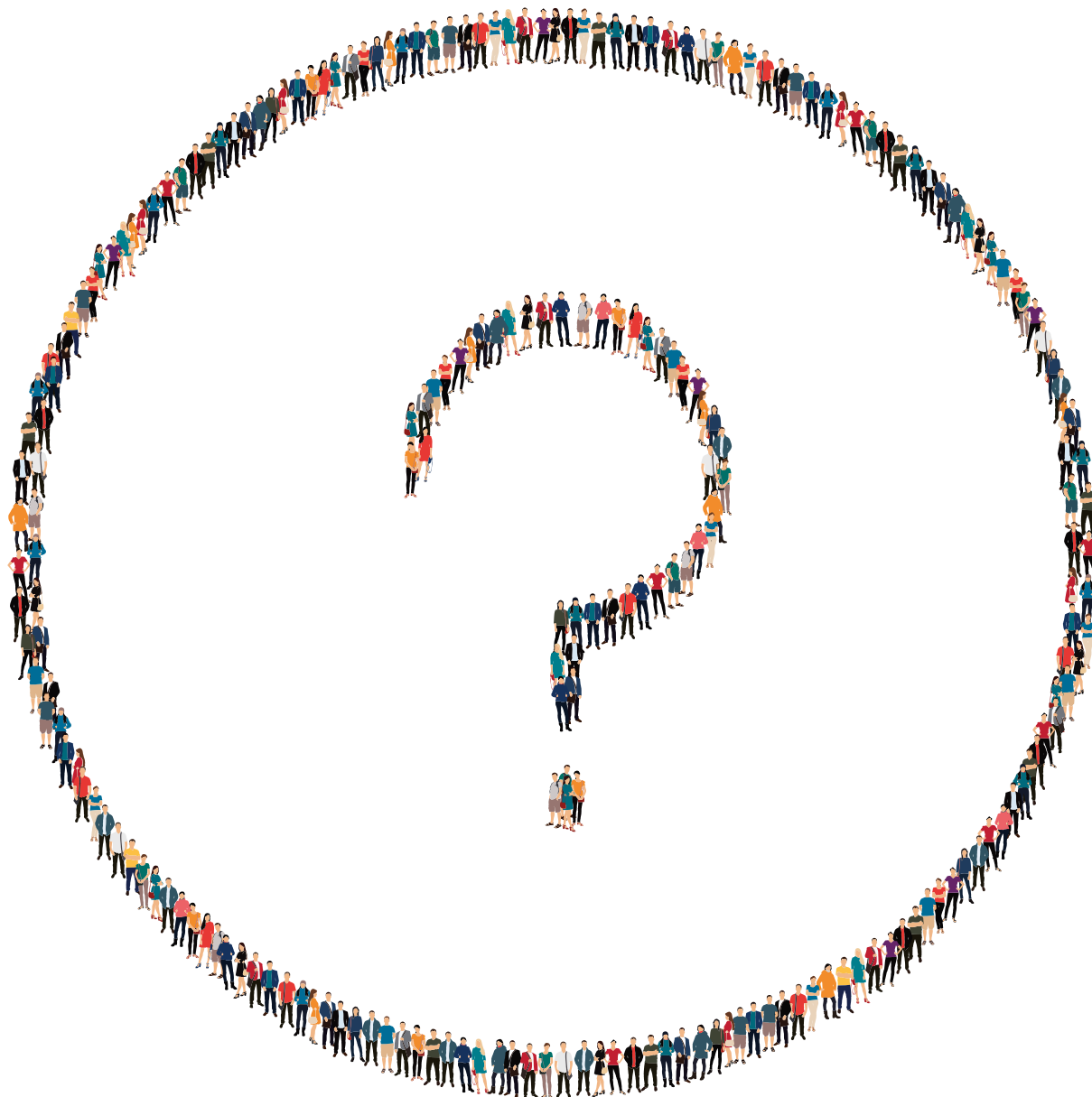


# Memorandum for the Work and Pensions Committee

The future of Jobcentre Plus inquiry



The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Sir Amyas Morse KCB, is an Officer of the House of Commons and leads the NAO, which employs some 810 people. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of £1.15 billion in 2014.



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# INTRODUCTION

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### Interactive

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The National Audit Office has prepared this memorandum to inform the Work and Pensions Committee's (the Committee's) inquiry into the future of Jobcentre Plus (JCP), the public employment service arm of the Department for Work and Pensions (the Department)<sup>1</sup>. As part of the inquiry, the Committee is considering the likely effects of planned welfare policy changes on JCP footfall and the configuration of JCP offices.

