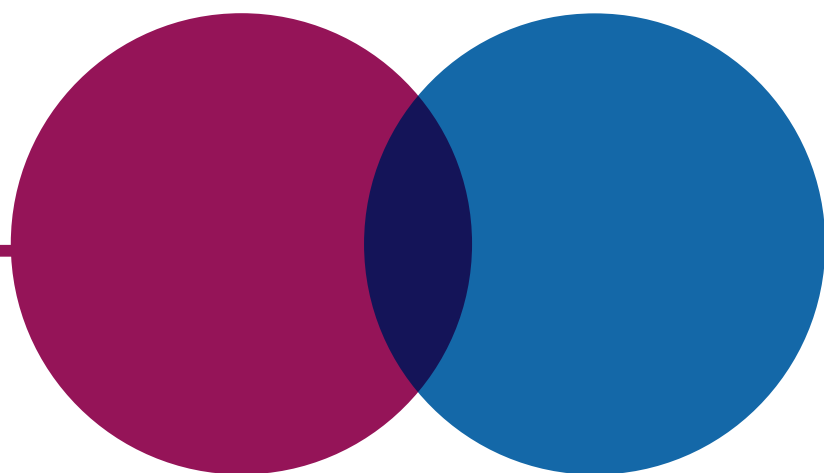




National Audit Office




Employment support

Department for Work & Pensions

REPORT

by the Comptroller
and Auditor General

SESSION 2021-22
9 JUNE 2021
HC 291



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This briefing sets out information and data about how the Department for Work & Pensions supports people to work in the context of the COVID-19 pandemic

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National Audit Office

Employment support

Department for Work & Pensions

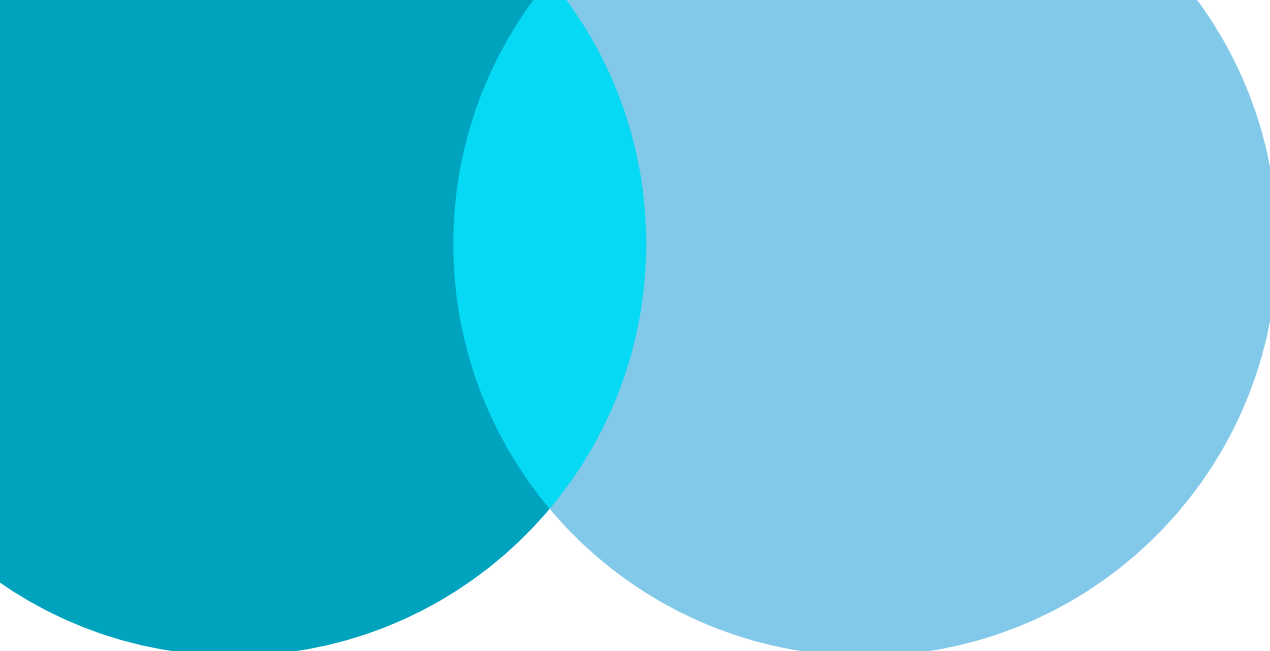
Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

