of NDDP on incapacity-related benefit amounts and employment and from programme benefits and costs that could not be estimated. However, it seems likely that a typical NDDP registrant benefited as a result of having participated in the programme but only to a very modest degree. One major source of uncertainty is that there is a greater impact on incapacity benefit receipt than on employment – in other words there is an increase in the proportion leaving benefit but not recorded as in employment. The most optimistic interpretation of this would be that this entire group is in employment the whole time they are off benefits, but for one reason or another this is not picked up in the data used to estimate employment impacts. This optimistic assumption implies that NDDP increased the incomes of programme participants by about £1,000. The most pessimistic interpretation is that this group has neither benefit nor employment income. This assumption implies that the increase in income was much smaller. Whilst the evaluation team cannot rule out the possibility of any increase in the group neither in work nor on benefits, there was nothing in the various studies which would suggest that NDDP had such an effect.
- **Society's perspective:** NDDP appears to have positive benefits from a societal perspective. The net benefits of NDDP to society are considerably larger for a typical longer-term claimant (£2,915 to £3,163) than for an average more recent claimant (£613 to £861).

The previous chapter provides an overview of the outcomes or gross impacts of NDDP. This chapter considers the net impacts of the programme and this involves comparing NDDP outcomes for participants with what would have happened without the intervention (the counterfactual). The impact analysis entails comparing outcomes for participants with those for non-participants.

The estimates of net impacts (hereafter simply referred to as impacts) are incorporated in the estimate of the costs and benefits of NDDP. The purpose of the cost-benefit

analysis is to determine whether the benefits from NDDP outweigh the programme's costs from a societal point of view and thus, whether NDDP is economically efficient. The analysis also attempts to establish whether the programme improves the well-being of those who register on it and the net effect of NDDP on the government's budget.

The methodologies followed for the impact analysis and the cost-benefit analysis are outlined in Section 5.1. The results of the impact analysis and cost-benefit analysis are reported in Sections 5.2 and 5.3, respectively.

## 5.1 Summary of impact analysis and cost-benefit analysis methodologies

### 5.1.1 Impact analysis methodology

The impact of NDDP is assessed by comparing the experiences of participants with a matched group of incapacity-related benefit recipients who did not register for the programme. The impact analysis uses a non-experimental comparison, or matched estimation methodology, that was identified following secondary analysis of a similar US programme evaluated using random assignment (for further details see Orr *et al.* (2004)). The analysis is based on the following three cohorts of claimants using benefit and employment administrative data (Orr *et al.*, 2007:6).<sup>50</sup>

**Table 5.1 Cohorts of claimants using benefit and employment administrative data**

Cohort	Recipients' registration period	Number of months over which impacts assessed ('follow-up period')
Early	1 July 2001 to 31 December 2002	24
Maximum Follow-up	1 July 2001 to 31 December 2001	36
Late	1 January 2004 to 30 June 2004	6

The Early Cohort is designed to provide estimates of NDDP as the programme was originally devised, whilst the Late Cohort provides an initial assessment of the programme's effectiveness following the policy changes introduced in 2003 (see Section 1.3.2). The Maximum Follow-up Cohort is a sub-set of the Early Cohort that allows examination of impacts over the longest period of time since registration (36 months).

<sup>50</sup> The benefit data (for incapacity-related benefits and Jobseeker's Allowance) was provided by the Department for Work and Pensions and the employment data by HM Revenue and Customs (HMRC).

Each cohort comprises two groups: more recent claimants and longer-term claimants. Except for the Late Cohort, more recent claimants made a claim for benefit during the relevant registration period, whilst longer-term claimants had done so at the beginning of the registration period. For the Late Cohort the dividing line between recent and longer-term claimants falls one year prior to the beginning of the registration period, that is, 1 January 2003.

The non-participant comparison group is drawn from the eligible population and is also divided into more recent and longer-term claimants. Impacts on participants are dated from the month of registration on NDDP. By definition non-participants do not have a month of registration. Accordingly, a 'start date' has been randomly assigned for each non-participant based on the distribution of registration months for participants who entered benefit at the same time. This procedure ensured that non-participants had a start date comparable to the registration date for participants. (Further details of the method used are given in Orr *et al.*, (2007:8).)

Participants and non-participants were matched on the basis of personal characteristics and benefit history (Orr *et al.*, 2007:9).<sup>51</sup> For each cohort the matching exercise produced the following number of cases for analysis:

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<sup>51</sup> The participants were matched to non-participants on the basis of:

- registration/start month;
- years of prior benefit receipt (including all spells);
- type of incapacity benefit received at registration/starting month;
- age at registration/starting month;
- sex;
- type of disability;
- DWP administrative region;
- (for new claimants) month in which benefit receipt began; and
- (for new claimants) whether there was a work-focused interview.

Up to 10 non-participants were matched to each participant, and each non-participant was matched with only one participant. The non-participant data were also re-weighted to ensure that the comparison group mimics the demographic characteristics of the participant sample. Carrying these weights into the impact analysis assures that the outcomes of the two groups are as similar as available data can make them apart from the effects of the intervention, thus reducing the potential for 'selection bias' to distort the research findings when differences in outcomes between the two samples are interpreted as effects of the programme.

**Table 5.2 Matching exercise for each cohort**

	Participants		Non-participants	
	Longer-term recipients	More recent claimants	Longer-term recipients	More recent claimants
Early Cohort	23,696	5,585	211,782	49,354
Maximum follow-up Cohort	5,635	295	48,607	3,164
Late Cohort	12,116	6,722	109,823	55,867

To further facilitate the comparison, multivariate analysis was used to control for other baseline differences between the two samples.

Average net impacts on more recent and longer-term claimants in each cohort were estimated for the following six outcomes for each month of the relevant follow-up period:

- receipt of Incapacity Benefit, Income Support with disability premium or Severe Disablement Allowance (that is, incapacity-related benefits);
- monthly amount of combined Incapacity Benefit, Income Support with disability premium and Severe Disablement Allowance;
- receipt of Jobseeker's Allowance;<sup>52</sup>
- monthly amount of Jobseeker's Allowance;
- rate of employment; and
- proportion of the follow-up period employed.<sup>53</sup>

The Early Cohort was also used to analyse the impact of NDDP on various sub-groups (defined by participants' age, type of disability or health condition, length of benefit spell, nearness to labour market and Job Broker and local community characteristics). The analysis looked at the impact of NDDP on the amount and receipt of incapacity-related benefits and employment rates. The analysis identifies which sub-groups of participants benefited more or less from NDDP.

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<sup>52</sup> People cannot receive Jobseeker's Allowance and incapacity-related benefits at the same time.

<sup>53</sup> The employment data used for the last two of these outcomes may omit or inexactely record some people's spells of employment. The administrative data used do not include jobs providing earnings below the tax and National Insurance thresholds, and in some cases contain unspecified start dates for jobs that are coded to the start of the tax year and unspecified end dates coded to the end of the tax year. It is also possible for errors in identifying information to occasionally result in mismatches of jobs to individuals and to result in the omission of those jobs from the data. Comparisons with the *Survey of Registrants* and Job Broker records suggest the data are fairly complete.

As part of the sub-group analysis, Orr *et al.*, (2007:56) developed a measure of 'distance from the labour market' for participants and eligible non-participants. A regression model was used to predict the likelihood of employment at any point during the Early Cohort's two-year follow-up period in the absence of NDDP. The model was based on a random 50 per cent sub-sample of non-participants, which suggested what patterns of past benefit receipt and employment, as well as what demographic characteristics were associated with a higher or lower probability of getting a job in the absence of the assistance of a Job Broker. The model was used to predict which of the remaining non-participants, and which participants, are among the most or least likely to gain employment on their own. The top third of the distribution of predicted probability of employment for participants is considered 'nearest to the labour market' within the population served by NDDP, and the bottom third of that distribution classified as 'furthest from the labour market', leaving a middle tercile as well. Non-participants were then selected for comparison to each of these three subgroups by focusing on individuals with predicted probabilities in the same numeric range.

The benefit recipients found to be nearest the labour market were those who at baseline:

- received Severe Disablement Allowance, rather than Incapacity Benefit or Income Support with a Disability Premium;
- had been on benefits for a shorter duration, and for fewer months over their lifetimes;
- had received benefits intermittently rather than continuously, and did so in relatively recent months and years rather than at a younger age;
- had participated in a Work Focused Interview (WFI);
- were aged under age 50;
- were male; and
- suffered from a circulatory/cardiac, musculo-skeletal, or injury/poison-related disability (mental and behavioural disabilities fell into the middle range, with nervous system and other types of disabilities furthest from the labour market).

Initial benefit amount and geographic region also related significantly to estimated labour market closeness but in complex ways.

Although the estimation methods produce the best estimates possible with available data, it should be noted that an analysis of data from the *Survey of Registrants* for a small subset of this population suggests that the inability to control for individual characteristics and circumstances not included in the administrative data, may have caused a bias away from zero accounting for about one-third of the measured effect in the estimates presented here (Orr *et al.*, 2007:16 and 20-21). For this reason, the estimates presented here should be viewed with some caution, although the conclusion remains that NDDP did have a significant net impact.

### 5.1.2 Cost-benefit analysis methodology

The cost-benefit analysis is conducted from three perspectives: the Government's, participants' and society's.

The cost data incorporate the administrative costs borne by Jobcentre Plus in operating NDDP as well as the costs incurred by Job Brokers. Data on Jobcentre Plus costs were provided by the DWP. As mentioned in Section 1.2.2, data on Job Broker costs were collected from 20 Job Brokers in May and June 2003 and relate to the financial year 1 April 2002 to 31 March 2003 (Greenberg and Davis, 2007). Job Brokers provided cost data on staff costs, overheads, payments to other organisations for services provided to participants and any other relevant costs. The cost analysis also drew upon findings from the *Survey of Job Brokers* and the *Survey of Registrants*.

Total costs and profits (or losses) for each Job Broker were calculated on a per participant basis. The cost estimates are reported as a range; and have been reported in Section 3.1.7.

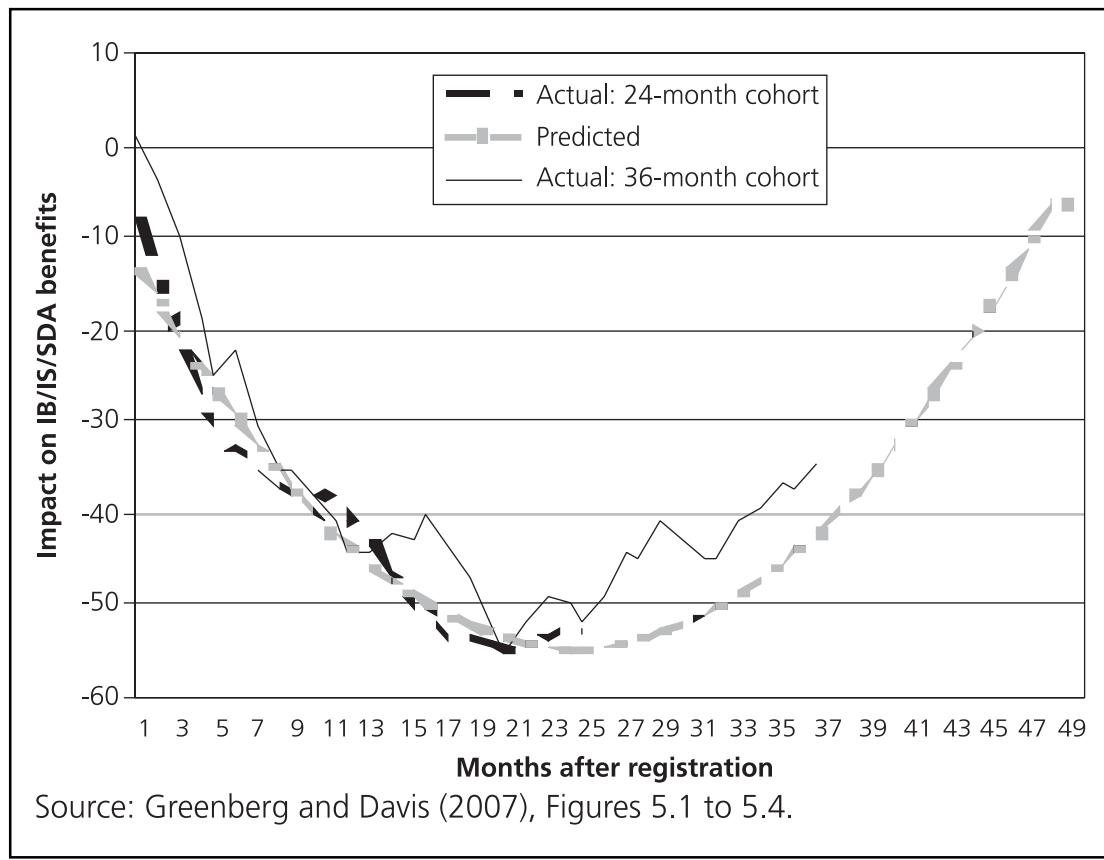
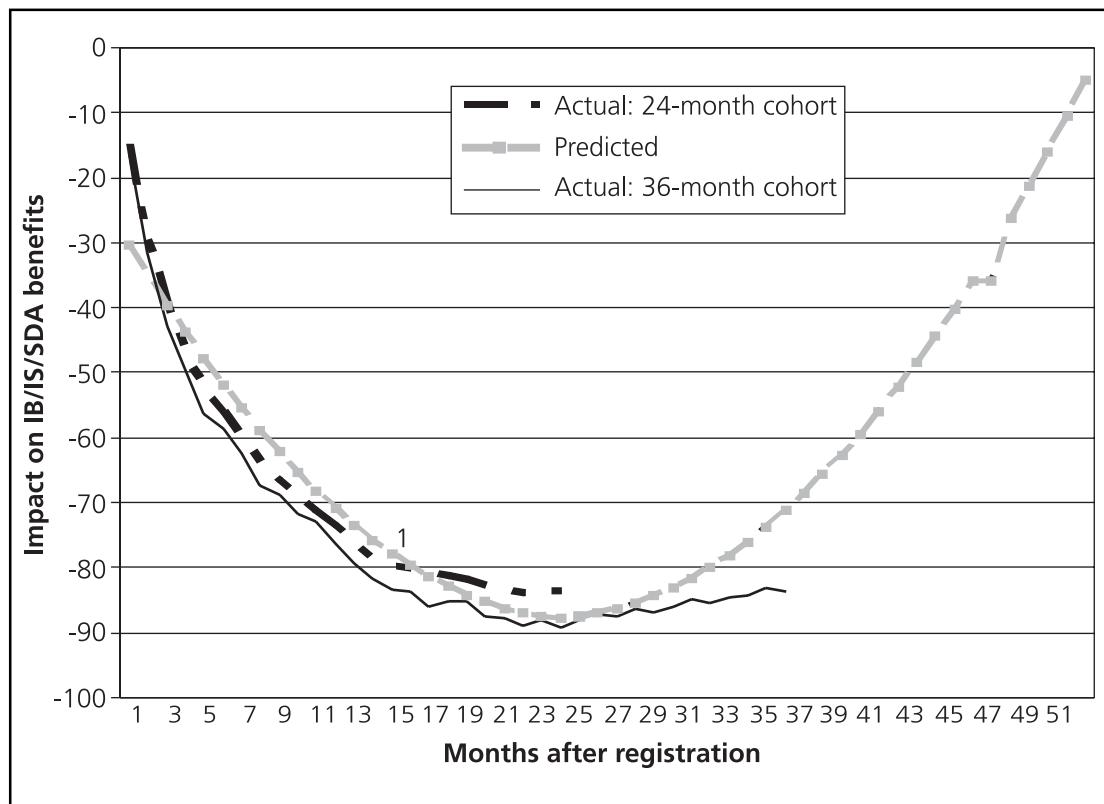
The research team suspects that two Job Brokers may have overstated their costs and useable data could not be obtained from another Job Broker. To compensate for the former, cost estimates were adjusted using regression analysis; see Greenberg and Davis (2007) for further details of the procedure used. Accordingly, cost estimates for the programme are reported as both adjusted and unadjusted estimates; with Greenberg and Davis (2007) arguing that the adjusted costs are probably the more accurate. The Job Broker providing unusable data was omitted from the cost analysis (Greenberg and Davis, 2007), that is, the analysis is based on 19 Job Brokers.

