

WORK CHOICE

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Background

Commenced 25 October 2010, replacing Work Step and Work Preparation programmes and the Job Introduction Scheme. The key principles of the programme are:

- **a greater focus on those who need specialist support with provision for all types of disability;**
- **less prescription and greater flexibility with more opportunity for the customer to exercise choice and control;**
- **improved support in either employment or self employment;**
- **a greater focus on Job entries resulting in improved progression to unsupported employment; and**
- **a greater emphasis on achieving potential within longer-term supported employment.**

Performance – to 24 June 2012

- **Starts – 36,740**
- **Supported Outcomes – 3,530**
- **Unsupported Outcomes – 3,410 ***
- **Sustained Unsupported Outcomes – 2,910**

Factors Affecting Early Performance

- **'Bedding in' of a new programme**
- **Unexpected demand for the programme before stricter management of the referral process was introduced in May 2011**
- **Time lag in tracking and bringing performance to account whilst meeting the strict validation criteria**
- **Economic downturn and employer engagement**

Task Force / Steering Group

Work Choice Task Force

- review operation of the Work Choice contracts, identifying and implementing improvements to enable more participants to move into supported and unsupported jobs.

Strategic Steering Group

- will act as an interface between DWP and Work Choice providers in sharing experiences of delivery and for emerging policy which may impact on delivery to be discussed.

Improvement Activities

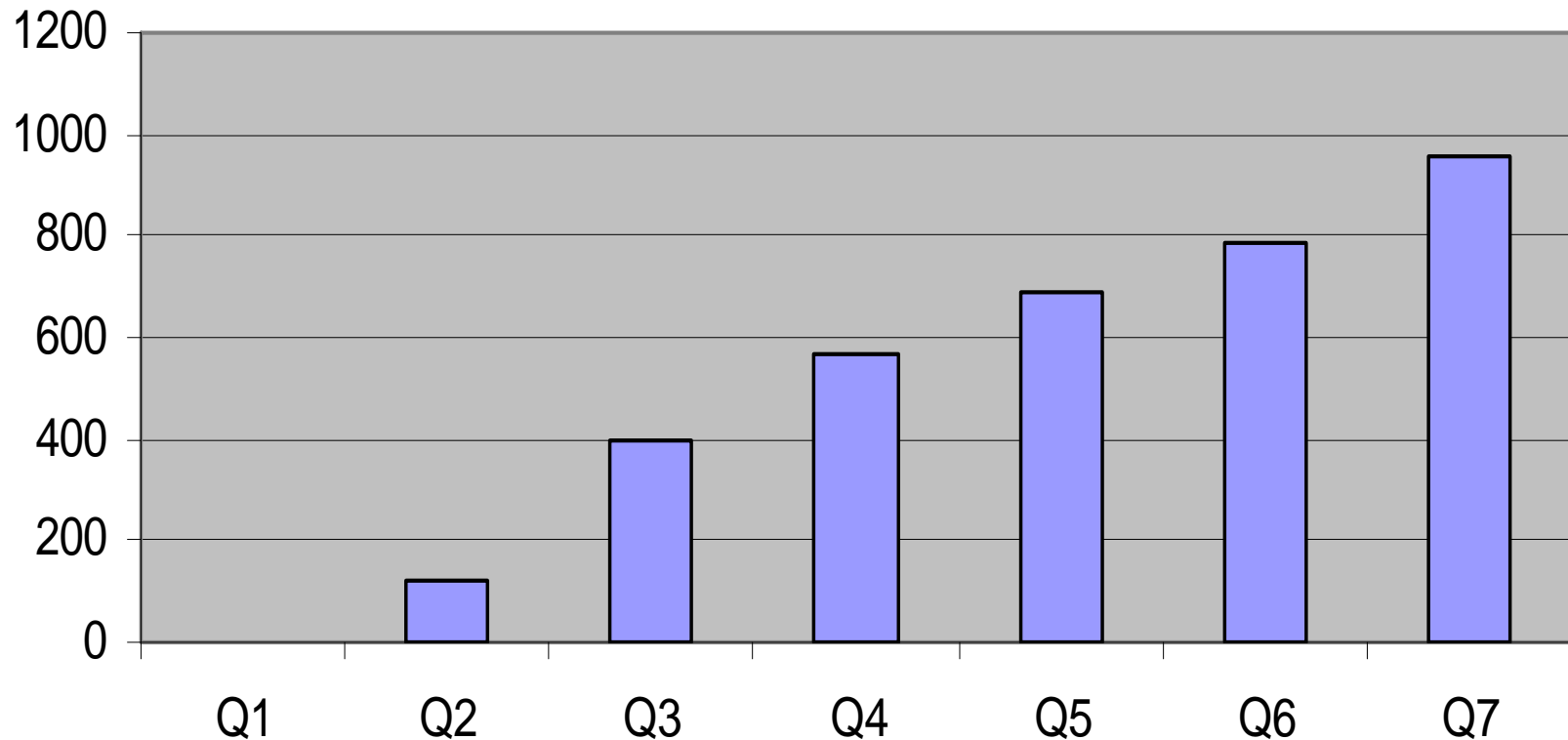
- Review of eligibility/suitability
- Employer engagement workshop
- Sub-Contractor management review
- Review of support provided in Module 1