This memorandum describes the current JCP estate and summarises some of the trends in unemployment benefit caseloads in recent years<sup>2</sup>. It examines:

- Current configuration of JCP offices
- Access to JCP offices by public transport (England only)
- Trends in unemployment-related benefit caseload
- Characteristics of unemployed claimants

This memorandum uses demographic and labour market statistics published each month by the Office for National Statistics (ONS), and journey time statistics produced by the Department for Transport (DfT). We also draw on claimant data published by the Department, and on material provided by the Department in response to our specific requests.

Our analysis considers the average experience people will have of JCP. It is based on publicly available information for the JCP network in England, Wales and Scotland as of March 2016. In some cases our analysis has not covered areas in Wales and Scotland because equivalent data were not available.

<sup>1</sup> Other work conducted by the NAO on JCPs, includes the report *Responding to change in jobcentres*, published in February 2013.

<sup>2</sup> Other factors affecting the size and configuration of the JCP estate include the design of the benefit system and the number of face to face visits required. We have not considered these factors in this memorandum.



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- 1 There are **713** JCP offices in England, Scotland, and Wales, which currently serve over **700,000** unemployed claimants

The majority of JCP offices are located in urban areas. Of the 28 offices located in rural areas, nearly half are in Wales ([Figure 1](#)).

- 2 The number of claimants per JCP office varies **by region**

There are nearly twice as many unemployed claimants per JCP office in London and Yorkshire and The Humber as there are in Scotland, Wales and the South of England. This is partly a reflection of the varying degree of rurality across regions. More densely populated areas such as London and Hull may need fewer but larger JCP offices than more sparsely populated areas ([Figure 1](#)).

- 3 It takes **less time** for people to travel to a JCP office than to a major centre of employment<sup>3</sup>

On average, people need 25 minutes to travel to their nearest JCP office by public transport. This compares to an average journey time of 33 minutes to travel to the nearest location with more than 5,000 jobs. Average journey times for Jobseeker's Allowance (JSA) claimants to get to JCP offices are lower at 21 minutes ([Figures 2 and 3](#)).

- 4 Most claimants are within **30 minutes** of a JCP office by public transport

In England, 86% of claimants are within 30 minutes of their nearest JCP by public transport. For claimants in urban areas, 89% are within 30 minutes. For claimants in rural areas, 35% of claimants are within 30 minutes, 75% of claimants are within 45 minutes and 90% are within 60 minutes ([Figure 4](#)).

<sup>3</sup> A major centre of employment is defined based on the 2011 Lower Super Output Area (LSOA) containing at least 5,000 jobs in 2014 according to the Office of National Statistics Business Register Employment Survey. Available [here](#).

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5 The number of people claiming JSA **increased** by a **third** within **six months** of the 2008-09 recession starting

Before this recession, JSA caseload had varied between 0.8 and 1 million claimants. By March 2009, JSA caseload had risen to 1.5 million. It continued to fluctuate between 1.3 and 1.6 million for several years before starting to fall in 2013 ([Figure 5](#)).

6 The **South East** and the **South West**, experienced the sharpest **increase** in JSA caseload between 2007 and 2009

JSA caseload more than doubled for the South East and the South West. Other regions saw an increase in JSA caseload of about 60–85%. Even London, where JSA caseload was (by comparison) least affected by the recession, experienced a 45% increase in caseload ([Figure 6](#)).

7 The proportion of long-term JSA claimants is **three times higher** today than before the 2008-09 recession

15% of current JSA claims have lasted more than 2 years. Before 2008, only 4% to 6% of all JSA claims lasted more than 2 years. The share of these long-term claims rose rapidly during the 2008-09 recession and has been around 15% since 2013 ([Figure 7](#)).

8 Some JCP offices may experience **larger increase** in footfalls as a result of **welfare system reforms**

The future footfall of JCP offices is likely to depend on the uptake of digital services, which in turn depends on claimants' access to the internet. A recent ONS analysis<sup>4</sup> on internet usage, a proxy for access, suggests that the share of lapsed internet users or internet non-users ranges from 1% to 13% across the UK. Delayed referral of long-term claimants to the Work Programme is also likely to affect areas with a high percentage of long-term claimants. JSA claimants who have been on benefits for over a year account for between 13% and 39% depending on the area ([Figure 8](#)).

4 Office for National Statistics, *Recent and lapsed internet users/internet non-users*, UK: Jan to Mar 2015, May 2016. Available [here](#).

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### **The Committee might choose to ask the Department:**

- What estate will be required to accommodate increased footfall from more frequent interviews, and how does it compare to the space available in the existing JCP estate?
- How it plans to cope with a rapid increase in claimant numbers in the event of another economic recession?
- What are its processes for ensuring regional differences in claimant characteristics are taken into account in resource and estate planning?