The estimation of benefits draws heavily upon the impact analysis, in particular the Early and Maximum Follow-up Cohorts. However, there is no reason to presuppose that the impacts of NDDP would end at 24 (or 36) months. Accordingly, regression analysis is used to predict net impacts.<sup>54</sup> The cost-benefit analysis is based on observed variables for the first 24 months (the Early Cohort) and predicted values hereafter. The predicted impacts and estimated impacts for the Early and Maximum Follow-up Cohorts are illustrated in Figure 5.1.

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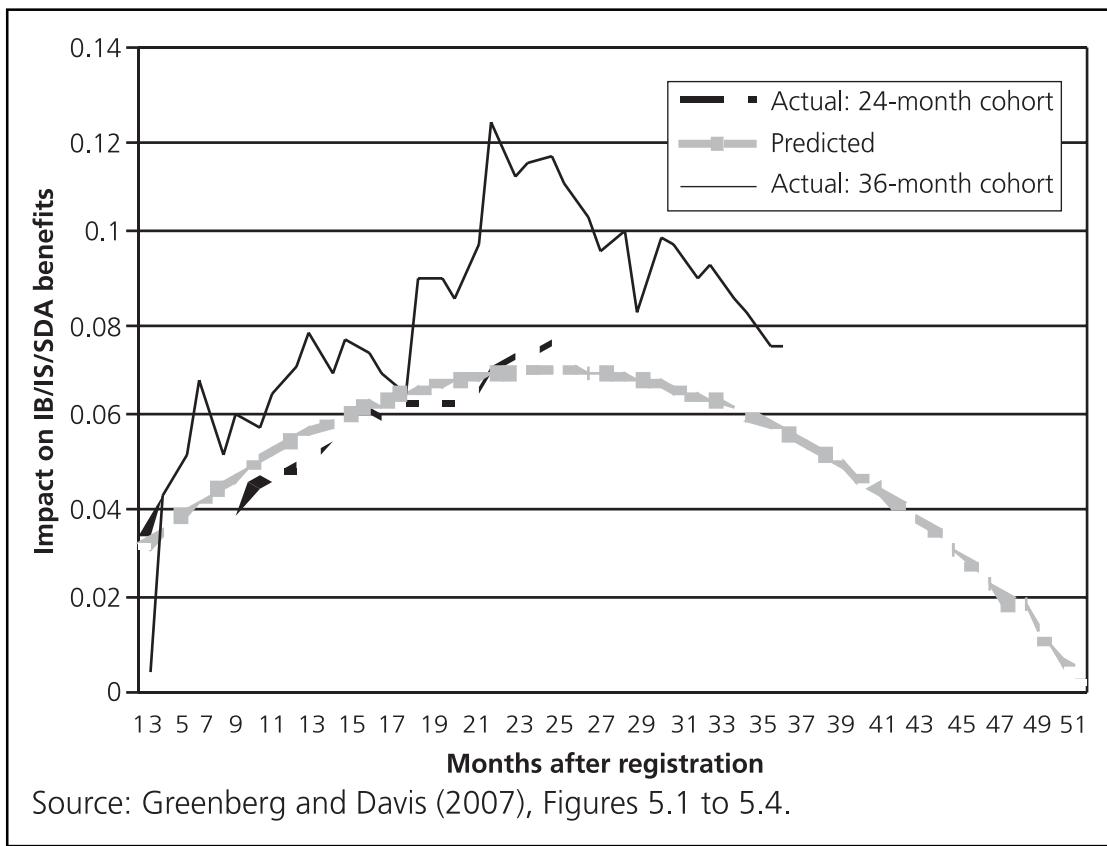
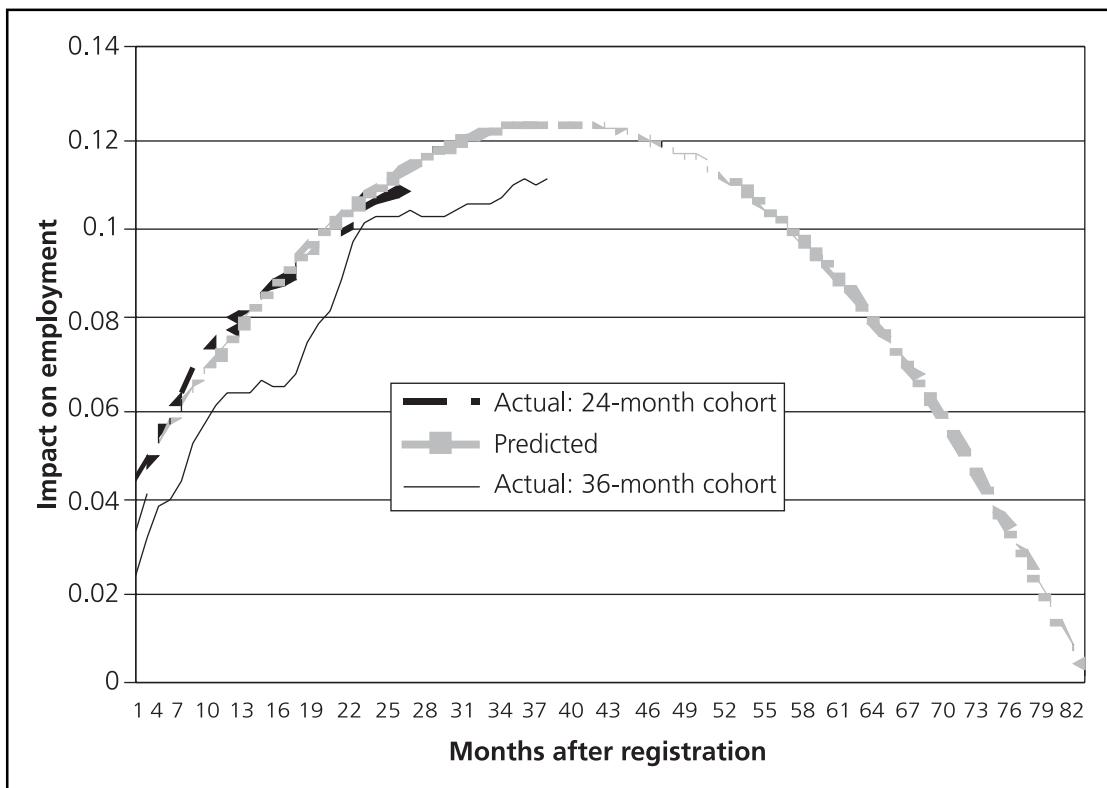
<sup>54</sup> Greenberg and Davis (2007) consider different possible estimation methods and for the cost-benefit analysis use a regression with a quadratic time trend variable. The quadratic specification posits that these impacts first grow in absolute magnitude, but at an increasingly slow rate and then begin to shrink, eventually disappearing (thus, the time profile resembles a U-shape curve). However, for estimating the impacts of NDDP on Jobseeker's Allowance a simple linear specification is used, because this seems to fit the data better than other specifications. Further details of the estimation methodology can be found in Greenberg and Davis (2007).

**Figure 5.1 Examples of predicted impacts**  
**a) Incapacity-related benefit receipt**



Source: Greenberg and Davis (2007), Figures 5.1 to 5.4.

**Figure 5.1      Continued**  
**b) More recent participants**



Source: Greenberg and Davis (2007), Figures 5.1 to 5.4.

Some of the impacts arising from NDDP – for example, increases in earnings, increases in government tax receipts and National Insurance contributions, changes in other benefit payments (such as, Working Tax Credit, Council Tax Benefit and Housing Benefit), and decreases in the costs of administrating benefit programmes – are not directly estimated in the impact analysis and so are inferred from the impacts that are estimated (see Greenberg and Davis, 2007). The impact estimates for benefit receipt are combined with Departmental data on the costs of administrating benefits to calculate administrative savings arising from people moving off incapacity-related benefits and increases in administrative costs due to the small increase in Jobseeker's Allowance receipt.

Earnings were estimated by computing the total increase in the number of months participants were in employment due to NDDP, discounting this figure by 3.5 per cent per annum (see below) and multiplying by the monthly earnings received by the average participant, £581.13 in 2005 prices. This figure excludes tax payments, National Insurance contributions and tax credits, which, as discussed below, are separately estimated. Thus, Greenberg and Davis (2007) estimate that NDDP increased the average net earnings of longer-term participants by £3,777 and more recent participants by £1,414.

Estimates of the tax payments and National Insurance contributions made by individuals with net monthly earnings of £581.13, the National Insurance contributions made by their employers, the amount of tax credit such persons would receive, and the amount by which their Council Tax Benefit and Housing Benefit would be reduced relative to persons with no earnings were obtained using the Department for Work and Pension's Pathways to Work model. The monthly values of these amounts are as follows: the individual's direct tax payments and National Insurance contributions equal £67.33; the employer's National Insurance contributions equal £31.01; tax credits received by the worker equal £106.72 on average<sup>55</sup>; and the reduction in Council Tax Benefit and Housing Benefit payments equal £65.

As well as making direct tax payments, individuals are also subject to indirect taxes as a result of the VAT and duties on certain commodities such as alcoholic drinks, tobacco and petrol. Within the income range of NDDP customers, the marginal indirect tax rate is about 28 per cent. Thus, the effect of NDDP on indirect tax payments was computed by multiplying this rate by the programme's impact on disposable income (i.e. the increases in net earnings, Jobseeker's Allowance and tax credits resulting from NDDP less reductions in incapacity-related benefits and Council Tax and Housing Benefits).

In line with HM Treasury recommendations (Treasury, 2003), the programme's benefits are discounted at 3.5 per cent. Discounting is necessary because benefits

<sup>55</sup> A worker with net monthly earnings of £581.13 would actually be eligible for £213.45 of tax credits per month. However, the take-up rate for tax credits is roughly 50 per cent.

occur over a number of years, and benefits that are received later are of less value than similar amounts that are received sooner. A discount rate is used to convert the streams of benefits resulting from NDDP to their present values so that benefits that occur at different points of time are comparable and can be compared to costs, which in NDDP are mostly incurred soon after registration. Once benefits in each month are converted to their present values, total programme benefits can be computed by simply summing these present values.

Results for the cost-benefit analysis are presented as net benefits, that is, benefits minus costs. Separate analyses were conducted for more recent and longer-term participants. In addition, separate cost benefit analyses are presented for large Job Brokers (having more than 900 participants) and smaller-sized Job Brokers.

In the cost-benefit analysis all monetary values have been adjusted to 2005 using the Retail Prices Index. This means that the cost-benefit analysis monetary values differ from those reported in the cost analysis and the impact analysis, which are not adjusted for inflation.

The approach adopted assumes that NDDP had no impact on the hours worked per month by those who would have been employed in the absence of the programme, or on the hourly wage rates of those who found employment. This is a conservative assumption; if NDDP has a positive impact on employment it is also likely to have a positive impact on hours worked per month by those who are employed. Moreover, Job Brokers only received job entry and sustained employment outcome payments for participants who worked eight hours or more a week and they received larger payments for participants who worked full-time. Thus, they had a strong incentive to try to increase the working hours of participants. Hence, the actual total net benefits of NDDP are likely to be understated by the estimated values presented here.

## 5.2 Impacts on benefit receipt

This section outlines the impact NDDP had on the receipt of both incapacity-related benefits and Jobseeker's Allowance. In general, the analysis shows that NDDP reduced the proportion of participants that received incapacity-related benefits. The impacts for longer-term participants tend to be larger than those for more recent participants. For both groups the impacts appear to grow initially and then level out around 20 months since registration, especially for the more recent claimants. For Jobseeker's Allowance NDDP produced a small increase in benefit receipt.