Design Changes

- **Providers granted the flexibility to extend module 1 to 12 months**
- **Providers offered flexibility on the weekly engagement time to enable them to further tailor their support to individual needs.**
- **Wage incentive scheme for employers who recruit an 18-24 year old from Work Choice mirroring the wage incentive scheme currently offered as part of the Youth Contract**
- **Provider Payment & Validation Team plan to hold a workshop for Work Choice providers looking at payment validation processes**

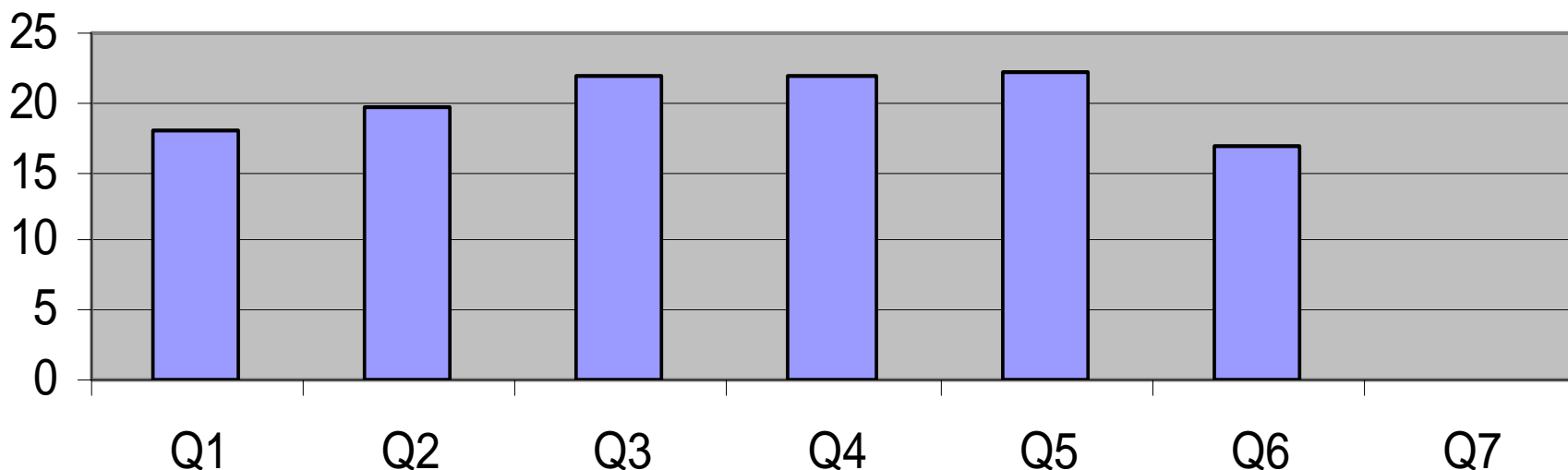
Supported Outcomes - Quarterly Trend

Work Choice - Supported Outcomes per Quarter



Cohort Analysis

Work Choice - Cohort Analysis - % of Starts in each quarter who subsequently achieve a Job Outcome



Job outcomes will increase for more recent quarterly cohorts as individuals are given a longer time to start/obtain a job outcome.

Supported Businesses

- **Currently 64 Supported Businesses**
- **2,019 places currently supported**
- **Currently 14 Supported Businesses in Scotland supporting 508 places.**
- **Good Practice Workshops held in England and Scotland**
- **Flexibility in re-distribution of Protected Places**

Work Choice Evaluation

The evaluation consists of two linked evaluation:

- **Programme evaluation - explore success against Programme aims, principles and critical success factors**
- **Commissioning evaluation - examine the effect of DWP's commissioning model on employment provision for disabled people facing specific barriers to entering the labour market**

Three stage approach to both evaluation strands

- **Wave 1 – Transition to Work Choice (2010/2011)**
- **Wave 2 – Early Implementation (2011)**
- **Wave 3 – ‘Steady State’ operation (2012)**

WAVE 1 – Key Findings

- The number of providers in the market contracted from 214 to 100 with the majority of the leavers from the public sector. Third sector and private sector providers increased their presence.
- Thirty seven per cent of organisations awarded contracts had not previously delivered WorkStep or Work Preparation.
- Providers generally supportive of the outcome-based funding approach and the move to encourage more progression through the programme, although most did not expect to make significant profit.
- Clients generally appeared to have limited awareness of transferring and most who were aware did not seem affected by this change.
- Client experience of Work Choice support generally positive, with most thinking that it was appropriate for their needs

Learning Points

- **Projected 90% Start Rate not experienced in live running**
- **49% of Work Choice referrals were for individuals who were in receipt of JSA, 4 weeks prior to referral**

Future Plans

- **Continued performance management ensuring providers are accountable for, and deliver, as detailed in their tender documents**
- **Consideration of Intervention action**
- **Steering Group considering processes for increasing referrals**
- **Department developing a new Disability Employment Strategy to build on existing work of Liz Sayce**
- **Expert Panel set up as part of Sayce Review**