Briefing: DWP should publish performance data on its employment support schemes

Centre for Public Data, January 2023

Summary

- The Department for Work and Pensions can collect and publish better performance data on its employment support schemes. This would be inexpensive and provide better information on value for money.
- DWP spends £2.5bn a year on employment support schemes, but does not publish (or sometimes even monitor) performance data about how well suppliers help jobseekers find work. Even MPs and Select Committees struggle to obtain this information - meaning that problems with schemes aren't identified early.
- We recommend DWP reports detailed performance data on the current Restart and Flexible Support Fund programmes, and commits to publishing detailed, timely performance data on future schemes.

Background: Employment support schemes

DWP runs various employment support schemes designed to help jobseekers find work. It spends £2.5bn annually on these schemes, which include contracts to third-party suppliers to support jobseekers to obtain new skills, and funding for employers to create new jobs.¹

Employment support schemes have a clear success metric - getting those jobseekers who would not have otherwise found work into work. Yet MPs, civil society and the public have struggled to obtain data from DWP about how well its schemes do this, who they support, or the problems they face.

In recent years: Poor data on past scheme performance

In July 2020, the Government announced its Plan for Jobs, aimed at helping people back into work following the Covid-19 pandemic.² This included various schemes to support jobseekers, but little performance data has been made available about the performance of these schemes, despite requests from stakeholders.

https://www.gov.uk/government/publications/a-plan-for-jobs-documents and Plan for Jobs: Progress Update, September 2021.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1016764/Plan_for_Jobs_FINAL.pdf

¹ National Audit Office, *Report: Employment Support*, 9 June 2021. https://www.nao.org.uk/wp-content/uploads/2021/06/Employment-support.pdf

² HM Government, *Plan for Jobs*, July 2020.

1. Kickstart: Kickstart was a £1.9bn scheme from 2020-22 that aimed to help 250,000 young people by paying employers to create six-month jobs with support to improve employability. The scheme was criticised early for a lack of performance data. In November 2021, the National Audit Office (NAO) warned that DWP did not monitor if it was targeting Kickstart at the right groups, or whether placements were offering adequate support. The NAO recommended the DWP begin publishing "regular, timely statistics" on Kickstart's progress, including "participation rates nationally and locally, early outcomes and data on diversity", and define in advance what statistics would be published on future schemes.³ However, DWP did not publish any such statistics.

In 2022 the Public Accounts Committee (PAC) warned Kickstart was struggling and DWP had little idea why: "Many of the young people who joined Universal Credit at the start of the pandemic have remained on the benefit since, and the Department has been unable to explain why these people have not moved into Kickstart jobs". The PAC also recommended DWP should begin publishing data on Kickstart, and define and publish better performance data across all its employment support schemes. However DWP rejected the Committee's recommendations to publish Kickstart data. DWP did accept the recommendation to improve data on future schemes but only committed to updating "guidance".

While Kickstart aimed to help 250,000 young people into work, it was reported that as of April 2022 only 162,000 people had taken up jobs, and DWP returned £1bn of unspent Kickstart funding to the Treasury. The opportunity to spot problems with the scheme and tackle them was missed.

2. **JETS and JFS:** The plan also included the Job Entry Targeted Support (JETS) programme and the Job Finding Support (JFS) scheme⁶. JETS provided up to six months of tailored employability training for jobseekers out of work for at least 13 weeks. The first year of the scheme cost £238m⁷ and a year-long extension cost a further £90m.⁸ As of August 2021,168,020 people joined the scheme in England and Wales, leading to 41,830 job outcomes.⁹

The JFS scheme, which ran for one year from January 2021, provided one-to-one online employability support to those unemployed for less than three months. 31,455 people had started on the scheme by the end of August 2021.¹⁰

As far as we are aware, no performance data has been published about either

https://committees.parliament.uk/publications/22090/documents/163826/default/

³ National Audit Office, *Employment support: The Kickstart Scheme*, 26 November 2021 https://www.nao.org.uk/wp-content/uploads/2021/11/Employment-support-the-Kickstart-Scheme.pdf

⁴ Public Accounts Committee, *DWP Employment Support: Kickstart Scheme*, 9 February 2022: https://committees.parliament.uk/publications/8955/documents/152476/default/

⁵ HM Treasury, *Treasury Minutes – CP* 667, April 2022:

⁶ HM Government, *Plan for Jobs*, as above.

⁷ DWP, JETS job scheme relaunching 100,000 careers, 25 May 2021

https://www.gov.uk/government/news/jets-job-scheme-relaunching-100-000-careers

⁸ Chancellor of the Exchequer, *Autumn Budget and Spending Review 2021*, 27 October 2021 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1043688/Budget_AB2021_Print.pdf

⁹ House of Commons Library, *Coronavirus: Getting people back into work,* 30 June 2022 https://researchbriefings.files.parliament.uk/documents/CBP-8965/CBP-8965.pdf

¹⁰ Parliamentary Question, *Employment Schemes*, 13 September 2021

https://www.theyworkforyou.com/wrans/?id=2021-09-03.41862.h&s=%22job+finding+support%22#g41862.r0

scheme. DWP's provider guidance for JFS says "Performance league tables will be published and contracts will include transparency clauses to ensure relative as well as individual contract performance assessment", yet these tables appear to be unpublished.¹¹

The opportunity: Improve data on current schemes

1. Restart - a £1.7bn scheme already underperforming?

Restart is a £1.7bn scheme running from 2021-25 that aims to help over 1 million long-term unemployed people into work. It contracts third-party providers to offer jobseekers 12 months of support and training.