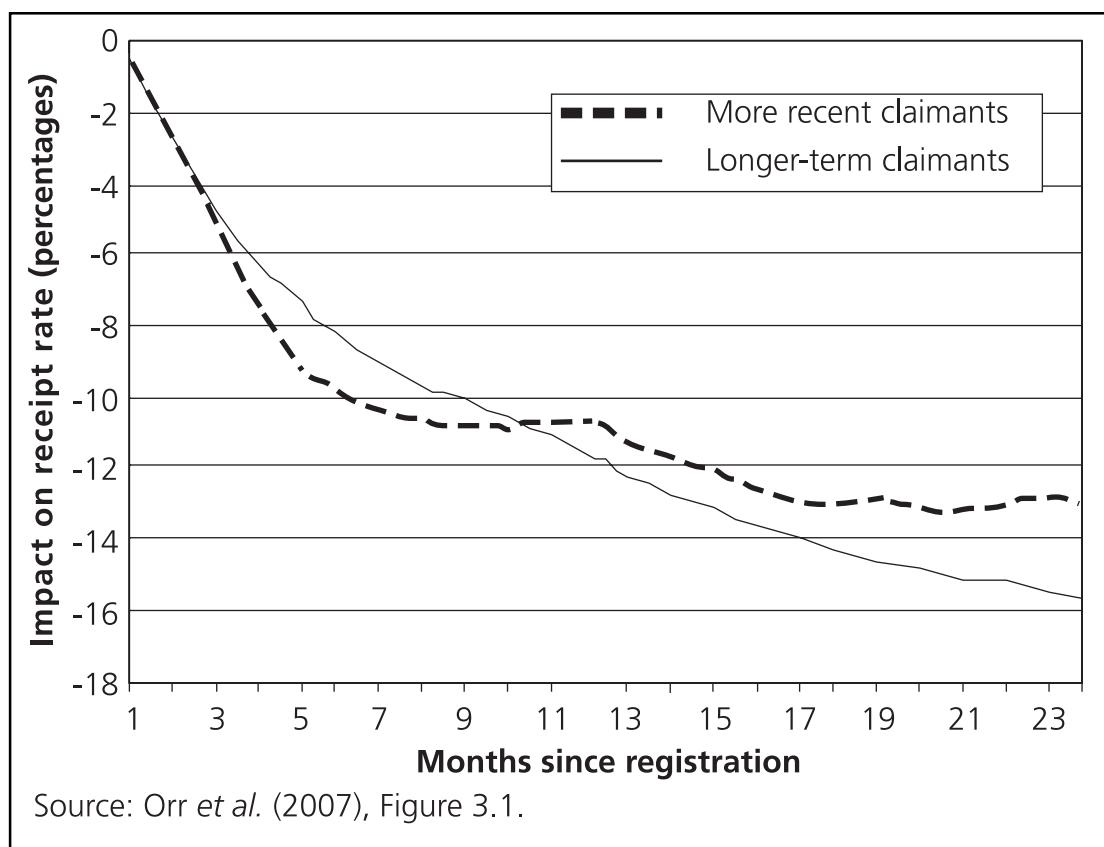
### 5.2.1 Incapacity-related benefit receipt over 24 months

Analysis of the Early Cohort shows that over the 24-month follow-up period NDDP was effective in encouraging participants to move off incapacity-related benefits (see Figure 5.2) (Orr *et al.*, 2007:17-24). Figure 5.2 shows, for example, that in the ninth month following registration, the receipt of incapacity-related benefits for longer-term claimants was about ten percentage points lower than it would have been in the absence of the programme. This is because the findings from the impact analysis imply that 91 per cent of longer-term customers would have received an incapacity-

related benefit during the ninth month in the absence of NDDP, but, because of the programme, only 81 per cent were in receipt of at least one of these benefits. By month 24, the reduction in the rate for benefit receipt was 16 percentage points for longer-term participants and 13 percentage points for more recent participants.

The estimated impacts on benefit receipt for participants are quite substantial relative to programme exit rates for non-participants (Orr *et al.*, 2007:19-20). For more recent claimants, NDDP increased the exit rate during the first year by more than one-quarter, from 38 per cent to 48 per cent. By the end of the second year the programme increased exits amongst more recent claimants by nearly one-third, from 44 per cent to 57 per cent. Impacts on the exit of longer-term recipients were even larger. The programme more than doubled the exit rate, from ten per cent for non-participants to 22 per cent for participants by the end of the first year and from 15 per cent to 31 per cent by the end of the two-year follow-up period. These figures imply that, amongst more recent claimants, 77 per cent of those who had left benefit by the end of the second year would have left in the absence of the programme.<sup>56</sup> Among longer-term recipients, only 49 per cent of those who left benefit would have exited in the absence of NDDP.

**Figure 5.2 Impacts on receipt of incapacity-related benefits over 24 months**



<sup>56</sup> That is, the proportion of non-participants who left benefit (44 per cent) as a percentage of the proportion of participants (57 per cent) that had left benefit at the end of the two years.

Figure 5.2 also shows a 'kink' in the impact trend for more recent claimants over the period six to 13 months since registration (Orr *et al.*, 2007:21-24). This reflects a complex interplay of exits from, and re-entries onto, benefit. In the first six months after registration, the programme increased the monthly rate of exit by a large, but declining amount. By month seven, this created a considerable pool of participants off benefit and at some risk of returning to benefit. Indeed, in the ensuing months a surge of participants returning to benefit offset NDDP's effect on the gross exit rate among those still on benefit. This caused the cumulative overall effect on benefit receipt to stabilize over the next six months. By month 13, the wave of re-entering participants had subsided and a small and declining programme effect on monthly exit rates reasserted itself and continued through to month 24.

### 5.2.2 Incapacity-related benefit receipt over 36 months

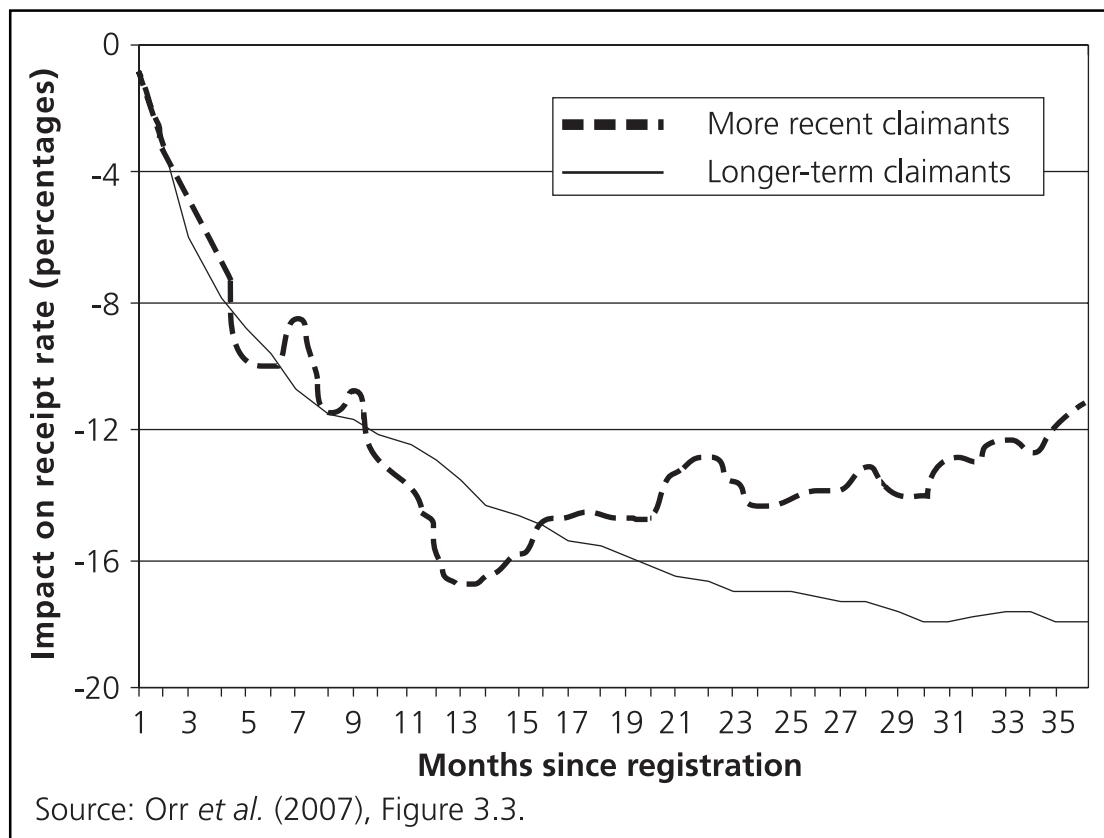
The Maximum Follow-up Cohort allows impacts to be estimated over a 36-month period for those who registered during the first six months of NDDP. It shows that impacts in months one to 24 were similar to those of the Early Cohort (see Figures 5.1); albeit tending to be slightly larger (Orr *et al.*, 2007:24-27).

For longer-term participants, NDDP's impact on benefit receipt continued to grow after month 24 for another six months, then plateau at a stable 18 per cent reduction for the remaining six months of the follow-up period.

The programme increased the exit rate of longer-term claimants by the end of the third year from 22 per cent to 40 per cent. In other words, NDDP left 60 per cent of longer-term participants on benefit after 36 months compared to 78 per cent of non-participants. This also implies that amongst longer-term claimants, 55 per cent of those who had left benefit by the end of the third year would have left in the absence of the programme.

For more recent claimants a different picture emerges. Estimated net effects on incapacity-related benefits were shrinking at the two-year point and continued to do so over the succeeding 12 months, dropping from 14 per cent in month 24 to 11 per cent in month 36. This reflects that whilst more recent non-participants continued to exit benefit, the proportion fell from 50 per cent still on benefit in month 25 to 48 per cent by month 36. Over the same period there was a small net movement of more recent participants **back onto benefit**; their benefit receipt rate rose from 36 per cent to 37 per cent over the third year. This suggests that the progress made by more recent participants in the first two years, both absolute and relative to what would have happened to them in the absence of the intervention, was beginning to erode as further time elapsed.

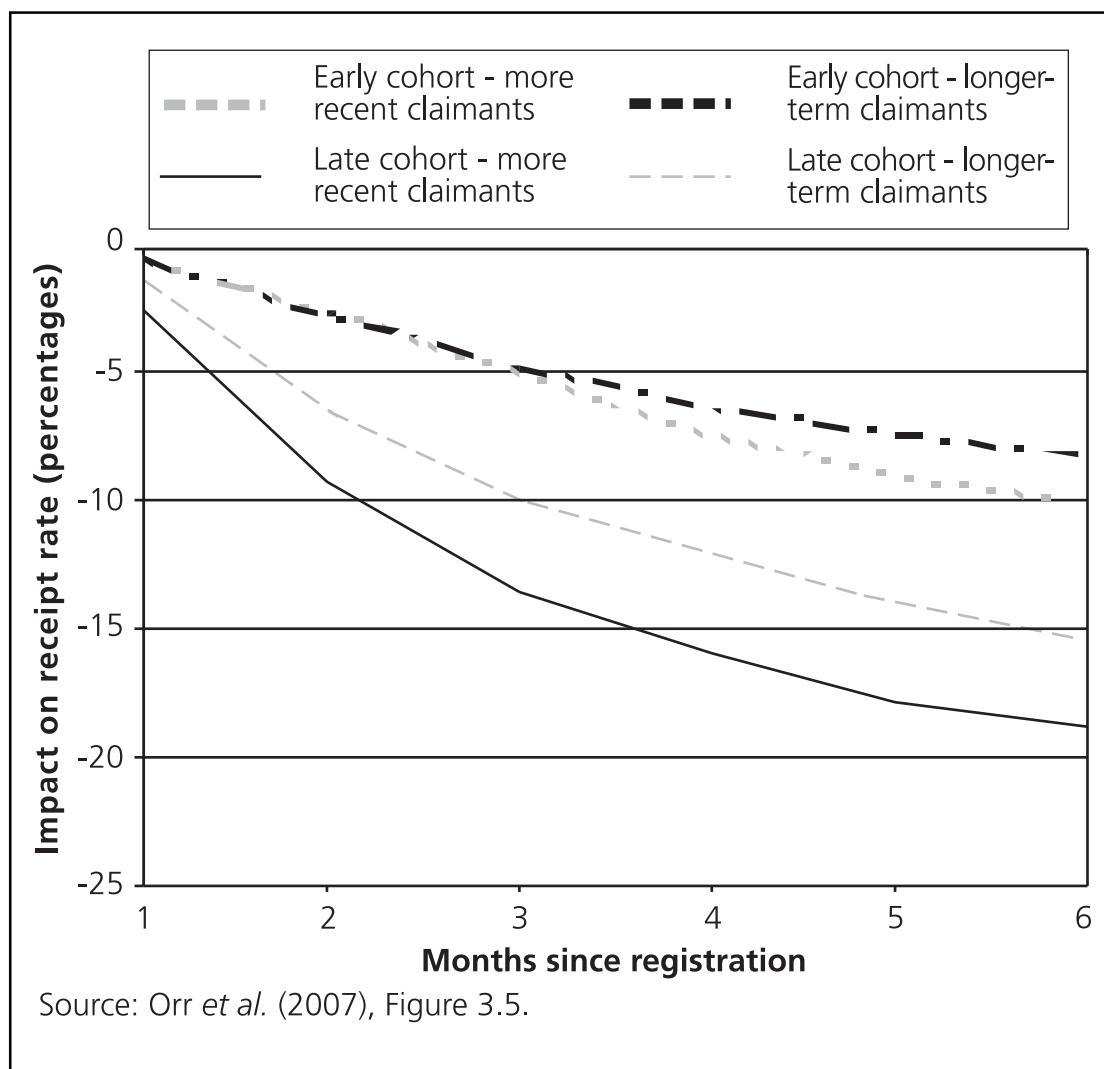
**Figure 5.3 Impacts on receipt of incapacity-related benefits over 36 months**



### 5.2.3 Incapacity-related benefit receipt – impact of programme changes

As already mentioned (Section 5.1.1), a comparison of the Early and Late Cohorts provides an indication of the impact of the policy changes made in 2003 to the programme (see Section 1.3.2). Estimated impacts for the Late Cohort's benefit receipt rate are nearly double those of the Early Cohort in the first six months after registration (see Figure 5.4) (Orr *et al.*, 2007:28-31). In the Late Cohort, NDDP reduced the net benefit receipt rate of those registering in the first six months of 2004 by 15 percentage points for longer-term recipients and by 19 percentage points for more recent claimants at the end of the six-month period. At the end of the six-month period, they constitute about a one-sixth reduction in benefit receipt for longer-term recipients, from 94 per cent to 79 per cent, and a one-quarter reduction for more recent claimants from 73 per cent to 54 per cent.

**Figure 5.4 Impacts on receipt of incapacity-related benefits over six months, comparison of early and late cohorts**



The increase in impacts observed in the Late Cohort cannot be definitively attributed to the policy changes in the programme. Other factors, such as the state of the labour market for disabled people or the composition of the participant population, may have changed in the interim between the two cohorts. It may also be that the programme is becoming more effective as it matures, and impacts would have increased in the absence of any policy or contextual change. Whatever the reason, it does seem clear that, at least in the short term, the programme had much larger effects on benefit receipt (and amount – see below) for participants in 2004 than it did in 2001/02.