3 June 2021



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The National Audit Office study team consisted of:


James Ball, Christopher Barrett, Jenna Coull, Josie Kendall-Reed, Andy Nichols and Tom Tyson, assisted by Simona Ahmed, Harnam Bhandal and Dan Jones, under the direction of Joshua Reddaway.

For further information about the National Audit Office please contact:

National Audit Office
Press Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

 020 7798 7400

 www.nao.org.uk

 @NAOorguk

Introduction and summary

About this briefing

Scope of this briefing

This briefing presents information on how the Department for Work & Pensions (the Department) supports people into work. We intend this document to be useful for Parliamentarians and others who wish to understand the Department's objectives, and how it provides employment support. We set out:

- the impact of the COVID-19 pandemic on employment;
- how the Department has responded to the pandemic, including its objectives, the main schemes on offer, and its planned expenditure; and
- how the Department provides employment support to individual benefit claimants through its front-line jobcentres and work coaches.

This document aims to:

- explain why and how the Department provides employment support;
- comment on the main risks and challenges the Department faces as it delivers its overall package of employment support, in a way that is difficult to do in reports on specific programmes; and
- enable Parliamentary scrutiny of the Department's employment support provision in the context of the COVID-19 pandemic and the current economic downturn.

It is currently too early to evaluate the success of the Department's overall approach to delivering employment support in the pandemic, or to assess the success of its individual programmes. The Office for Budget Responsibility does not expect unemployment to peak until the end of 2021. Some schemes, such as the £2.9 billion Restart scheme to reduce the impact of long-term unemployment, are not yet fully operational.

We do, however, highlight below some of the potential challenges the Department may face in the future, drawing on our experience of reviewing past employment support programmes such as the Work Programme. We also drew on our recent reports on *Universal Credit: getting to first payment* and *Supporting disabled people to work*.

Our evidence base

In compiling this report, we drew on information and data from the Department and external sources such as the Office for National Statistics. We also consulted other government departments, including the Department for Business, Energy & Industrial Strategy, the Department for Education, and HM Treasury and spoke to stakeholders such as local authorities, the Learning and Work Institute and the Institute for Employment Studies. We have not evaluated the Department's management of its employment support portfolio or its individual programmes in this report. We intend to do this in our future reports.

Our methodology is set out in Appendix One.

About the Department for Work & Pensions

The Department is responsible for the delivery of welfare, pensions and child maintenance policy.

The Department's priority outcomes were published as part of the 2020 Spending Review.

The Department's priority outcomes for the reporting year 2020-21:

1 Maximise employment across the country to aid economic recovery following COVID-19.

2 Improve opportunities for all through work, including groups that are currently under-represented in the workforce.

3 Address poverty through enabling progression in the workforce and increasing financial resilience.

4 Deliver a reliable, high quality welfare and pensions system which customers have confidence in.

The Department serves more than 20 million claimants and customers, including:

People seeking employment

For example, Jobcentre Plus

Aims to provide people with the support needed to prepare for work and move into work, or to earn more if already in work. Jobcentres deliver and monitor working-age benefits.

People planning for or in retirement

For example, The Pensions Service

Provides pensions, benefits and retirement information for current and future pensioners in the UK and abroad. Services delivered include State Pension and Pension Credit, along with responsibility for Winter Fuel Payments and Cold Weather Payments, Carer's Allowance, Attendance Allowance and the Visiting Service.

