Department for Work & Pensions

Work and Health Programme: Diagnostic Tool Development

Provider Research Findings

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Document Control

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1. EXECUTIVE SUMMARY

Research was carried out with existing employment programme providers to explore the diagnostic tools and processes currently being used to segment unemployed claimants. Discussions were held with six providers, a cross-section from our current programmes.

Providers tended to use a two stage assessment approach, comprising a holistic initial assessment stage (extensive information gathering), followed by segmentation of claimants into groups to determine the most suitable course of action.

The majority of providers did not have an automated segmentation tool. Instead, frontline staff made a decision on how to segment the claimant based on information gathered during the initial assessment. One provider did use a tool which automatically segments claimants based on information gathered. The more specialist the provision, the more bespoke and personal the assessment process.

DWP should consider which of these approaches is more suitable for identifying claimants to refer to the Work and Health Programme.

2. BACKGROUND

The Department for Work and Pensions (DWP) is developing a new provision, the Work and Health Programme (WHP), which is likely to begin in 2017. The budget for the programme is considerably less than its predecessors (such as Work Programme and Work Choice), and so DWP needs to ensure that only those claimants who can benefit the most from this provision are referred to it. Taking this together with ministerial priorities, the WHP aims to target those claimants with health conditions and the long term unemployed.

To ensure that we refer the correct claimants, we need to develop an effective tool to identify them. Development of this tool requires extensive research with a number of different stakeholders. This paper focusses on research undertaken with a number of providers who currently deliver various DWP programmes.

3. WHAT WE DID

We worked with Contracted Employment Programmes Division (CEPD) to select a number of DWP's existing providers to contact. These providers delivered a range of programmes, namely Work Programme, Work Choice, or Specialist Employment Support.

We developed a set of questions to ask providers, which can be found at **Annex 1**. These questions were reviewed and refined by CEPD, Disability Strategy, and Commercial Directorate colleagues. Rather than ask providers to complete a written questionnaire, the questions provided a guideline to conversations with providers to give us some consistency in our findings.

We held individual meetings with six different providers. Using the set of questions as a guide, we obtained information on the existing tools and processes that they currently use to segment their customers (our claimants) in some form.

From these discussions, we extracted some common findings and insights. This led to the development of recommendations for consideration in DWP's development of a WHP diagnostic tool.

4. COMMERCIAL CONSIDERATIONS

As DWP will procure the delivery of the WHP from the supply market, it is important to maintain a level playing field for all potential bidders. We have taken the following precautions so as not to give any added advantage to the providers we held discussions with:

- For speed and practicality, we chose to speak to our existing providers as we could contact them easily

- We identified the existing Work Programme, Work Choice and Specialist Employment Provision contracts as having potential overlaps with the design of the WHP

- We determined that a cross-section of these providers would provide a representative view

- We contacted DWP performance managers for these contracts and asked them to recommend providers who would be willing to discuss their tools and processes with us

- We received seven nominations and contacted all of these providers. We were able to arrange meetings with six of them.

- Providers were not given any information on the WHP other than that already in the public domain. The introductory script can be found at **Annex 2**. Discussions were used solely to obtain information from providers.

- To increase transparency, this paper will be published in the virtual data room as part of the procurement exercise for WHP.

- Because this paper will be published, providers have not been named and care has been taken to not disclose any provider intellectual property.

5. KEY FINDINGS

- Benefit type is very little use in segmenting claimants
- There are essentially **four types** of unemployed claimants:
  - Willing and able to work
  - Willing but not able to work

- o Not willing but able to work
- o Not willing and not able to work
- The majority of providers assess claimants in two stages:
  - o An **initial assessment stage**, in which claimants provide a comprehensive amount of information about their personal circumstances
  - o A **decision on the appropriate course of action** for the claimant, based on the information gathered. This may be facilitated by categorising the claimant into a segment (leading to suggested actions), or may be entirely personalised.
- For the majority of providers, there is no automatic link between the two stages – i.e. the tool does not automatically suggest a segment based on the information gathered. Instead this decision is made by frontline staff and therefore relies heavily on their knowledge and experience.
- One provider uses a tool which does provide an automatic decision on the segment the claimant should be placed into.
- The more specialist the provision, the more bespoke and personal assessment process.
- No real formal evaluation has been undertaken on the effectiveness of these tools specifically (providers tend to evaluate the whole customer experience).

The Initial Assessment:
- All providers undertake an initial assessment in which comprehensive personal information is gathered.
- All providers stressed the importance of positive language in the questions, with a focus on what a claimant can (rather than can't) do.
- Because much of the information to be gathered is personal and/or sensitive, there is a need to build trust with the claimant over time.
- Although providers aim to complete the initial assessment at the first appointment, there is a need to be flexible and allow the client to move at their own pace.
- It is important to assess the 'whole person' to judge their readiness for work. Providers tend to use a holistic psychosocial approach, assessing personal circumstances, motivation, and ability.
- Assessments are completed in different ways (face to face, online, or a mixture of the two). Most providers use an advisor-led conversation to gather the information, but some have claimants complete the assessment questions themselves (e.g. via an online portal).