Whether these short-term impacts persist, as they did for the earlier cohort, cannot be determined from the available data. Orr *et al.*, (2007) do not believe the observed shift to be an artefact of the estimation methodology, because nothing was different in the way comparison group members were selected and adjusted to match the action group in the analysis of the two cohorts. It is possible that potential participants changed how they made decisions about pursuing employment and

engaging a Job Broker as a result of the policy changes, or that brokers themselves exerted more 'selectivity' among potential customers. It is also possible that reported impacts for the later cohort are both accurate and transitory. If Job Brokers and/or Jobcentre Plus staff responded to the enhanced incentives and requirements embodied in the programme changes by registering and placing less job-ready beneficiaries in employment – and thereby achieved a more striking early reduction in benefit dependence – the **re-entry** rate among participants may also be higher, reversing some of the reductions in benefit receipt seen in the first six months after registration for the Late Cohort.

#### 5.2.4 Sub-group analysis of impacts on receipt of benefits

Impacts on the receipt of incapacity-related benefits vary by sub-group. For all sub-groups (for both longer-term and more recent claimants) NDDP reduced incapacity-related benefit receipt over the two years of the Early Cohort's follow-up period, especially in the second year. Table 5.3 summarises these results for month 24. The table shows, for example, that on average older participants experienced larger impacts than younger workers, with 22 per cent of longer-term recipients and 19 per cent of more recent claimants estimated to have left work by month 24 because of NDDP.

In summary, Table 5.3 suggests that NDDP most substantially reduces the receipt of incapacity-related benefits for participants who:

- were aged 50 or older;
- suffered from physical disabilities rather than mental health and/or behavioural conditions;
- had received benefits for at least three years at the point of registration;
- were further from the labour market;<sup>57</sup>
- were served by the largest Job Brokers (that is, Job Brokers with 900 or more registrations);
- relied on Job Brokers in the public and private sectors rather than the voluntary/charitable sector;
- lived in comparatively rural areas (that is, areas of low population density); and
- lived in communities where a larger share of working age adults received Incapacity Benefit.

Whether the variations by size and type of Job Broker were related to their own characteristics and those of their communities, or because of the distinctive ways these brokers dealt with their participants, is unclear. Similarly, it is not known

<sup>57</sup> This sub-group overlaps with the previously mentioned subgroups of beneficiaries that are older and have longer benefit spells prior to entering NDDP (c.f. Section 5.1.1).

whether the differences by type of area are due to systematic variations in individual participant or Job Broker characteristics. Or if the higher impacts for certain types of individual (such as those aged over 50 years) are in part attributable to other characteristics of these groups.

**Table 5.3 Impacts on incapacity-related benefit receipt 24 for subgroups of participants – Summary**

	Longer-term recipients	More recent claimants		
<b>Age</b>	+++		+++	
Under 50	-0.1456	***	-0.109	***
50 and older	-0.223	***	-0.185	***
<b>Type of disability</b>	+++			
Mental health or behavioural	-0.1385	***	-0.1373	***
Physical	-0.1789	***	-0.1197	***
<b>Length of benefit spell</b>	+++			
Less than three years	-0.118	***	n/a	n/a
Three years or more	-0.2465	***	n/a	n/a
<b>Nearness to labour market</b>	+++			
Nearest	-0.1329	***	-0.1401	***
Middle	-0.1594	***	-0.1104	***
Furthest	-0.2049	***	-0.1293	***
<b>Size of Job Broker</b>	+++		+++	
Small	-0.1133	***	-0.0896	***
Large	-0.2103	***	-0.1621	***
<b>Type of Job Broker</b>	+++		+++	
Private	-0.1843	***	-0.146	***
Public sector	-0.196	***	-0.1496	***
Voluntary/Charity	-0.1196	***	-0.0676	***
Unknown	-0.079	***	-0.0764	***
<b>Population density</b>	+++		++	
Low	-0.1979	***	-0.14	***
Medium	-0.1507	***	-0.1017	***
High	-0.1415	***	-0.1452	***
<b>Level of economic inactivity</b>	+++		+++	
Low	-0.1095	***	-0.0867	***
Medium	-0.1632	***	-0.1222	***
High	-0.2191	***	-0.1728	***
<b>Sample size</b>				
Action	23,696		5,585	
Comparison	211,782		49,354	

+++ Impact differs significantly by subgroup at the 99 per cent confidence level.

++ Impact differs significantly by subgroup at the 95 per cent confidence level.

\*\*\* Statistically significantly different from zero at the 99 per cent confidence level.

Source: Orr *et al.*, (2007), Table 5.3.

### 5.2.5 Jobseeker's Allowance receipt

NDDP could affect Jobseeker's Allowance receipt by (Orr *et al.*, 2007:32-35):

- preventing spells of Jobseeker's Allowance receipt by finding jobs for participants who would otherwise have left incapacity-related benefits and claimed Jobseeker's Allowance whilst searching for employment; or
- increasing Jobseeker's Allowance receipt for participants who use Job Brokers' help to obtain a job and leave benefits, but then find they cannot sustain employment and so claim Jobseeker's Allowance whilst looking for a new job.

The analysis indicates that NDDP led to a small increase in Jobseeker's Allowance benefits in the first seven months after registration for more recent claimants and for up to three years for longer-term recipients. The impacts on Jobseeker's Allowance receipt never exceed 0.6 percentage points for longer-term recipients or 2.5 percentage points (in month 5) for more recent claimants and were dwarfed by the reductions found for incapacity-related benefits. These impacts represent a one-fifth to one-third increase in the very small proportion of participants receiving Jobseeker's Allowance. Presumably, a small proportion of participants were induced by NDDP to leave benefit but could not sustain their labour market success and, for whatever reasons did not return to an incapacity-related benefit, winding up on Jobseeker's Allowance instead.

Estimated impacts on Jobseeker's Allowance following the policy changes of 2003 are not notably larger than those for earlier participants.

The impacts of Jobseeker's Allowance on various sub-groups were also analysed. However, estimated impacts on Jobseeker's Allowance receipt (and amount) are small for all the sub-groups examined and inconsistent in direction. They differ only trivially in magnitude amongst sub-groups.

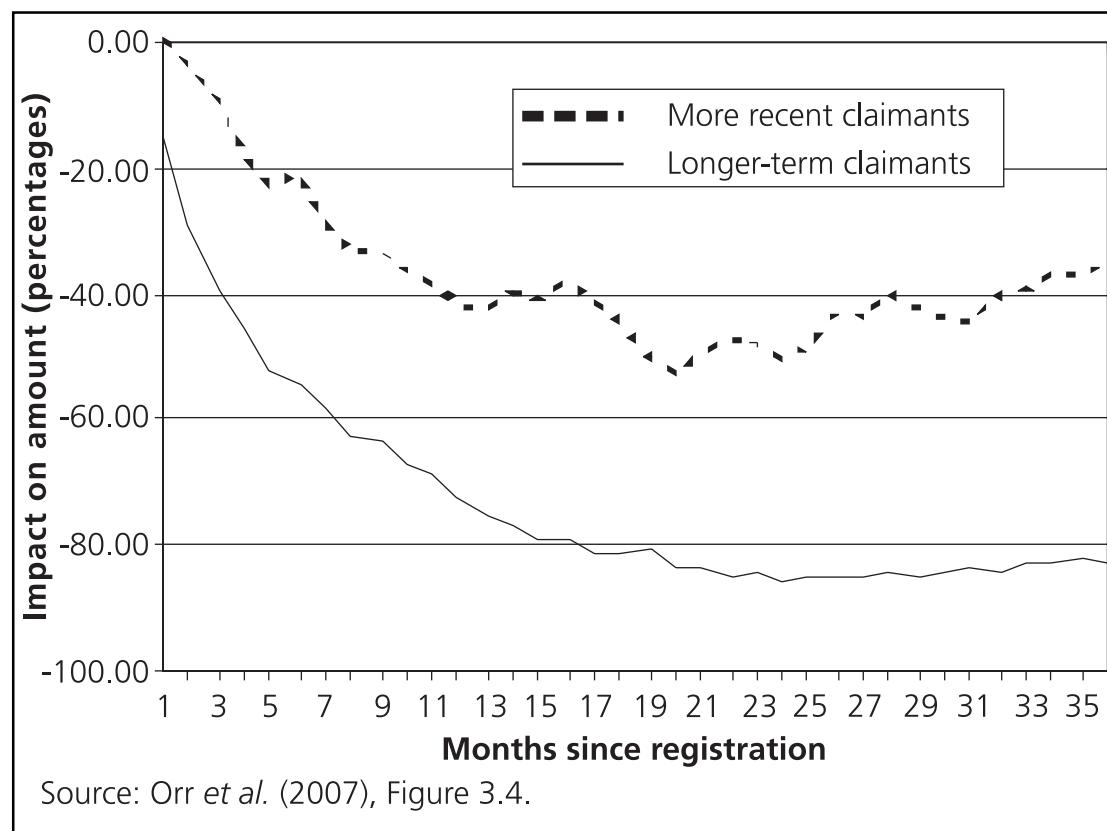
### 5.3 Impacts on benefit amount

The impacts of NDDP on the average amount of benefit received (including zeros for those who exited benefit) essentially mirror those on benefit receipt (see Section 5.2). Accordingly, NDDP generated benefit savings. The Early Cohort reveals that average monthly benefit savings initially grew and by month 24 were £81 for longer-term claimants and £51 for more recent recipients (Orr *et al.*, 2007:17-18). Moreover, it appears that the benefits received by participants who left benefit in the first 24 months were, on average, somewhat higher than those received by non-participants who left benefit during that same period. Thus, the mean benefit of non-participants still on benefit in Month 24 was £10.30 higher than the mean benefit of participants still on benefit in that month, controlling for the difference in average benefit at registration/start month.

The Maximum Follow-up Cohort (see Figure 5.5) suggests that the benefit savings did not continue to grow, but nevertheless, there was still a saving in months 25 to 36

(Orr *et al.*, 2007:24-25). Over the extra year, £83 to £86 per longer-term participant was saved each month. For more recent participants, average benefit amount began shrinking 24 months after registration, NDDP's impact dropping from £48 per month to £35 pounds per month between months 25 and 36.

**Figure 5.5 Impacts on average monthly amount of incapacity-related benefits over 36 months**



As with incapacity-related benefit receipt (Section 5.2.3), the impacts for the Late Cohort, post-policy changes, were greater than for the Early Cohort. The impact on average benefit amount for longer-term recipients was 60 per cent greater than that of the Early Cohort (£83 in month 6 rather than £52) and more than 100 per cent larger for more recent claimants (£69 in month 6 rather than £31) (Orr *et al.*, 2007:29). These are 22 and 29 per cent reductions in benefit payments, respectively, relative to their size in the absence of NDDP.

The small increase in Jobseeker's Allowance (Section 5.2.5) for longer-term participants produced a small increase in benefit amount of £1.50 to £2 relative to the non-participants average (of £3 to £6) in the first eight months after registration (Orr *et al.*, 2007:32-33). These amounts declined after month 5, dropping to about £0.50 in months 18 to 24. The pattern for more recent claimants was similar – a 15 to 25 per cent increase in amount of Jobseeker's Allowance in the first six months that quickly declined and eventually became negative in the final six months of the Early Cohort's follow-up period.

The Maximum Follow-up Cohort further reveals that for longer-term participants the small positive impacts on benefit amount found in the second year for the Early Cohort continued to decline and, in fact, turned negative towards the end of the third year. The small positive impacts on Jobseeker's Allowance amount for more recent claimants ended well before month 24 and did not return (nor turn significantly negative) in the 12 months after that point.

### 5.3.1 Sub-group analysis of impacts on benefit amounts

By sub-group, the reductions in average benefit amount broadly reflect those for benefit receipt (Section 5.2.4). Average benefit amount (including months with zero benefits) dropped by between £26 and £104 per month on average due to the intervention, with reductions estimated to be in the £50 to £80 range for most sub-groups (see Table 5.4). Patterns are similar for longer-term recipients and more recent claimants, though longer-term participants show larger pound reductions in every sub-group.

However, sub-groups benefiting from the largest fall in incapacity-related benefit receipt were not always those with the largest benefit savings. For example, for longer-term claimants whilst benefit receipt for older participants fell by 22 percentage points compared to 15 percentage points for younger workers, benefit saving were larger for the latter (£84) compared to the former (£71) (see Tables 5.1 and 5.2). This is likely to be because amongst those induced to leave benefit by NDDP, older participants had smaller initial benefit payments than younger ones.

In summary, Table 5.3 suggests that NDDP led to larger incapacity-related benefit savings for participants who:

- were aged under 50 if longer-term claimants, but 50 or older if more recent recipients;
- suffered from physical disabilities rather than mental health and/or behavioural conditions;
- had received benefits for less than three years at the point of registration;
- were nearest to the labour market;
- were served by the largest Job Brokers;
- relied on Job Brokers in the public and private sectors rather than the voluntary/charitable sector;
- lived in comparatively rural areas if a longer-term claimant, but in an urban area if a more recent recipient; and
- lived in communities where a larger share of working age adults received Incapacity Benefit.

**Table 5.4 Impacts on incapacity-related benefit amounts 24 for subgroups of participants – Summary**

	(£)			
	Longer-term recipients		More recent claimants	
<b>Age</b>	+++		+++	
Under 50	-83.60	***	-46.98	***
50 and older	-71.32	***	-63.51	***
<b>Type of disability</b>	+++			
Mental health or behavioural	-66.16	***	-51.09	***
Physical	-92.94	***	-50.50	***
<b>Length of benefit spell</b>				
Less than 3 years	-82.10	***	n/a	n/a
3 Years or more	-79.34	***	n/a	n/a
<b>Nearness to labour market</b>	+++			
Nearest	-87.81	***	-52.88	***
Middle	-82.26	***	-47.50	***
Furthest	-71.76	***	-61.80	***
<b>Size of Job Broker</b>	+++		+++	
Small	-57.89	***	-34.05	***
Large	-104.22	***	-65.34	***
<b>Type of Job Broker</b>	+++		+++	
Private	-91.28	***	-55.56	***
Public sector	-97.17	***	-59.97	***
Voluntary/Charity	-60.27	***	-26.36	***
Unknown	-39.63	***	-35.84	***
<b>Population density</b>	+++		++	
Low	-98.77	***	-54.32	***
Medium	-76.46	***	-39.43	***
High	-68.58	***	-59.06	***
<b>Level of economic Inactivity</b>	+++		+++	
Low	-56.70	***	-33.65	***
Medium	-84.46	***	-52.61	***
High	-102.45	***	-64.62	***
<b>Sample size</b>				
Action	23,696		5,585	
Comparison	211,782		49,354	

+++ Impact differs significantly by subgroup at the 99 per cent confidence level.