Children and young families

For example, Child Maintenance Service

Child maintenance is financial support that helps towards a child's living costs when the parents have separated. Services include:

- calculating how much maintenance the paying parent should pay to the receiving parent;
- collecting maintenance payments, if necessary; and
- providing impartial information and support to help parents make informed choices about child maintenance through the Child Maintenance Options Service.

People with a disability or health condition

For example, the Work and Health Programme

Aims to help people to enter into and stay in work, using the expertise of private, public and voluntary and community sector providers. Support typically involves coaching, action-planning and access to additional provision.

For a full list of services available to each user group, see 'Performance report' section of Department for Work & Pensions, *Annual Report and Accounts 2019-20*.

About the Department for Work & Pensions – employment support at a glance

Key facts

4.8%

UK unemployment rate in January – March 2021, up from 4.0% in December 2019 – February 2020¹



41.6%

Unemployment rate for black people aged 16–24 in October – December 2020

6.5%

Office for Budget Responsibility's forecast of the peak UK unemployment rate in Quarter 4 2021

£2.5bn

The Department's planned spending on employment support programmes in the 2021-22 financial year



£1.9bn

The total budget for the Kickstart programme to help 250,000 young people aged 16-24 over the three years 2020 to 2022

£2.9bn

The total budget for the Restart programme, which aims to help more than a million people who have been unemployed for more than 12 months

100,000+

More than 100,000 people claimed Universal Credit on some days in March 2020, at the start of the first lockdown



13,500

The goal the Department met for the recruitment of work coaches in 2020-21

Note

¹ There are some important considerations about LFS data in the pandemic. See important note 1.

Key elements of the Department for Work & Pensions' employment support system

The benefits system

Benefits such as Universal Credit provide support for people who are looking for work or to progress in work, and may make searching for work a condition of the benefit.



Jobcentre Plus

Aims to help people move from benefits into work and helps employers advertise jobs. Jobcentres deliver Universal Credit and other working-age benefits for people who are unemployed or unable to work because of a health condition or disability.



Work coaches

Work with claimants to identify claimants' needs, help them find jobs, carry out work search reviews and refer and signpost people to specialist employment support.

May refer people to



May refer people to or commission



The Department's employment support programmes (see Appendix Two)

For example, the Work and Health Programme:

Aims to help people enter into and stay in work, using private, public and voluntary and community sector providers. Typically involves coaching, action-planning and access to additional provision.

For example, Kickstart:

Aims to create additional jobs for people aged 16–24 on Universal Credit that will provide employment for at least 25 hours per week, for six months, with support to improve employability.

For example, Access to Work:

Provides grant funding for workplace adjustments and in-work support needs for people with a health condition or disability, that are in excess of standard adjustments that an employer is required to provide under the Equality Act 2010.

Other local employment support

Local provision from external providers, such as college courses.

The Department for Work & Pensions' employment support provision: summary of current situation and challenges ahead (1/3)

The impact of the pandemic on employment

Summary of current situation

The pandemic's full impact on the labour market is not yet clear. Furlough has prevented much of the expected rise in unemployment but the benefit claimant count has risen sharply and it is not clear whether all people on furlough will return to work or what will happen when furlough ends (pages 10 to 13). The employment impact of the pandemic seems to be worse for some groups, such as young people (page 14).

In theory, the Department has more and better data to monitor the labour market than ever before. Some key data sources such as Universal Credit data and Pay As You Earn (PAYE) data from HM Revenue & Customs (HMRC) would not have been available in the last recession following the 2008 financial crash (page 17).

The Department has less data for some vulnerable and disadvantaged groups, such as homeless people. Some of its data on claimants' characteristics are also incomplete, such as data on Universal Credit claimants' ethnicity (page 17).

The Department used past evaluations of previous schemes to help develop its response in the pandemic. The Department is developing its evaluation approach for its new schemes (page 18).

Challenges ahead

Using data to monitor the labour market

Interpreting data on the pandemic's impact on the labour market is currently challenging. Combined with a lack of data on disadvantaged groups, this may affect the Department's ability to match its support to claimants' needs.