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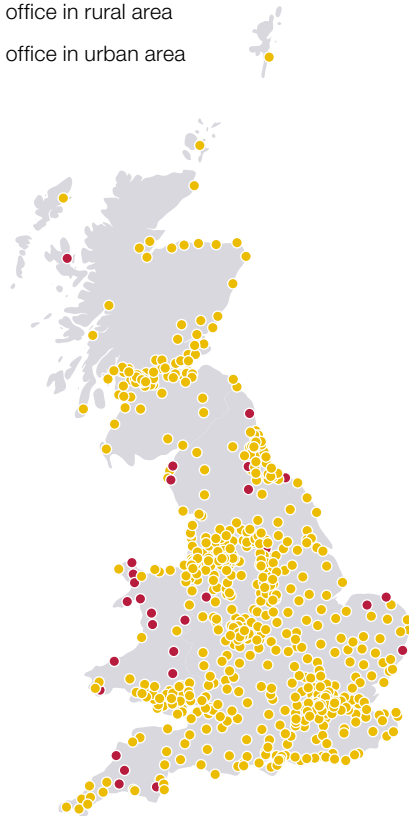
Figure 1

**Figure 1**

There are 713 Jobcentre Plus offices across England, Scotland, and Wales

● JCP office in rural area

● JCP office in urban area



Region	Number of JCP offices			Number of unemployed claimants	
	Rural	Urban	Total	Total	Per JCP office
North East	4	42	46	50,465	1,097
North West	2	92	94	108,980	1,159
Yorkshire and the Humber	2	55	57	77,630	1,362
East Midlands	-	47	47	47,115	1,002
West Midlands	1	63	64	79,230	1,238
East of England	2	48	50	48,270	965
London	-	68	68	109,085	1,604
South East	-	72	72	60,985	847
South West	4	54	58	40,790	703
Wales	12	50	62	44,635	720
Scotland	1	94	95	77,335	814
<b>GB Total</b>	<b>28</b>	<b>685</b>	<b>713</b>	<b>744,520</b>	<b>1,044</b>

**Notes**

- 1 Number of unemployed claimants is the number of people claiming JSA or Universal Credit principally for the reason of being unemployed.
- 2 A JCP office is classed as rural if it falls within an Output Area (OA) that is classified as rural by the Office for National Statistics (ONS) for England and Wales or by the National Records of Scotland for Scotland, based on the 2011 Census, while all remaining JCP offices are classed as urban.
- 3 There are 31,111 OAs in England which are classified by the ONS as being in rural locations. For people living in rural areas, their nearest JCP will tend to be in the nearest urban town. We estimate around 461 JCP across England serve people in rural and as well as urban areas.

Source: National Audit Office analysis of Departmental estates data as of March 2016 and claimant count as at February 2016 published by the Office for National Statistics

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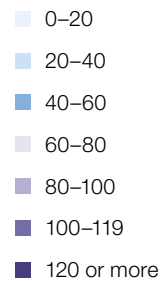
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Figure 2

**Figure 2**

Average journey time to the nearest Jobcentre Plus office by public transport (England only)

Public transport minimum journey time (minutes)



Region	Average journey time by public transport (minutes), weighted by:	
	Working age population (2014)	Number of JSA claimants (2014)
North East	22.1	19.6
North West	21.7	18.5
Yorkshire and the Humber	26.4	22.8
East Midlands	26.4	23.0
West Midlands	24.7	20.9
East of England	28.6	24.8
London	19.0	18.1
South East	28.3	24.7
South West	30.7	25.3
Wales	-	-
Scotland	-	-
<b>England</b>	<b>25.1</b>	<b>21.4</b>
<b>GB</b>	<b>-</b>	<b>-</b>
Rural	42.7	38.9
Urban	21.6	19.8

**Notes**

- 1 The data presented above are modelling results, produced specifically for this memorandum by the DfT, for journeys to the nearest JCP from each of the 171,372 Output Areas (OAs) in England based on the 2011 Census. All assumptions in their modelled travel time are consistent with those used for the [2014 Journey Time Statistics report](#). The methods are described in a [technical note accompanying the publication](#).
- 2 The OA-level data on JSA claimants used to weight average journey time are drawn from figures in the [statistical tables published by the Department](#) for May 2014 that have been rounded to the nearest 5 by the Department to minimise risk of individuals being identified. Also, due to imperfect fit between the version of OAs the Department used to break down the number JSA claimant figures (2001 version) and that DfT used to model journey time (2011 version), we have excluded JSA claimants from about 10,000 OAs (6%) from our calculations. For the above reasons, the cumulative distribution of JSA claimants should be viewed as indicative only.