++ Impact differs significantly by subgroup at the 95 per cent confidence level.

\*\*\* Statistically significantly different from zero at the 99 per cent confidence level.

Source: Orr *et al.* (2007), Tables 5.2, 5.4, 5.6, 5.8, 5.10, 5.12, 5.14, 5.16.

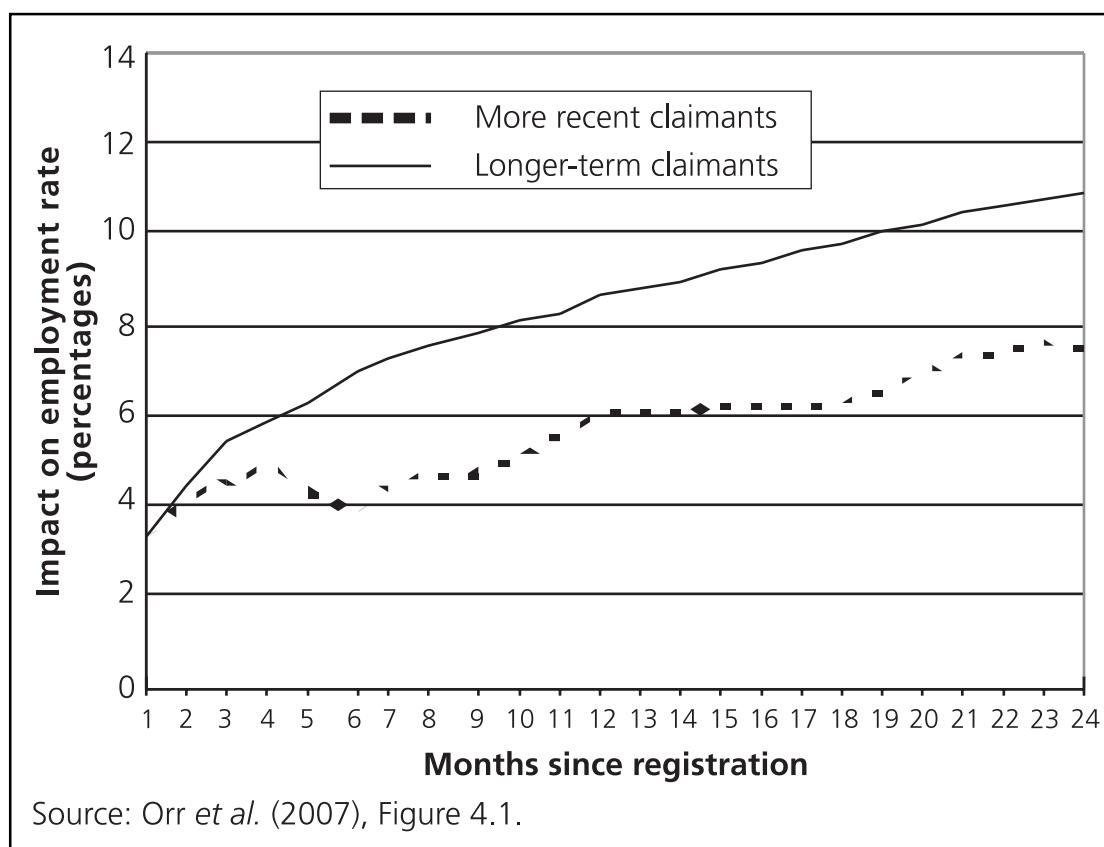
## 5.4 Impacts on employment

### 5.4.1 Monthly employment rates

The impacts of NDDP on employment were generally consistent with the impacts on benefit receipt (Section 5.2) (Orr *et al.*, 2007:36); albeit they were smaller (Orr *et al.*, 2007:38).

By Month 12, NDDP had increased the proportion of participants employed by about nine percentage points for longer-term recipients and six percentage points for more recent claimants. Twenty-four months after registration, NDDP had increased the employment rate for longer-term participants by 11 percentage points and by seven percentage points for more recent participants (see Figure 5.6). These impacts represent average gains of 29 and 13 percentage points for longer-term and more recent participants, respectively.

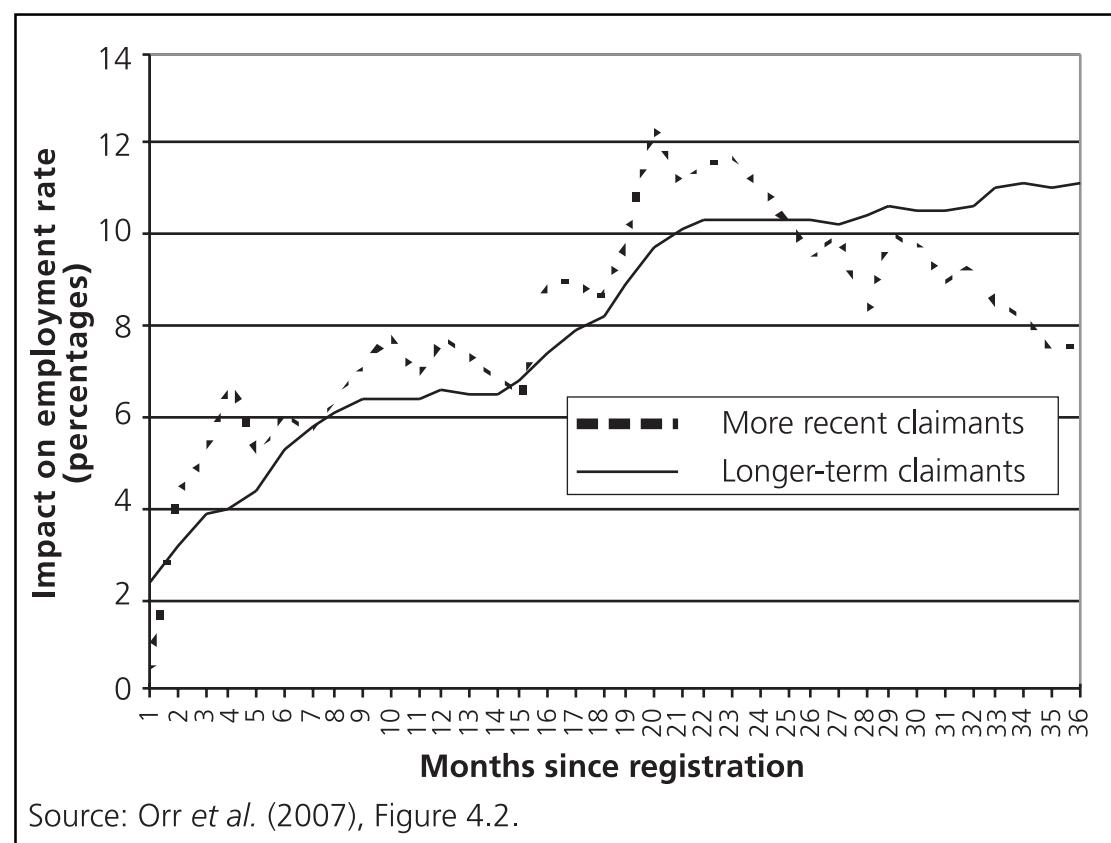
**Figure 5.6 Impacts on employment over 24 months**



Analysis of the Maximum Follow-up Cohort shows that for longer-term recipients, impacts on the employment rate appear to level off at around 10-11 percentage points in the third year after registration (Orr *et al.*, 2007:40-41) (Figure 5.7). Impacts on more recent claimants moved much more erratically (due to the smaller sample sizes in the cohort), peaking at around 12 percentage points in month 20, then falling back to eight percentage points at the end of the third year – about the level of impact estimated for the entire Early Cohort in month 24. Hence, the impacts

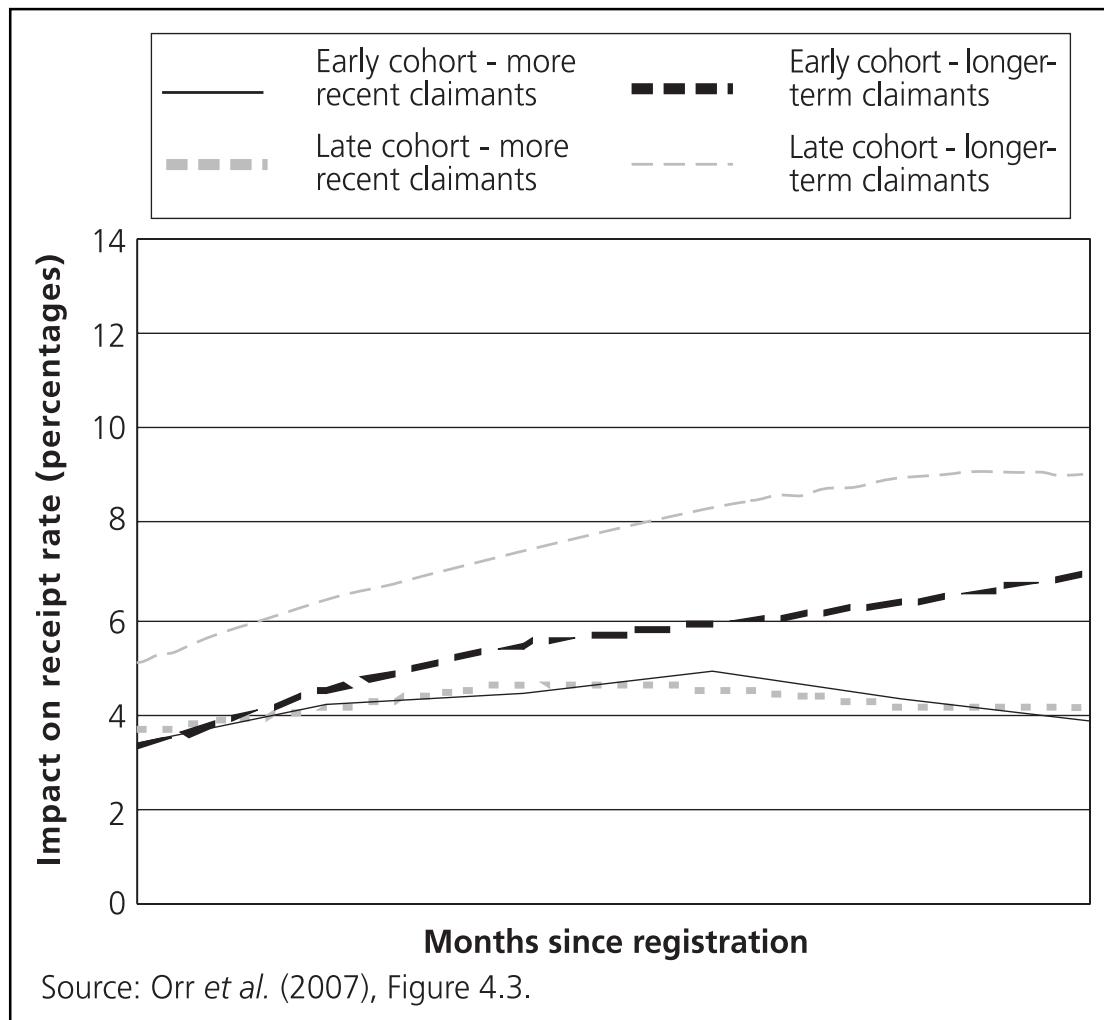
observed for the overall Early Cohort in month 24 probably persisted, but did not grow markedly, in the following year.

**Figure 5.7 Impacts on employment over 36 months**



Over the six-month follow-up period available for the Late Cohort, impacts on the employment rate for more recent claimants were very similar to those in the corresponding period for more recent claimants in the Early Cohort (Orr *et al.*, 2007:41-42)(Figure 5.8). However, for longer-term participants employment impacts were two to three percentage points larger in the Late Cohort compared to the Early Cohort. Whether this improvement in performance reflects the policy changes instituted in the programme in the interim between the two cohorts or differences in the two participant populations is difficult to know.

**Figure 5.8 Impacts on employment over six months, comparison of early and late cohorts**



For the cost-benefit analysis Greenberg and Davis (2007) sum the estimated and predicted employment impacts. They conclude that NDDP increased employment by a total of 5.8114 months for an average longer-term participant and by a total of 2.4325 months for an average more recent participant.<sup>58</sup>

As already mentioned above, the impacts on employment are consistent with those for benefit receipt, but somewhat smaller. For example, 24 months after registration, NDDP had increased the employment rate in the Early Cohort by 11 percentage points for longer-term recipients and by seven percentage points for more recent claimants, as compared with reductions in benefit receipt of 16 and 13 percentage

<sup>58</sup> Note that these estimates are averages for all NDDP participants, not just those who were employed as a result of the programme. Thus, they incorporate zero months for participants whose employment status was unaffected by the programme. These figures were derived after discounting the employment estimates in later years by 3.5 per cent per annum (see Section 5.1.2).

points. This difference may be due to several factors. Some may be attributable to participants who were already working moving from less than 16 hours of work per week to more than 16 hours; this would reduce the receipt rate, but would not change the employment rate. A part of the difference in impacts may be due to some participants' employment not being recorded in the HMRC data (see below). The difference in impacts may also reflect participants who left benefit for employment losing their jobs and spending time searching for work without returning to benefit. Orr *et al.*, (2007:37) show that even a relatively modest increase in the amount of time spent looking for work whilst not on benefit could explain the difference between the impacts on benefit receipt rate and those on employment rates. Finally, some participants may have left benefit permanently, whether or not they were successful in finding another job.