Matching provision to need

As patterns of unemployment emerge more clearly, the Department may need to adapt its portfolio. This will not be easy given the set-up time for new programmes.

Delivering timely evidence of impact

Delivering robust evaluation in a timely manner is often challenging and some of the Department's evaluations are currently behind schedule.



The Department for Work & Pensions' employment support provision: summary of current situation and challenges ahead (2/3)

The Department's employment support response to the pandemic

Summary of current situation

The Department's employment support programmes are part of the government's wider economic recovery plan, which also involves other government departments and HM Treasury (page 20).

The Department's immediate focus is supporting the newly unemployed and avoiding the 'scarring' impact of the recession, particularly on young people. By contrast, its contracted provision before the pandemic mainly targeted disabled people and people with health conditions, and people who were already a long way from the labour market (pages 23 to 24).

The Department's new schemes will substantially increase its spending compared with pre-pandemic levels, although by less than the previous peak after the 2008 financial crash (page 26).

The Department's new interventions, including the Kickstart scheme, were designed when it was expected that the furlough scheme would end at the end of October 2020. The furlough scheme has now been extended to September 2021 (page 21).

Challenges ahead

Clarifying longer-term strategic priorities

The Department is still developing its plans to address some longer-term challenges, such as in-work progression, and employment outcomes for disabled people.

Aligning across government

The Department will need to ensure its provision is aligned with the wider government economic recovery strategy and with other departments' schemes (such as apprenticeships).

Matching supply of employment support to demand

The later than expected peak in unemployment means the timing of schemes might not match demand. For example, the Department is attempting to fill 250,000 Kickstart jobs with employability support between September 2020 and December 2021, but unemployment is not forecast to peak until the end of 2021.

Implementing schemes effectively

The Department is implementing major schemes such as Kickstart and Restart at pace, which we have previously found heightens risks such as: managing market capacity to deliver; avoiding perverse incentives; targeting the schemes effectively; and producing the impact intended.



The Department for Work & Pensions' employment support provision: summary of current situation and challenges ahead (3/3)

The Department's delivery of employment support to claimants through jobcentres and work coaches

Summary of current situation

The Department's employment support is mainly accessible to people on benefits through the jobcentre system. Work coaches match claimants to support through work search reviews, which are typically 10 minutes a fortnight, although they can be longer or more frequent at work coaches' discretion (page 32).

The Department met its target to recruit an additional 13,500 work coaches in 2020-21. It is in the process of training and embedding them in the organisation. It has also increased the number of jobcentres (pages 33 to 35).

Work coaches refer people to the Department's own programmes and other support that organisations may provide locally. The Department engages with national stakeholders and local partners through a range of forums and works with local partners through its regional and local jobcentre structures (pages 36 to 38).

Challenges ahead

Providing continuity of provision for non-benefit claimants and disadvantaged groups

The European Social Fund (ESF) is a major source of funding for employment and skills provision accessible to people who do not necessarily claim benefits. The UK Shared Prosperity Fund (UKSPF) is set to succeed EU Structural Funds, including ESF, and is due to launch in 2022. Government set out the overall objectives for the UKSPF in the November 2020 Spending Review. The Department told us that the funding profile will be confirmed at the 2021 Spending Review and a UK-wide investment framework will be published later this year.

Assuring work coach quality and productivity

Work coaches operate with considerable discretion to support claimants. The Department's quality assurance over this aspect of its customer service relies more on observations by local team leaders and advice from specialist coaches than centralised monitoring. We have previously found that the Department's approach means it cannot readily compare the quality of service over time and across locations. Ensuring so many new work coaches are performing at the level required in this type of system will be a significant challenge (page 35).

Engaging local partners fully to ensure the Department's provision works well locally

The Department needs to ensure local partners are fully engaged so that it can coordinate its national programmes with local skills and training, local job opportunities and employers' priorities, and employment support provided by others. Some local partners told us that they would like greater transparency and data-sharing about what the Department is doing for claimants locally in order to help them coordinate their activities with the Department.