Source: National Audit Office analysis of journey time statistics produced by the Department for Transport, [mid-2014 population estimates](#) published by the Office for National Statistics, and data on [workless benefit claimants](#) as at May 2014 published by the Department

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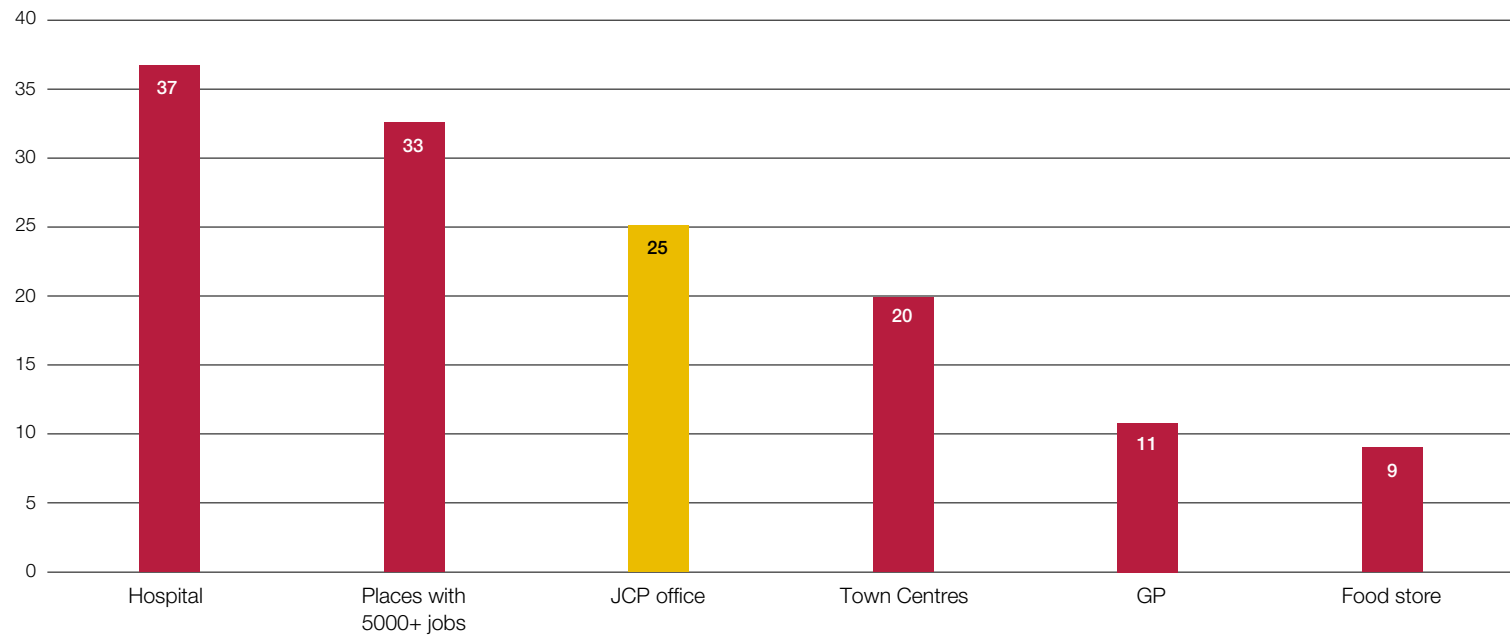
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Figure 3

**Figure 3**

Average journey time to the nearest Jobcentre Plus office and other key services by public transport (England only)

Average journey time (minutes)

**Note**

1 Average journey times are weighted by mid-2013 working age population estimates, with the exception of JCP offices which are weighted by mid-2014 working age population estimates.

Source: National Audit Office analysis of journey time statistics produced by the Department for Transport and mid-2014 population estimates published by the Office for National Statistics