The employment data are known not to record all the jobs that participants entered. As already mentioned (see footnote 52), HMRC data do not include jobs providing earnings below the tax and National Insurance thresholds. It is also possible for errors in identifying information to occasionally result in mismatches of jobs to individuals and to result in omission of those jobs from the data. Preliminary analysis conducted by DWP staff, which matched Job Broker data for 2004 and 2005 with job data derived from the HMRC data used here, indicated that less than 50 per cent of the jobs reported by Job Brokers were found in the administrative data, though this comparison was based on just a subset of the HMRC-reported jobs. The employment data used here is consistent with two other sources of information on participant employment: Job Broker reports to the DWP record about 45 per cent of participants moving into work (although this may omit a different set of jobs, those occurring after leaving the programme of which Job Brokers were unaware), and the *Survey of Registrants*, which shows 47 per cent having started a job within 12 months of registration (Kazimirski *et al.*, 2005:69). The data used here show overall monthly employment rates of 46-50 per cent over the first 12 months after registration for all participants in the Early Cohort (weighted average of employment rates for longer-term recipients and more recent claimants). Potentially offsetting some part of any omissions that occur, in the data used here monthly employment status was determined by start and end dates of jobs that have special meaning in the HMRC records. This includes jobs known to have begun within a particular tax year but at an unknown point during that year; these automatically receive a start date of 6 April, the very earliest they may actually have started. Jobs with unknown end dates are given an end date of 5 April in the HMRC records for the tax year in which they are known to have ended, the very latest they may actually have ended. In combination, this leads to some exaggeration of employment rates. For example, the 20 per cent of all jobs coded as starting on 6 April actually started on varying dates over the tax year and thus, on average, six months later than this date. This adds 1.2 months of 'employment' to the typical job spell (6 months x .20 of all jobs = 1.2 months). The extent of exaggeration due to artificial 5 April end dates is unknown, since no record exists of the share of all jobs coded with this end date and HMRC records are no longer accessible to the researchers. Taken together, these factors are cause for treating the employment data with caution, though the close correspondence of

reported employment rates with those from two other evaluation sources give Orr *et al.* (2007) confidence that the impact results for employment derived from these data are reliable.

### 5.4.2 Proportion of the follow-up period employed

The impact analysis also considered the proportion of each cohort's follow-up period that the average participant was employed. As the impacts on employment rates suggest, NDDP also increased the proportion of the follow-up period that participants were employed in all three cohorts. Key findings are:

- Early cohort – NDDP increased the proportion of days worked over 24 months by longer-term recipients from 38 to 46 per cent, a 21 per cent increase in time spent working. The corresponding impact for more recent claimants was an increase from 60 to 65 per cent, a nine per cent increase.
- Maximum Follow-up Cohort – Impacts in the first 24 months are similar to those in the Early Cohort overall. For longer-term recipients, NDDP increased the proportion of days worked over 36 months from 40 to 48 per cent, an increase of 20 per cent. Amongst more recent claimants, the proportion of days worked was increased from 59 to 67 per cent, an increase of 14 per cent.
- Late Cohort – Impacts on the proportion of the follow-up period employed were slightly smaller for the Late Cohort than for the Early Cohort. This is because impacts were only estimated for the Late Cohort for the first six months since registration, before impacts had grown to the levels they reached in the latter part of the Early Cohort follow-up period. During this initial six months, the programme increased the proportion of days employed for longer-term recipients in the Late Cohort from 40 to 47 per cent, an increase of 18 per cent. For more recent claimants, the proportion of days employed was increased from 64 to 68 per cent, an increase of seven per cent.

### 5.4.3 Sub-group analysis of impacts on employment

NDDP also increased employment for all the sub-groups of longer-term recipients and more recent claimants. The proportion working two years after entering the programme rose from five to 16 percentage points because of the intervention, depending on the sub-group (see Table 5.5). Like the benefit impacts, employment impacts grew with time and were larger for longer-term participants than for more recent participants for every sub-group. Variations among sub-groups echoed variations in benefit impacts for longer-term recipients but not for more recent claimants. The most noteworthy reversal of the pattern of impacts on benefits occurred for more recent claimants; those individuals experiencing larger impacts on employment rates where living in more urbanised, rather than more rural, areas.

**Table 5.5 Impacts on employment in month 24 for subgroups of participants – Summary**

	Longer-term recipients	More recent claimants		
<b>Age</b>	+			
Under 50	0.1105	***	0.0689	***
50 and older	0.0999	***	0.0895	***
<b>Type of disability</b>	+++			
Mental health or behavioural	0.097	***	0.0652	***
Physical	0.1173	***	0.0797	***
Length of benefit spell	+++			
Less than three years	0.083	***	n/a	n/a
Three years or more	0.1388	***	n/a	n/a
<b>Nearness to labour market</b>	+++		+++	
Nearest	0.0351	***	0.0516	***
Middle	0.0931	***	0.1055	***
Furthest	0.1635	***	0.1085	***
<b>Size of Job Broker</b>	++			
Small	0.1021	***	0.0825	***
Large	0.1142	***	0.0673	***
<b>Type of Job Broker</b>				
Private	0.112	***	0.0742	***
Public sector	0.1159	***	0.0728	***
Voluntary/Charity	0.1163	***	0.079	***
Unknown	0.0718	***	0.0735	***
<b>Population density</b>	+		++	
Low	0.1176	***	0.0553	***
Medium	0.1023	***	0.0825	***
High	0.1052	***	0.088	***
<b>Level of economic Inactivity</b>	+++			
Low	0.0942	***	0.0722	***
Medium	0.1148	***	0.0687	***
High	0.1155	***	0.0812	***
<b>Sample size</b>				
Action	23,696		5,585	
Comparison	211,782		49,354	

+++ Impact differs significantly by subgroup at the 99 per cent confidence level.

++ Impact differs significantly by subgroup at the 95 per cent confidence level.

+ Impact differs significantly by subgroup at the 90 per cent confidence level.

\*\*\* Statistically significantly different from zero at the 99 per cent confidence level.

Source: Orr *et al.* (2007), Tables 5.2, 5.4, 5.6, 5.8, 5.10, 5.12, 5.14, 5.16.

In summary, Table 5.5 suggests that NDDP increased the rate of employment most substantially for participants who:

- were longer-term claimants aged under 50;
- suffered from physical disabilities rather than mental health and/or behavioural conditions;
- had received benefits for at least three years at the point of registration;
- were further from the labour market;
- were served by the largest Job Brokers;
- lived in comparatively rural areas if a longer-term claimant, but an area of medium density if a more recent recipient; and
- lived in communities where a medium or high proportion of working age adults received Incapacity Benefit.

## 5.5 Cost-benefit analysis

The cost-benefit analysis presents separate estimates for NDDP's effects on:

- the Government's budget;
- the well-being of the participants; and
- society as a whole.

Separate analyses are conducted from each of these vantage points for longer-term claimants and more recent claimants. In addition, separate cost-benefit analyses are conducted of larger Job Brokers (more than 900 registrants) and smaller Job Brokers (fewer than 900 registrants).

The methodology underpinning the analysis is outlined in Section 5.4.1 above. As already mentioned, results are reported in terms of NDDP's **net** benefits (i.e. benefits less costs). The net benefits are reported as a range which reflects the method used to estimate programme costs. Three approaches for measuring costs were adopted:

- Costs based on the actual outcome-related payments paid by the Department to Job Brokers. These net benefits are labelled 'actual government' costs or expenditures in the tables.
- Costs based on those reported by the 19 Job Brokers in the study. These are labelled the 'upper-bound' costs or estimates in the tables.
- Costs based on those reported by 17 Job Brokers and costs of two Job Brokers adjusted using regression analysis because of suspected over-statement of their actual costs (see Section 5.1.2). This is Greenberg and Davis' (2007) preferred measure of net benefits, and is labelled 'lower-bound' costs or estimates in the tables.

### 5.5.1 The Government's perspective

From the Government's perspective, NDDP is highly cost-beneficial (regardless of the cost estimate used). Taking account of reductions in benefit payments received by NDDP participants, reductions in the cost of administering benefits, and increases in tax payments, the cost-benefit analysis indicates that NDDP reduced the Government's budgetary requirements by over £2,500 for a typical longer-term participant and by about £750 to £1,000 for a typical more recent participant (see Table 5.6). In terms of the costs of NDDP, this is a considerable saving. For each pound expended on NDDP, the Government saved between £3.41 and £4.50 for longer-term claimants and between £1.71 and £2.26 for more recent claimants in benefit payments and administrative expenditures (Greenberg and Davis, 2007).

**Table 5.6 Benefits and costs per typical participant from the Government's perspective**

	Longer-term claimants	More recent claimants
<b>Benefits</b>		
Reduction in incapacity-related benefit expenditures	£3,165	£1,764
Reductions in costs of administering incapacity-related benefits	£22	£13
Reductions in expenditures on housing and council tax benefits	£378	£158
Increases in tax revenues and National Insurance contributions	£391	£164
Increases in indirect tax revenues	£136	-£60
Increases in employers' National Insurance contributions	£180	£75
<b>Costs</b>		
Increases in Jobseeker's Allowance	£30	£33
Increase in cost of administering Jobseeker's Allowance	£3	£1
Increases in Tax Credits	£620	£260
<b>Government costs of operating NDDP (alternative estimates)</b>		
Lower-Bound estimates	£804	£804
Upper-Bound estimates	£1,052	£1,052
Actual government expenditures	£1,062	£1,062
<b>Net benefits (benefits – costs)</b>		
Based on the lower-bound costs	£2,815	£1,016
Based on the upper-bound costs	£2,567	£768
Based on actual government costs	£2,557	£758

Note: All values are in 2005 prices.

Source: Greenberg and Davis (2007), Table 6.1.

The benefits the Government received exceeded the Government's costs at both large and small Job Brokers. However, mainly because NDDP reduced the amount of incapacity-related benefit received by an average claimant who registered at larger Job Brokers by a much greater amount than it reduced the amount received by an average claimant who registered at smaller Job Brokers, larger Job Brokers were

much more cost-beneficial from the Government's perspective than the latter (Greenberg and Davis, 2007). This was true for both longer-term and more recent participants.

### 5.5.2 The participants' perspective

Greenberg and Davis (2007) conclude that there is considerable uncertainty as to whether or not NDDP is cost-beneficial from the perspective of NDDP participants, especially for longer-term claimants. However, it seems likely that a typical NDDP participant benefited as a result of having participated in the programme but only to a very modest degree.

The net benefits are positive for a typical longer-term participant (£348), and negative for a typical more recent claimant (-£155), but fairly modest in both cases (see Table 5.7) (Greenberg and Davis, 2007).<sup>59</sup> The reduction in the income of a typical more recent claimant arises because their increase in earnings was more than offset by reductions in income transfers. The net benefit received by a typical longer-term claimant was almost entirely attributable to tax credits that result from employment. Their gain in earnings was almost entirely offset by losses in incapacity-related benefits, Housing Benefit and Council Tax Benefit and indirect taxes.

**Table 5.7 Benefits and costs per typical participant from the customer's perspective**

	Longer-term claimants	More recent claimants
<b>Benefits</b>		
Increases in earnings net of taxes	£3,377	£1,414
Increases in Jobseeker's Allowance	£30	£33
Increases in Tax Credits	£620	£260
<b>Costs</b>		
Increases in indirect taxes	£136	-£60
Reductions in amount of incapacity-related benefit received	£3,165	£1,764
Reductions in amounts of housing and council tax benefits	£378	£158
<b>Net benefits (benefits – costs)</b>	<b>£348</b>	<b>-£155</b>

Note: All values are in 2005 prices.

Source: Greenberg and Davis (2007), Table 7.1.

Although Table 5.7 suggests that the income of a typical more recent claimant fell as a result of NDDP, there are two reasons to believe that this estimate is downward biased (Greenberg and Davis, 2007). First, as previously mentioned (Section 5.1.2), it was necessary to assume that the earnings of longer-term and more recent NDDP participant were the same, namely £581 per month. However, the monthly earnings

<sup>59</sup> It should be recalled that these are net benefits discounted over the 'lifetime' of the impacts, and not annual sums.

of the latter could have been larger than those of the former because more recent claimants were more likely than longer-term claimants to have fairly recent work experience prior to registering with a Job Broker and thus, were likely to work more hours per month at a higher hourly wage once they obtain post-registration employment. Thus, their actual post-registration earnings may well exceed £581 per month. However, the earnings differential between longer-term and more recent claimants would have to be large to influence the net benefits of more recent claimants very strongly.

Secondly, there is reason to expect that NDDP increased the hours of work of participants, as well as increasing the level of employment of participants. However, the programme effect on hours worked would have to be substantial if the net benefit estimates for more recent claimants are to be considered greatly understated. (This factor would result in underestimating the net benefit of longer-term claimants, as well as those of more recent claimants.)

Greenberg and Davis (2007) conclude that if the estimates of the effect of NDDP on the net income of a typical more recent claimant were adjusted for both of these biases, it would probably turn positive, but it would be unlikely to be large.

In addition, and as already mentioned (Section 5.4.1), the data that were used to estimate the NDDP employment impacts reported in Table 5.7 were obtained from HMRC administrative records that are subject to potentially serious reporting errors. On the one hand, the tax data are likely to miss some people who find jobs as a result of NDDP and thereby underestimate impacts on employment. On the other hand, impacts on employment could be overstated because of the practice of coding missing job start and end dates to the first and last days of the tax year. This makes it appear that a subset of workers who worked only part of a tax year was employed in some months during which they were actually not working. While these biases tend to work in opposite directions, there is no way of knowing which is stronger.

The administrative data that Orr *et al.*, (2007) used to estimate NDDP's impacts on the receipt of incapacity-related benefits is not subject to either of these reporting biases. Thus, these impact estimates on months off incapacity benefits were used in a sensitivity test to derive the earnings increase resulting from NDDP. The results imply that the net benefits to participants from NDDP are nearly one-thousand pounds for both a typical longer-term claimant and a typical more recent claimant (Greenberg and Davis, 2007). However, there is one reason to suspect that these estimates underestimate the true net benefits of NDDP to participants and two reasons to suspect that they overstate them. They will underestimate them to the extent that NDDP induces participants to take jobs for so few hours that they do not leave the incapacity benefit rolls. Operating against this bias is the financial incentive that Job Brokers have to encourage participants to try to find full-time jobs, not jobs with low hours. Moreover, the earnings of persons who work relatively few hours would presumably be rather low. The net benefit estimates will be overstated to the degree that some persons who exited incapacity-related benefits as a result of NDDP were not

employed the entire time they were off these benefits. For example, some probably replaced incapacity benefits with benefits from other programmes and others who were initially employed later lost their jobs without immediately, if ever, returning to incapacity benefits. It will also be overstated to the extent that some NDDP participants exited incapacity-related benefits as a result of increasing their hours of work, rather than because they took jobs. It seems likely that the latter two factors dominate the first, suggesting that the estimated net benefit of nearly £1,000 is best viewed as an upper bound.