The impact of the pandemic on employment

The impact of the COVID-19 pandemic on employment and benefits claims (1/4)

The labour market deteriorated following the pandemic, although the impact has been reduced by the furlough scheme. There is some uncertainty around the data (see page 17) but it is clear that unemployment and economic inactivity have risen, the number of workers on payrolls has fallen, and there are fewer vacancies in the economy.

Figure 1

Change in headline labour market indicators since before the first lockdown in 2020

Labour market conditions have worsened against a range of indicators since before the first lockdown in March 2020

Indicator	Pre-pandemic position (Dec 19 – Feb 20)	Updated position (Jan 21 – Mar 21)	Change
Employment:¹			
Employment rate ²	76.6%	75.2%	-1.4%
Unemployment rate	4.0%	4.8%	+0.8%
Economic inactivity rate	20.2%	21.0%	+0.8%
Other key employment metrics:			
Real Time Information (RTI) payroll count ³	29.0 million	28.2 million	-3.0%
Employments on furlough ⁴	0	4.2 million	N/A
Average hours worked weekly	36.9	33.8	-8.4%
Jobs data:			
Total vacancies count ⁵	811,000	621,000	-23.4%
New redundancies in quarter ⁶	107,000	153,000	+43.0%
Unemployed people per vacancy	1.7	2.6	+52.9%
Claimant data:			
Alternative claimant count ⁷	1.4 million	2.8 million	+101.3%

Notes

- 1 Data on employment, unemployment, inactivity, average weekly hours, vacancies, redundancies, and unemployed people per vacancy numbers are quarterly figures for January to March 2021 taken from the Office for National Statistics (ONS) Labour Force Survey, May 2021 release. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics
- 2 ONS headline employment and economic inactivity rates are based on the working-age population (16–64), while the headline unemployment rate is based on the population aged 16 and over. ONS states that this is because employment and inactivity rates for those aged 16 and over are affected by the inclusion of the retired population in the denominators, the unemployment rate much less so. Due to the different denominators used, the rates do not add up to 100% exactly.
- 3 The RTI payroll count is defined as the number of people receiving paid remuneration included in Pay-As-You-Earn RTI within the reference period, including people who have not done work but are an employee – such as those on paid leave. Data come from a joint HM Revenue & Customs (HMRC) and ONS bulletin, and show monthly figures rather than three-month rolling averages. Pre-pandemic position is the monthly figure for February 2020 and updated position is for March 2021. These are taken from the May 2021 release. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimeinformationstatisticsreferencetableseasonallyadjusted
- 4 Employments on furlough refers to the number of employments placed on furlough under the Coronavirus Job Retention Scheme. Employments were eligible to be furloughed from 1 March 2020. The figure for employments on furlough is the daily number of furloughed employments as at 31 March 2021. Available at: www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-6-may-2021
- 5 The current position for vacancies is a provisional figure for the three-month period January 2021 to March 2021, and is a total figure excluding Agriculture, Forestry and Fishing.
- 6 New redundancies in quarter is the number of people who were made redundant in the three months prior to interview (figure is not seasonally adjusted).
- 7 The alternative claimant count is a metric designed to recognise that under Universal Credit more people are required to look for work than under Jobseeker's Allowance. See important note 2. The updated position figure is the monthly total for February 2021, as figures for March 2021 were not available at the time of reporting.
- 8 Percentages shown in the table may not calculate due to rounding.

Source: National Audit Office analysis of Department for Work & Pensions, HM Revenue & Customs and Office for National Statistics data

The impact of the COVID-19 pandemic on employment and benefits claims (2/4)