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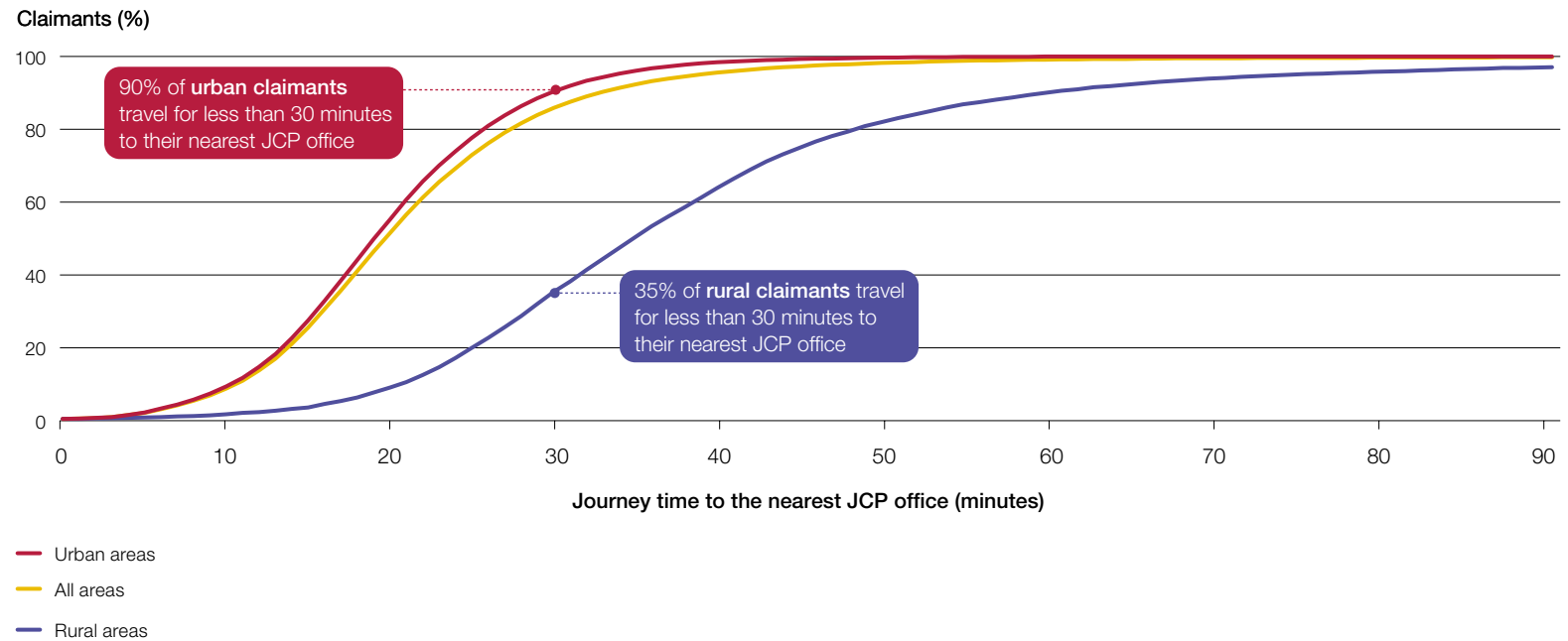
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Figure 4

**Figure 4**

Distribution of population by journey time to the nearest Jobcentre Plus office by public transport (England only)

**Note**

- 1 The OA-level data on JSA claimants used to weight average journey time are drawn from figures in the *statistical tables published by the Department* for May 2014 that have been rounded to the nearest 5 by the Department to minimise risk of individuals being identified. Also, due to imperfect fit between the version of OAs the Department used to break down the number JSA claimant figures (2001 version) and that DfT used to model journey time (2011 version), we have excluded JSA claimants from about 10,000 OAs (6%) from our calculations. For the above reasons, the cumulative distribution of JSA claimants should be viewed as indicative only.

Source: National Audit Office analysis of journey time statistics produced by the Department for Transport, and data on [workless benefit claimants](#) as at May 2014 published by the Department

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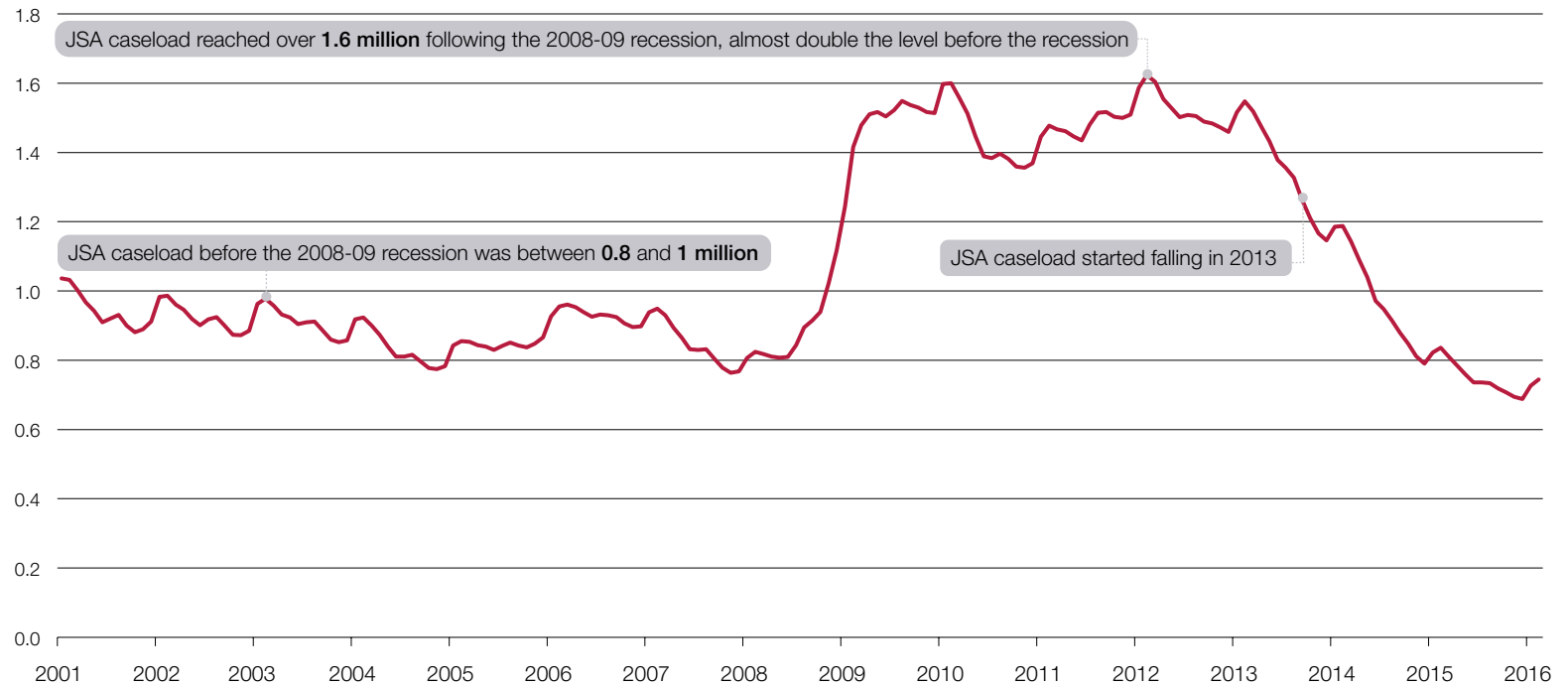
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Figure 5