Overall, it seems likely that the average income of NDDP participants was increased by the programme. The amount of this increase was probably fairly modest, especially for more recent claimants, with the exact amount depending on the degree to which the estimated impacts on employment were biased either upward or downward by reporting errors, the length of time the impacts on employment persisted, and the extent to which NDDP induced participants who would have been employed even in the absence of the programme to increase their hours of work.

The effect of NDDP on the incomes of participants does not necessarily indicate whether the programme has made them better or worse off (Greenberg and Davis, 2007). There are other important considerations that, whilst more difficult to measure than effects on income, are highly relevant. For example, because NDDP increased the employment of participants, it also increased work-related expenses (such as childcare and commuting costs) and, in addition, in order to work participants will have had to give up time during which they might do other things of value to themselves. In principle, the work-related costs associated with increases in employment could be potentially partially or fully mitigated by several non-monetary benefits that also result from these increases. For example, the self-esteem of participants who become employed could improve, and NDDP participants could be happier and healthier as a consequence of participating in the programme. However, the evaluation evidence suggests that changes in the quality of life and in the health of NDDP participants were small at best (see, for example, Sections 4.4.1 and 4.4.6).

Overall, it seems unlikely that the non-monetary benefits of increases in employment that resulted from NDDP were sufficient to offset costs associated with increased employment. As a consequence, unless NDDP substantially increased the hours of work of participants who were employed, as well as their level of employment, NDDP's impact on employment persisted for longer than predicted or the estimated employment impacts were strongly biased downward by reporting errors, the programme probably resulted in no more than very modest improvement in the overall welfare of participants (Greenberg and Davis, 2007).

NDDP had similar impacts on the earnings of participants at small and large Job Brokers (Greenberg and Davis, 2007). However, because NDDP reduced the amount of incapacity-related benefits received by an average participant at smaller Job Brokers by less than it reduced the amount received by an average participant at larger Job Brokers, the former were better off under the programme than the latter. Overall, NDDP appears to be most cost-beneficial for longer-term claimants who

registered at small Job Brokers and least cost-beneficial for more recent participants at large Job Brokers.

### 5.5.3 Society's perspective

This section considers the net benefits of NDDP from the perspective of society as a whole. Economists generally consider the societal perspective more relevant than that of the separate components of society, such as the Government or programme customers, because it is more inclusive. Here, the societal perspective on NDDP is the sum of the costs and benefits for NDDP participants and the Government, already reported above. Thus, any items that were previously counted as a cost from the Government's perspective and a benefit from the participants' perspective (for example, increases in the payments of tax credits), or vice-versa, are exactly offsetting and do not appear in Table 5.6.<sup>60</sup>

NDDP appears to have positive benefits from a societal perspective (Greenberg and Davis, 2007). Although this finding cannot be considered definitive because estimates of all the relevant factors are not available (for example, the size of substitution effects and the relative value of pounds that are received by NDDP participants and by taxpayers), it is according to Greenberg and Davis (2007), following various sensitivity tests, a very robust conclusion.

The net benefits of NDDP to society were considerably larger for a typical longer-term claimant (£2,915 to £3,163) than for an average more recent claimant (£613 to £861) (see Table 5.8). In other words, there was a return to society of between £3.77 and £4.93 for each pound the Government expended on NDDP in serving longer-term claimants and between £1.58 and £2.07 per pound expended on the more recent claimant group. The source of the difference between the two claimant groups is NDDP's larger impact on the employment and, hence, the earnings of longer-term participants (see Section 5.4.1). The apparently smaller net social benefit for more recent participants is important because over time most longer-term claimants who will ever register with NDDP will do so. Thus, most participants will eventually be more recent claimants.

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<sup>60</sup> The Government's payments to Job Brokers, which appear in Table 5.4 as 'actual government expenditures', are not shown in Table 5.6. Instead, only the two alternative estimates of the total operating costs per participant are reported. This is because the costs to society should reflect total costs, not just the Government's part of these costs.

**Table 5.8 Benefits and costs per typical participant from the societal perspective**

	Longer-term claimants	More recent claimants
<b>Benefits</b>		
Increases in earnings net of taxes	£3,377	£1,414
Increases in tax revenues and National Insurance contributions	£391	£164
Increases in employers' National Insurance contributions	£180	£75
Reductions in costs of administering incapacity-related benefits	£22	£13
<b>Costs</b>		
Increases in costs of administering Jobseeker's Allowance	£3	£1
<b>NDDP operating costs (alternative estimates)</b>		
Lower-Bound estimates	£804	£804
Upper-Bound estimates	£1,052	£1,052
<b>Net social benefits (benefits – costs)</b>		
Based on the lower-bound costs	£3,163	£861
Based on the upper-bound costs	£2,915	£613

Note: All values are in 2005 prices.

Source: Greenberg and Davis (2007), Table 8.1.

However, there is some uncertainty about the net social benefits of NDDP; they could be higher or lower than reported above. They could be significantly smaller (Greenberg and Davis, 2007):

- if NDDP causes participants to be appreciably worse off and society placed a much larger value on pounds lost by participants than pounds received by taxpayers. Table 5.6 shows that NDDP produced sizeable positive net benefits for the Government and, hence, presumably made taxpayers better off. The findings for NDDP participants were much less certain; once increases in work-related costs are taken into consideration, it appears possible that they could have been either better or worse off as a result of NDDP – but probably not by large amounts (Section 5.5.2). It can be argued that the gains and losses of people with lower incomes should be valued more highly than the gains and losses of those with higher income. Although little is known about the value that society actually places on a pound received by a low income person relative to the value it places on a pound received by a higher income person, Greenberg and Davis (2007) suggest that this difference would have to have been unrealistically large for the reported net benefits to be affected. Moreover, there are other benefits to taxpayers from NDDP that have not been quantified in the analysis (see later). Consequently, Greenberg and Davis (2007) conclude that NDDP's net social benefit probably remains positive even after taking account of the possibility that the gains and losses of people on lower incomes persons should be more highly valued than those on higher incomes; or

- **if** NDDP participants who found jobs due to the programme squeezed substantial numbers of non-participants out of jobs they would have otherwise obtained. Not much is known about the magnitude of these so-called substitution effects, although one recent study (Blundell *et al.*, 2002) suggests that they could be small for low wage workers in the UK. They are especially likely to be small if labour markets are tight and, as a consequence, alternative job opportunities are available to non-participants. If labour markets are slack, however, then the size of substitution effects could be substantial and NDDP's net social benefits would be overstated. Although the national unemployment rate was relatively low during the years covered by the NDDP cost-benefit analysis (2001-2003), some Job Brokers operated in pockets of comparatively high unemployment. Thus, (Greenberg and Davis, 2007) maintain that substitution effects probably reduced NDDP's net social benefits, but not by large amounts; or
- **if** participants highly value the time they must give up in order to go to work. Of the three factors mentioned here, this is likely to be the most important. For example, if it is assumed that the value of this lost time is equal to one-quarter of the increase in earnings that resulted from NDDP, then net social benefits remain positive, but fall to between £2,071 and £2,319 for longer-term claimants and between £259 and £507 for more recent claimants.
- **if** the estimated impacts of NDDP are upward biased because of shortcomings in the HMRC administrative data used in computing them.

Social net benefits would be substantially larger (Greenberg and Davis, 2007):

- **if** NDDP had large impacts on the hours worked by employed participants, as well as on the level of employment of participants; or
- **if** increases in the employment of the disabled people are highly valued by taxpayers; or
- **if** the net benefits to the Government resulted in lower taxes and so NDDP significantly reduced economic distortions that are caused by taxes. For example, taxes on earnings reduce incentives to work and taxes on investment reduce incentives to invest. These distortions result in substantial losses in economic efficiency. The DWP has estimated that the efficiency loss from an additional pound of taxes in the UK is around 25 pence (or 25 per cent) (DWP, 2006). If this figure is applied to the estimates of the Government's benefits and costs in Table 5.6, it implies a benefit to taxpayers of £463 to £527 for each longer-term participant and £145 to £209 for each more recent claimant who registers;
- **if** participants who find jobs as a result of NDDP are substantially undercounted in the HMRC administrative data used to estimate employment impacts.

After assessing the above effects (as well as a number of less important ones), Greenberg and Davis (2007) conclude that it seems highly probable that the net social benefits of NDDP are positive, although the precise values for longer-term and more recent claimants could be either somewhat larger or somewhat smaller than those reported in Table 5.8.

Net social benefits do not seem to differ greatly by Job Broker size. The key factor that caused net benefits to be bigger at larger Job Brokers from the Government's perspective and smaller from the perspective of participant – the fact that NDDP reduced incapacity-related benefit amounts by more for participants at large than for participants at small Job Brokers – has no influence on net social benefits. Reductions in incapacity-related benefit payments count as a benefit to the Government, a cost to participants, and are exactly offsetting when viewed from the vantage point of society as a whole.



# 6 Conclusions

## Summary

- This concluding chapter outlines the key findings of the evaluation against its original aims, and considers lessons from the New Deal for Disabled People (NDDP) for policy and practice with respect to:
  - the involvement of private and voluntary sector organisations;
  - customer choice;
  - need for flexible and responsive services;
  - improving take-up;
  - partnership working.

The consortium has been evaluating NDDP for six years. The evaluation was comprehensive and employed a wide range of research methods. This third (and final) synthesis report brings together the key findings from 18 published reports and covers the operation of the programme over the period July 2001 to November 2006.

This chapter has two purposes: first, to outline the key findings of the evaluation against its original aims (as presented in Section 1.2.1); and secondly, to discuss possible lessons for current and future policy and practice.

## 6.1 Meeting the aims of the evaluation

The aims of the evaluation as summarised in Section 1.2.1 are to establish the:

- experiences and views of NDDP stakeholders, including Job Brokers, participants, the eligible population, employers and Jobcentre Plus staff;
- operational effectiveness, management and best practice aspects of the Job Broker service;
- effectiveness of the Job Broker service in helping people into sustained employment and the cost-effectiveness with which this is achieved.

These are discussed in turn below.

### 6.1.1 The experiences and views of NDDP stakeholders

Administrative data, surveys and qualitative interviews have been used to explore the experiences and views of NDDP stakeholders. The principal groups identified in the original evaluation design and subsequently studied were programme participants and their partners, members of the eligible population, managers and advisers in Job Brokers and Jobcentre Plus and employers. Two 'stakeholder' groups usefully added to the evaluation design were Jobcentre Plus' contract managers (in Davis *et al.*, 2006) and, within the eligible population, 'knowledgeable non-participants' (that is, people who knew about NDDP but had chosen not to register) (in Pires *et al.*, 2006).

Some of the findings on stakeholders' experiences and views relate to specific points in time, whilst others show how they have changed over time. The longitudinal dimension to the evaluation has meant that impacts on benefits and employment have been analysed for up to three years since registration, whilst (other) participant outcomes, attitudes, contacts with Job Brokers and others, as well as institutional developments within Job Brokers and Jobcentre Plus have been analysed over approximately one year.

Given the range of stakeholders it is not surprising that the evaluation shows that within each stakeholder group people's experiences of, and views about, NDDP differ and often change over time. Whilst acknowledging that there are no universally shared experiences or views amongst stakeholders and that there are exceptions to the following, the evaluation's **key** findings for its first aim include:

- **Participants:**

- In terms of their socio-economic characteristics participants were a diverse group, but were closer to the labour market than non-participants.
- Two main disabilities or health conditions predominated: musculo-skeletal and mental health conditions.
- The evaluation team estimate that it is possible to at least double the rate of take-up of a programme like NDDP from around three to five per cent to 11 per cent (this is discussed further in Section 5.2.4).
- Although participants were meant to have a choice of a local Job Broker, a lack of information about which providers operated within the area and about their services meant that few participants actively choose a Job Broker. Of those who exercised a choice, the main factor influencing their selection was the location of the Job Brokers' offices.
- At the individual level, participants' views about their health status and perceptions of their main barriers and bridges to work could change over time, which implies that Job Brokers' interventions have to adapt and regular contacts have to be maintained with participants in order to capture the moment when someone might be ready to progress towards employment.

- In general, participants had positive views about how Job Brokers delivered their services. Participants felt that they were made to feel welcome, advisers explained matters and listened to them, and advisers were seen to be well-informed about work-related issues.
- Four out of ten (43 per cent) participants had found jobs by November 2006. Those finding employment tended to be female, and had self-assessed themselves to be in better health and having no problems with English or mathematical skills compared with those not entering paid work. The jobs they obtained tended to be routine and unskilled, but paid above the National Minimum Wage. Moreover, by August 2006, 57 per cent (or 59,080 participants) had achieved sustainable employment (defined as employment lasting for 13 or more weeks). However, participants' jobs typically ended if their health deteriorated.

- **Job Brokers' staff:**

- Job Brokers generally perceived the various impacts of NDDP on their own organisations as positive because they were seen as leading to an expansion in the organisation's activities.
- Some Job Brokers were critical of the programme's funding regime. There were calls for start-up funding and/or higher outcome payments. Indeed, some Job Brokers (especially smaller-sized providers) did make losses on NDDP and some claimed to cross-subsidise the service and a few decided to withdraw from the programme or not to renew their contracts. However, some Job Brokers broke even and/or made a profit. In general there was support amongst Job Brokers for the principle of outcome funding, which, together with changes to the funding and contract arrangements in 2003, encouraged Job Brokers to be focused on employment outcomes and to prioritise participants closer to the labour market.
- The mix of services offered varied by Job Broker. There was little evidence of innovation in either service delivery or provision, rather Job Brokers seemed to have focused on advising about vocational direction; advising and helping with job search; giving financial advice; and in some instances providing in-work support.
- There was a move away from staff having generic roles towards more specialist roles within the service.
- The number of cases allocated to advisers increased over time.
- Job Brokers tended to recognise that good working relationships with local Jobcentre Plus office staff were vital in order to secure a flow of potential participants and access to relevant Jobcentre Plus services.

- **Jobcentre Plus' staff:**

- Jobcentre Plus (along with Job Brokers) succeeded in raising levels of awareness of NDDP/local Job Brokers to just over half of the eligible population.
- Relationships between Job Brokers and local Jobcentre Plus offices were complex and changed over time. Initially, relationships with Job Brokers had been undermined by some Jobcentre Plus staff feeling suspicious about the work of Job Brokers and seeing them as potential competitors. However, over time such fears were allayed largely due to improved communications between the two services. Relationships seem to have benefited most when Job Broker staff visited local Jobcentre Plus offices, especially if they used the office to deliver the service, and where Job Brokers provided feedback on the progress of customers that advisers had referred to them. The latter meant that if the participant entered employment, the Jobcentre Plus adviser could count the job entry against their target.