- Questions range from open, free text questions to closed, multiple choice or scale-based. Open questions provide richer information, but closed ones are easier to analyse. The more specialist the provision, the more open the questions.

- Most (but not all) assessment tools have been developed in-house. Of the bespoke tools, some make use of standardised, widely available elements – such as the Warwick-Edinburgh Mental Wellbeing Scale (WEMWBS).

The Segmentation Decision:

- Most providers rely heavily on the knowledge and expertise of frontline advisors to make a segmentation decision, based on the information gathered during the initial assessment (rather than an automated tool).

- Claimants are segmented by their distance from the labour market. The segments tend to have neutral or positive labels that describe the stage in the claimant journey towards work.

- Segments are used to determine the activities that would be most useful for a claimant, or to group claimants in similar positions for group activities (where appropriate).

- Claimants can and do move between segments as they progress or as their circumstances change.

Other Useful Information:

- Information received from the Provider Referral and Payment (PRaP) system/Jobcentre Plus (JCP) systems is variable at best, and tends to be out of date. Providers tend to check and update the information with claimants.

- Some current JCP categories have negative connotations, and can become self-fulfilling prophecies, e.g. the ESA 12 month prognosis group.

- The more specialist the JCP staff, the more effective the referral.

- Warm handovers with JCP are effective.

6. CONCLUSION AND RECOMMENDATIONS

This provider research has uncovered two potential approaches to a diagnostic tool for the Work and Health Programme; an initial assessment followed by either an *advisor decision* or an *automated decision* on how to segment the claimant. Both require a comprehensive information gathering stage, which could be completed by the advisor or the claimant (or a combination).

Advisor decision approach – pros and cons:

✓ Used by the majority of providers

✓ Appears to be more effective for more vulnerable/complex claimants
✓ More personal service to claimants may be more engaging
✗ Reliance on advisor expertise could lead to inconsistent quality
✗ Reliance on advisor expertise could require significant training
✗ Process would require significant development

Automated decision approach – pros and cons:

✓ Could purchase an off-the-shelf system
✓ Would provide consistent decisions and quality
✓ Likely to require less staff training
✗ Not a widely used approach by suppliers
✗ Potentially too simplistic for more vulnerable/complex claimants
✗ Impersonal service may disengage claimants

Recommendations:

- The **initial assessment** of claimants should be **holistic**, gathering information on personal circumstances, motivation and abilities. Self-completion (by the claimant) and advisor-led completion both appear to be effective ways to gather the information.

- The **decision** element should ideally **combine automation with advisor discretion**. The tool should *suggest* the most suitable outcome (i.e. whether or not to refer the claimant to the WHP), but should allow the advisor to apply discretion to the decision.

Annexes

Annex 1: List of provider questions

<u>**Questionnaire**</u>

1. Do you have any views on how claimants are currently segmented by JCP (our decision making and segmentation process)?

    a. Would you recommend any changes to our process?

2. Do you use any tools and/or processes to assess customers on their distance from the labour market and aid segmentation?

3. Is this for Work Programme, Work Choice, or some other provision?

4. Is the tool/process a bespoke or off-the-shelf product?

5. Can you describe how this tool/process works?

6. Does it focus on any particular barriers to employment?

7. At what point in the customer journey do you undertake the assessment? Is it a one-off, a regular occurrence, or at the discretion of frontline staff?

8. What determines the frequency?

9. What inputs does it use? If personal data, what type of data?

10. How do you carry out this exercise? (E.g. digital tool, claimant interview with set questions, paper based survey, multiple choice/ scales, open text)

11. Does it require or make use of the knowledge and expertise of frontline staff? Do they have much influence over the tool/process or is it solely data-based?

12. What categories are customers segmented into?

13. What does the segmentation lead to? What decisions are you trying to make?

       i. Is it to identify the type of support people need?

      ii. Is it to rank people (e.g. on distance from labour market)

    iii. Is it to group claimants?

14. How do you measure the effectiveness of the tool/process used? Do you have any evidence of its effectiveness? Have you ever completed a formal evaluation?

15. If you had an opportunity to improve the tool/process used how would you improve it?

16. Is there anything you can share with us electronically so we can get a better understanding of your tool? Anything you can provide will only be used internally. However, we are planning to invite suppliers to a consultation day mid-April (invite coming out shortly) and we may ask one or two suppliers to present their tools there – to be determined nearer the time.

17. Any other thoughts or comments?

Annex 2: Introductory script for discussions

Intro Script

Many thanks for agreeing to this meeting.

For background, DWP is looking to commission a new 'Work & Health Programme' in 2017, which will aim to help only those claimants who will get the most from the services our suppliers provide.

To make sure we refer the right claimants, we will need an effective way of segmenting them. We are therefore interested in your current tools and processes for doing this.

Your contract manager has recommended you as being able to offer some really useful insights on this. We really appreciate your time, and hope that having an effective referral process for the new programme will help us to work more effectively with suppliers in future.