**Figure 5**

Trend in unemployment-related benefit caseload in England, Wales and Scotland (January 2001–February 2016)

Number of unemployed claimants (millions)

**Notes**

- 1 Unemployed-related benefit caseload includes Jobseeker's Allowance up to April 2013.
- 2 Unemployed-related benefit caseload includes Jobseeker's Allowance and Universal Credit from May 2013.

Source: National Audit Office analysis of unemployment-related benefit caseload published by the Office for National Statistics

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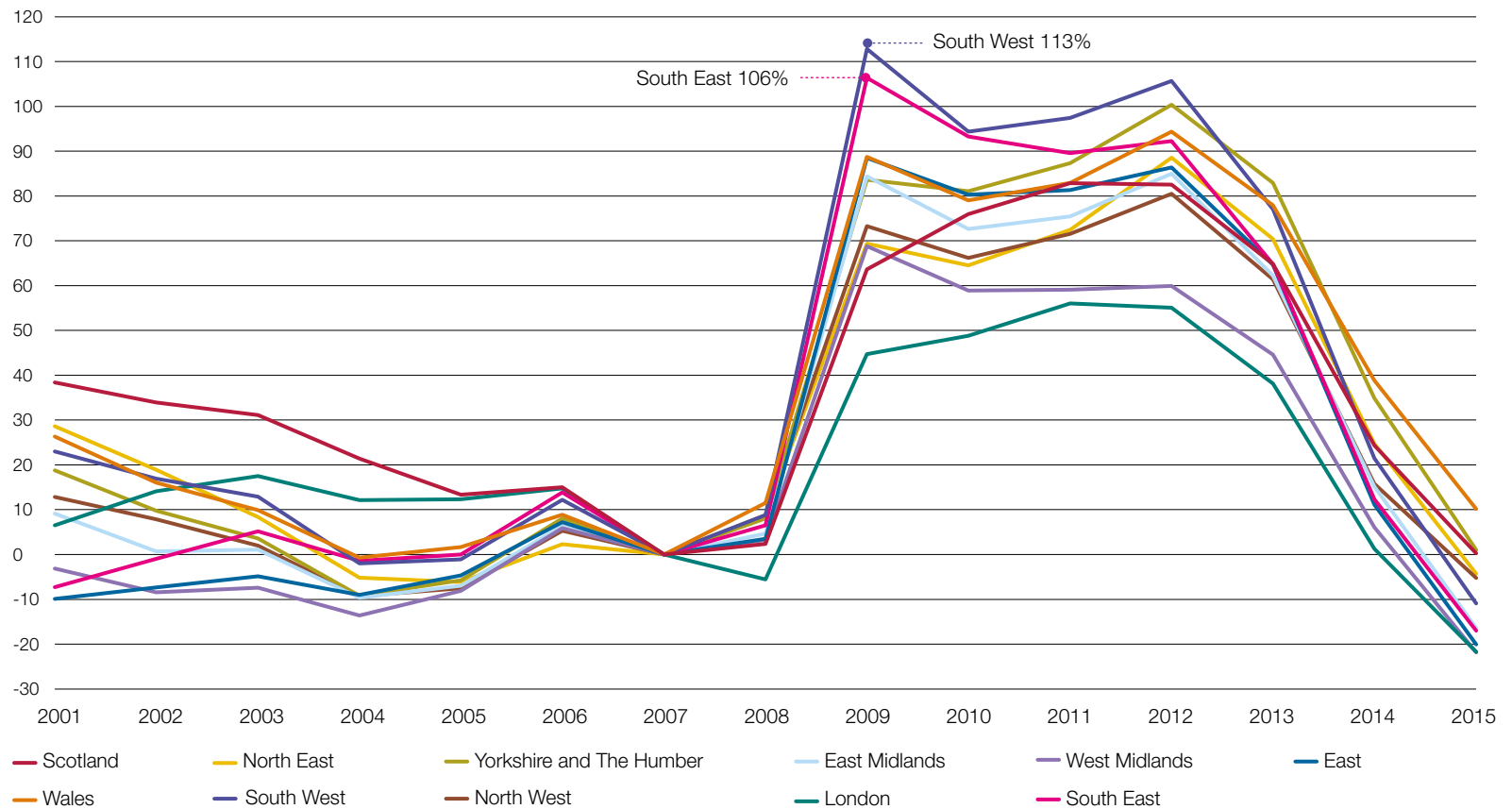
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Figure 6