As with Kickstart, DWP does not publish routine statistics on Restart's performance. However, Restart also appears to be struggling. DWP reported in May 2022 that just 7% of Restart entrants had yet found work, with rates much lower for some suppliers than others. It was unable to supply data broken down demographically or geographically. More recently, it was reported that DWP expects 36% of entrants to find work, though this is based on internal estimates with no per-supplier breakdowns¹³.

The majority of planned Restart funding has yet to be paid, so there is now an opportunity to understand which groups are struggling to find work, what type of support is most successful, and whether individual suppliers are underperforming.

Restart suppliers are required to report detailed performance data to DWP, including customer satisfaction levels and job outcomes.¹⁴ DWP should therefore be able to supply more detailed data than it has so far made available.

2. The Flexible Support Fund - no central performance monitoring

The Flexible Support Fund (FSF) provides funding for local Jobcentres to commission tailored support to jobseekers by purchasing training. In 2020/21, Jobcentres spent £24.4m on training and the Government announced an extra £150m for the FSF in 2020.¹⁵

When a Jobcentre commissions training via the FSF, suppliers must report performance data and their payment is often based on 'job outcomes' i.e. a jobseeker finding work in a defined period¹⁶. However, data on how successfully each supplier helps jobseekers find

¹¹ DWP, Job Finding Support provider guidance, 23 July 2021

https://www.gov.uk/government/publications/job-finding-support-provider-guidance/job-finding-support-guidance/job-

¹² DWP, Parliamentary Question, 20 May 2022. https://www.theyworkforyou.com/wrans/?id=2022-05-10.231.h

¹³ NAO, The Restart scheme for long-term unemployed people,

https://www.nao.org.uk/reports/restart-scheme-for-long-term-unemployed-people/

¹⁴ DWP, Restart Scheme Provider Guidance: Performance Management.

https://www.gov.uk/government/publications/restart-provider-quidance/chapter-14-performance-management

¹⁵ Letter to the Chair of the Work and Pensions Select Committee, 30 December 2021 https://committees.parliament.uk/publications/8501/documents/85901/default/

¹⁶ DWP Commercial Directorate, *Specification of the Commercial Requirement*, *Flexible Support Fund Dynamic Purchasing System 2*, Section 9.5 "Performance Requirements & Referrals" (not online).

work is not published or even collated centrally by DWP, so there is no national evaluation of performance by supplier.¹⁷

In addition, under DWP procurement guidelines, local Jobcentres are not allowed to use past performance data to evaluate suppliers, meaning that suppliers compete on cost rather than quality. Since performance data is already reported to Jobcentres, it should be straightforward for DWP to collate this data nationally, and allow past performance to inform future selection, providing better value for money overall for the taxpayer.

This is not a new concern: in 2014, the Work and Pensions Select Committee recommended that the Government should evaluate the impact of the FSF on employment outcomes¹⁸ but the Government rejected this recommendation on resource grounds.¹⁹

Recommendations

We recommend DWP start publishing performance data at overall scheme and supplier level, as follows:

- 1. DWP should immediately begin publishing more detailed performance data on Restart suppliers in order to identify and tackle potential underperformance in the scheme, for example:
 - a. Taking steps to address its lack of data on ethnicity, disability and education level
 - b. Publishing more disaggregated data by region (i.e. supplier)
 - c. Publishing overall data on customer satisfaction and complaint levels, and anonymised per-supplier data
 - d. Publishing an interim analysis of how scheme exits can be improved.
- 2. DWP should start monitoring and reporting on the performance of the FSF at a national and local level, including:
 - a. Collating performance data nationally
 - b. Taking expert advice on whether past performance data can be used by Jobcentres to inform procurement.
- 3. As per the NAO's recommendation, in future schemes, DWP should commit to setting out in both the Outline and Final Business Case the management data required to manage the programme and the scope and schedule of the routine statistics that will be published about the programme.

This should be straightforward to implement, and would support better design of future schemes and ensure the best use of taxpayers' money. For more information, please contact contact@centreforpublicdata.org.

¹⁷ House of Commons, *Employment Schemes: Contracts*, Question for DWP, 26 February 2021 https://questions-statements.parliament.uk/written-questions/detail/2021-02-26/159317

¹⁸ House of Commons Work and Pensions Committee, *The role of Jobcentre Plus in the reformed welfare system, Second Report of Session 2013–14*

https://publications.parliament.uk/pa/cm201314/cmselect/cmworpen/479/479.pdf

¹⁹ Government response to House of Commons Work and Pensions Committee https://publications.parliament.uk/pa/cm201314/cmselect/cmworpen/1210/121004.htm