- **Employers:**

- Employers who had recruit NDDP participants were not typical of all employers; indeed they tended to be employers who were likely to be more progressive with respect to promoting equal opportunities and aware of the Disability Discrimination Act. However, neither NDDP nor Job Brokers were successful in attracting significant numbers of employers who do not traditionally recruit disabled people. This is partly because of the 'hidden hand' approach that Job Brokers tended to follow in working with their participants and hence, employers. This approach could be seen as beneficial by employers, who could follow their own recruitment and selection procedures and criteria, and by some participants, who then need not disclose their involvement with the Job Broker to their prospective employer. However, the qualitative research with employers suggests that for some employers, some participants would not have been recruited had it not been for the intervention of the Job Broker.
- Few employers had regular contacts with Job Brokers.
- Employers were generally satisfied with the services and contacts they had with Job Brokers

### **6.1.2 Operational effectiveness and management of NDDP**

The evaluation, in particular the qualitative research with Job Brokers, has highlighted the factors that appear to affect their operational performance. The main factors appear to be:

- Jobcentre Plus' management of Job Brokers' contracts, especially contract reviews, the 'capping' of registrations of over-performing Job Brokers and the more effective use of management information all impacted on Job Brokers' performance. Developments in the regulatory framework, notably the introduction of monthly profiles for registrations and job entries at the district level for Job Brokers, led Job Brokers to be increasingly focused on job entries.
- In general, the better performing Job Brokers all had good relationships with at least some local Jobcentre Plus staff.

- Well-established Job Brokers tended to perform better than newer Job Brokers; this is probably because it took time for new providers to establish their services.
- Job Brokers that were part of a larger organisation benefited from financial and other support from the parent organisation and this could enable them, for example, to build links with local Jobcentre Plus office staff.
- The better performing Job Brokers had staff either working on the Job Broker service exclusively or did not differentiate between their job broking work and their work on other contracts.
- Job Brokers who experienced difficulties recruiting staff or problems with staff turnover were perceived as performing less well than other Job Brokers.
- Successful Job Brokers were seen as having well-trained staff that were '*pro active*', '*committed*', '*enthusiastic*' and '*helpful*'.

### 6.1.3 Net additionality of NDDP

In essence, the evaluation shows that NDDP 'worked'; it was associated with added value through reducing the number of people in receipt of incapacity-related benefits and increased the number in employment compared to what would have happened had there been no programme. Although originally designed as a social experiment, the modify impact assessment methodology appears to have produced robust results, demonstrating the success of the intervention.

Net impacts were larger for longer-term claimants. For example, for people registering on NDDP between 1 July 2001 and 31 December 2002 there was a reduction in benefit recipient by month 24 of 16 percentage points for longer-term participants and 13 percentage points for more recent participants; and an increase in the employment rate for longer-term participants of 11 percentage points and of seven percentage points for more recent participants.

The evaluation also provides some evidence that changes to the programme in 2003, which were meant to strengthen it and improve Job Brokers' cash-flow, were successful.

The cost-benefit analysis further shows that NDDP (from both the Government's and societal points of view) offers value for money. NDDP reduced the Government's budgetary requirements by over £2,500 for a typical longer-term participant and by about £750 to £1,000 for a typical, more recent, participant. The net social benefits of NDDP are positive for both longer-term and more recent participants, although considerably larger for the typical longer-term claimant (£2,915 to £3,163) than for the average, more recent, participant (£613 to £861).

## 6.2 Policy and practice lessons from the evaluation of NDDP

This section considers what lessons for current and future policy and practice emerge from the evaluation of NDDP. The selection of items for discussion is informed by the recent Green Paper, *A new deal for welfare: Empowering people to work* (DWP, 2006), and the 'Freud' review, *Reducing dependency, increasing opportunity: options for the future of welfare to work* (Freud, 2007).

The issues considered below are:

- the involvement of private and voluntary sector organisations;
- customer choice;
- need for flexible and responsive services;
- improving take-up; and
- partnership working.

### 6.2.1 Involvement of private and voluntary sector organisations

The Green Paper (DWP, 2006) and the Freud review (Freud, 2007) call for more involvement of private and voluntary sector organisations in delivering services to the 'hardest to help', which is seen as including people with disabilities and health conditions. NDDP, through the contracting arrangements with Job Brokers, is an example of the use of contracted 'back-to-work' support.

The Job Broker model is a potentially good example of what can be achieved through a contracted model with outcome-related funding in that by November 2006, 110,950 participants (43 per cent) had secured job entries, and that this represented real gains in employment and a reduction in benefit receipt by around 10 to 15 percentage points over a two-year period.

Moreover, NDDP suggests that there are economies of scale for private and voluntary sector providers, although costs for the former were higher than for the latter (Section 3.17).

However, NDDP also highlights some issues that appear to influence the effectiveness of the contracted model: First, contractors (and their sub-contractors) may underestimate the likely demands of the client group. Some Job Brokers found that some participants had more complex barriers to work, and a higher proportion had mental health conditions than anticipated. The Department will need to work closely with potential contractors to ensure that their bids to provide services reflect the likely demands of client groups.

Secondly, whilst the national and regional primary contractors envisaged by Freud (2007:62-63) might have the financial resources to establish themselves, the evidence on NDDP would suggest that possible smaller scale sub-contractors might still require some form of start-up funding. Some Job Brokers argued for set-up funding and others for higher registration fees; and the Department did increase the amount paid for a registration from £100 to £300 in October 2003 with the requirement that Job Brokers had to produce Action Plans for participants.

Thirdly, the governance of welfare provision has a significant influence on outcomes. The providers' performance will be influenced by how Jobcentre Plus manages their contracts and the standards of service set. The Job Brokers' performance in securing job entries was affected by the introduction of:

- a minimum requirement to convert 25 per cent of registrations to job entries by March 2004; and
- district profiling of Job Brokers' targets from April 2005.

Both these measures, supported by Contract Managers' reviews of Job Brokers performance, led brokers to increasingly focus on those closer to the labour market and to prioritise these participants.

Fourthly, new providers – whether new to the client group or extending their services to a new geographical area – may experience implementation lags that adversely affect their performance over the short-term. The NDDP evaluation shows that it takes time for 'new' Job Brokers to get to know the needs of the client group, the state of the local labour market, and to develop close working relationships with local Jobcentre Plus staff and employers.

Fifthly, and a related point, recruiting advisers with suitable job competencies can be problematic and have an adverse effect on a provider's performance. Whilst Job Brokers that were part of larger organisations could access support that would enable them to recruit to staffing levels that reflected anticipated activity levels, other Job Brokers were less fortunate and where there had been difficulties recruiting staff (or problems with staff turnover) this was perceived as adversely affecting their performance. Job Brokers believed to have insufficient staff to cover the geographical area and/or high caseloads were seen by Jobcentre Plus staff as less accessible and less likely to provide timely feedback on customer progress. In addition, Job Brokers with more local staff were better placed to visit local Jobcentre Plus offices, which raised their 'visibility' with advisers and so helped generate referrals.

### **6.2.2 Customer choice**

Participants had a choice of provider where job broking services were delivered locally by more than one organisation. Providing a choice of provider is one seen by Freud (2007:51-52) as one of the advantages to greater involvement of the private and voluntary sector in the delivery of employment services. As noted in the Freud report (2007:64), and this report, most NDDP participants did not actively choose a

provider, and, if they did, they often made their decision on the basis of the location of the Job Broker. Possibly choices were not made on the basis of the mix of services provided because there appeared to be little variation between Job Brokers in the range of services provided.

The NDDP evaluation suggests that there are two aspects to facilitating choice for participants: first, ensuring informed choice and, secondly, reviewing the client group's access to, and location of, services. Participants require timely and up-to-date information on what provision is available and its quality. This in turn requires that potential participants receive individually tailored advice on the suitability of each provider from well-informed and trained local Jobcentre Plus staff.

Given that the location of providers is likely to be important in determining which providers customers select, Jobcentre Plus needs to review whether there is scope for increased usage of Jobcentre Plus offices by providers, like Job Brokers, and what support could be given to customers to access more remote, but suitable, providers, such funding community (transport) groups to take customers to providers and/or paying travel costs.<sup>61</sup> Some Job Brokers delivered their services through outreach, and possibly more peripatetic provider services would increase customers' choices.

### 6.2.3 Need for flexible and responsive services

The extent to which employment services have become personalised has increased in recent years (Stafford and Kellard, 2007:143), and the one-to-one contact that Job Broker advisers provided was appreciated by participants. In general, participants found Job Broker services helpful and useful, with participants valuing access to well-informed, customer-friendly Job Broker advisers. Certainly, participants valued their contacts with Job Brokers, and infrequent or cursory contacts could undermine participants' confidence and motivation to work (Lewis *et al.*, 2005:161).

That participants require flexible and responsive services is partly because of the heterogeneous nature of the client group and that participants perceived health status and stated bridges and barriers to work changed over time.

Although the typical participant systematically differed from members of the eligible population in many respects (for example, participants were more likely to be male, younger and on benefits for a shorter period of time), participants were still a diverse group with differing characteristics, perceptions and barriers to work that required a range of service responses. Job Brokers tended to offer a mix of services that coalesced around basic skills assessments and production of Action Plans, advice about vocational direction, advice and help with job searching, financial advice and in-work support. Nonetheless, there were differences in the timing, pace and precise mix of services that were delivered, so that within the range of services provided, the Job Brokers' advisers did deliver a flexible and responsive service. There was not a

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<sup>61</sup> Here, access to services is seen as an issue that affects the choice of provider and not the actual take-up of the service (see Pires *et al.*, 2006:102).

standard or limited 'package' of services. How the service was delivered was also paramount – the adviser's relationship with the participant was crucial to getting participants to identify their needs and to reflect and think positively about the future (Lewis *et al.*, 2005:160).

The longitudinal dimension to the evaluation reinforces the case for delivering a flexible and responsive service, as it demonstrates that participants' assessments of their health status and the barriers to work they face change over time. Thus, providers ought to maintain regular contacts with those who initially do not appear to be ready to move into employment and regularly review customers' progress and Action Plans in the light of people's changing circumstances.

Changes in participants' circumstances might help to explain both higher registrations in Pathways to Work pilots and to a lesser extent in areas with integrated offices and the greater likelihood of participant entering work in a Pathways to Work pilot area because regular mandatory Work Focused Interviews (WFIs) might be a mechanism through which some of these changes are being identified. Pires *et al.*, (2006:101) conclude that compulsory engagement with NDDP through WFIs can initiate a process that might not have happened with a voluntary approach relying upon claimants to take the first step.

The participants' more polarised assessment of the **overall** helpfulness of the Job Brokers' services (Section 3.6.1) could be interpreted as a need for a wider range of (soft) outcomes to be recognised within NDDP. For example, if voluntary work was an outcome for which Job Brokers received a payment this might have both encouraged take-up of the programme amongst some non-participants and have helped promote continued engagement with the service amongst some participants who otherwise ceased contact.

Furthermore, Job Brokers referred some participants to other organisations when they felt unable to address the participants' needs such as those to do with housing or drug/alcohol use. However, it is not clear from the evaluation evidence to what extent these other needs were being satisfactorily addressed by other organisations. Again, this lends support to the notion that a wide range of responsive provision is required to help some individuals enter employment.

#### 6.2.4 Improving take-up

The evaluation is suggestive of ways in which the take-up of NDDP might be increased:

- Promoting the service as one aimed at people with a health condition rather than with a disability, as some people did not see the programme as relevant to them because they did not perceive themselves to have a disability.
- Recognising 'soft' outcomes that move the individual towards work as well as employment outcomes (see above).

- Encouraging providers to review how they conduct their first meetings with potential participants, as there is some evidence that some participants misunderstood how Job Brokers could assist them and were then 'lost' to the programme (Pires *et al.*, 2006:102).
- Requiring providers to be more explicit in their tenders about how they will fund and undertake their marketing of the programme. Local branding of the programme by providers might be a more effective marketing strategy than national marketing campaigns (Pires *et al.*, 2006:107).

In addition, the qualitative research with knowledgeable non-participants (Section 2.2.2) suggests that many of their contacts with Job Brokers and the decision not to register should be seen as part of a longer-term process of investigating options that at some point might lead to employment. As a consequence contacts that do not lead to registration should be periodically followed-up by providers.

### **6.2.5 Partnership working – communications**

A key finding of the evaluation is the importance of Job Brokers relationships with local Jobcentre Plus offices, as the latter were a critical source of (potential) participants and provide access to mainstream and disability employment services. In developing a good working relationship, the research highlights that face-to-face contacts by staff from each organisation fostered understanding of each organisation's services and requirements, helped develop rapport between staff at an individual level, encouraged communications about customers' progress, and helped build trust and confidence in each other's organisation (in particular that customers referred to Job Brokers would receive an appropriate and high quality service).

In addition, the evaluation shows that Jobcentre Plus and providers need to carefully manage staff turnover and subsequent communications between the organisations. Following staffing changes, people may be unaware of what services each organisation can provide, how to access them and what information each party requires to work effectively.

The proposals to replace Incapacity Benefit with the Employment and Support Allowance and to amend the gateway (DWP 2006, 38-44) mean that more people will hear of the sort of services that current Job Brokers can offer from Jobcentre Plus advisers. As a consequence good working relationships between local Jobcentre Plus office staff and providers are likely to be more important in the future.

## **6.3 The evaluation – concluding comment**

In considering the findings of the evaluation it is important to remember that NDDP is only part of a wider system of provision for people with a health condition or disability. This wider system includes Jobcentre Plus and its various programmes (such as WORKSTEP, Work Preparation and Pathways to Work pilots) and a host of provision provided by other organisations including local authorities and voluntary

organisations. In addition, there are overlapping policies that will have benefited NDDP participants, notably the Disability Premium in Working Tax Credit, the National Minimum Wage and the extension of the provisions of the Disability Discrimination Act 1995 to smaller-sized businesses and the duty placed on public authorities to promote equal opportunities for disabled people. Against this wider policy environment there has been a fall, since late 2004, in the Incapacity Benefit caseload for people of working age (see Freud, 2007:28).

This report has sought to give an overview of the main findings of the evaluation. Of necessity it paints a broad picture, and readers are invited to look at the findings presented in the individual project reports for a more nuanced account of the evaluation's results.



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