**Figure 6**

Indexed movement in unemployment-related benefit caseload, by region (2001–2015)

Change in number of unemployed claimants since 2007 (%)

**Note**

1 The chart presents an index of unemployment-related caseloads where 2007=1.

Source: National Audit Office analysis of unemployment-related benefit caseload published by the Office for National Statistics

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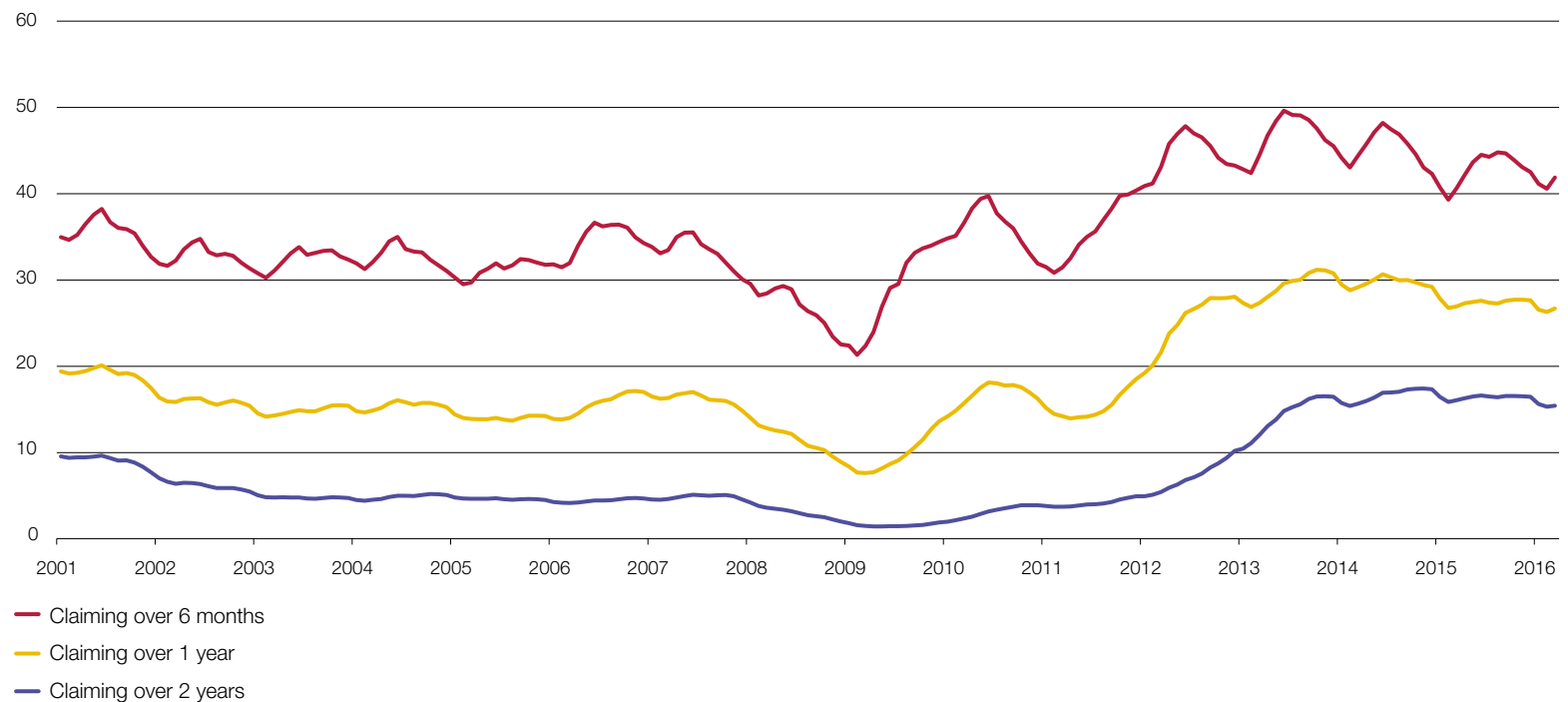
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Figure 7

**Figure 7**

Long-term claims as a share of total JSA (excluding Universal Credit) claims in England, Wales and Scotland

Percentage of all JSA claimants

**Note**

1 Only JSA caseloads are included in the analysis because data on the duration of Universal Credit claims are not available.

Source: National Audit Office analysis of Jobseeker's Allowance caseload published by the Office for National Statistics

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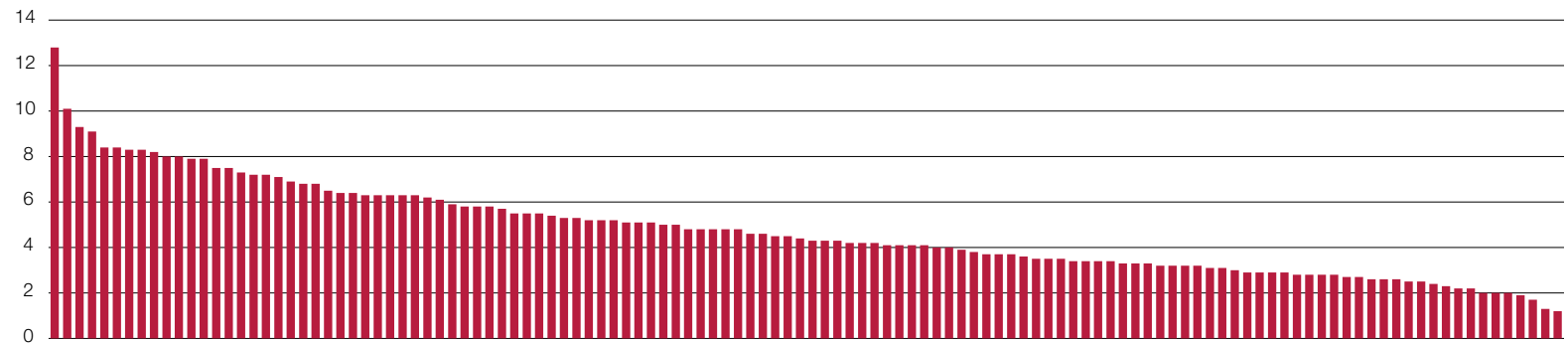
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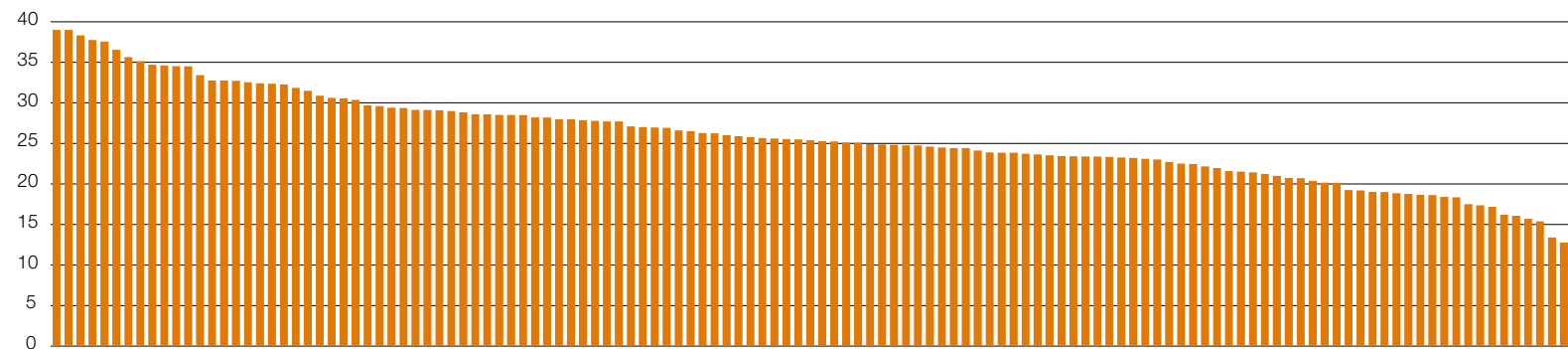
**Figure 8**

Proportion of working age population who have not used the internet in the last 3 months and proportion of long-term JSA claims (2015 Q1)

Lapsed internet users/internet non-users by NUTS3 area (% of working age population)



People claiming JSA for over a year (% of total JSA claimants)

**Notes**

- 1 Each column in the charts represents a Level 3 area of the 'nomenclature of territorial unit of statistics' (NUTS), *a hierarchical system dividing up economic territory of the EU for the purpose of regional statistics*.
- 2 All data correspond to Quarter 1 of 2015 (January to March).

Source: National Audit Office analysis of internet users statistics and Jobseeker's Allowance caseload published by the Office for National Statistics