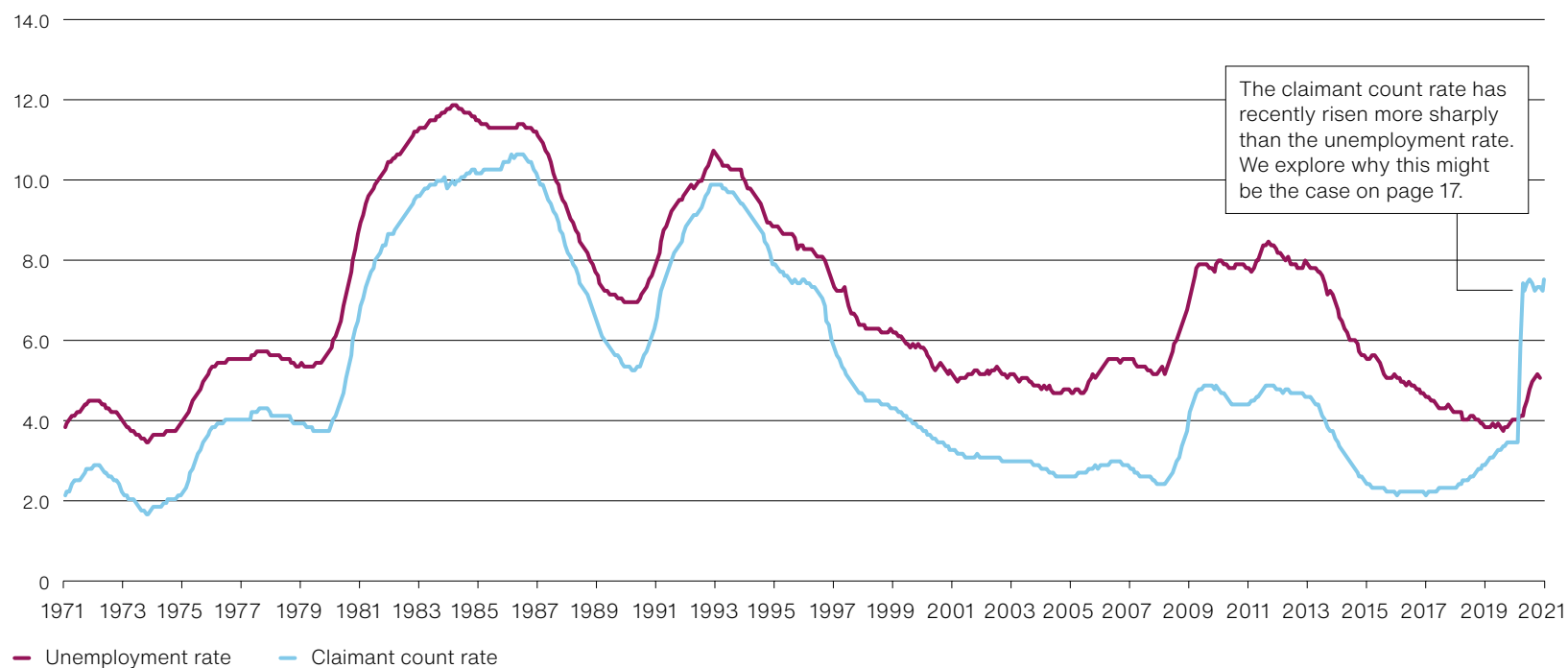
Unemployment has not reached levels seen in previous recessions, but is expected to rise once the furlough scheme ends. Redundancies rose as the number of people on furlough fell over the latter half of 2020, although HM Revenue & Customs (HMRC) research suggests that around 90% of workers returned to their employer's payroll after coming off furlough.

Figure 2

Unemployment and claimant count rates in the United Kingdom since 1971

Despite recent increases, unemployment rates have so far remained well below previous peaks

Unemployment and claimant count rates (%)



Notes

- 1 Data for the unemployment rate taken from the Office for National Statistics Labour Force Survey (LFS) May 2021 release. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics
- 2 There are some important considerations about LFS data in the pandemic. See important note 1.
- 3 This chart uses the quarterly average seasonally adjusted claimant count measure of people in receipt of unemployment benefits. Since 2013, the Department for Work & Pensions has produced an Alternative Claimant Count series. See important note 2.
- 4 Data for claimant count rate taken from the Office for National Statistics LFS May 2021 release. Available at: www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/outofworkbenefits/datasets/claimantcountcla01

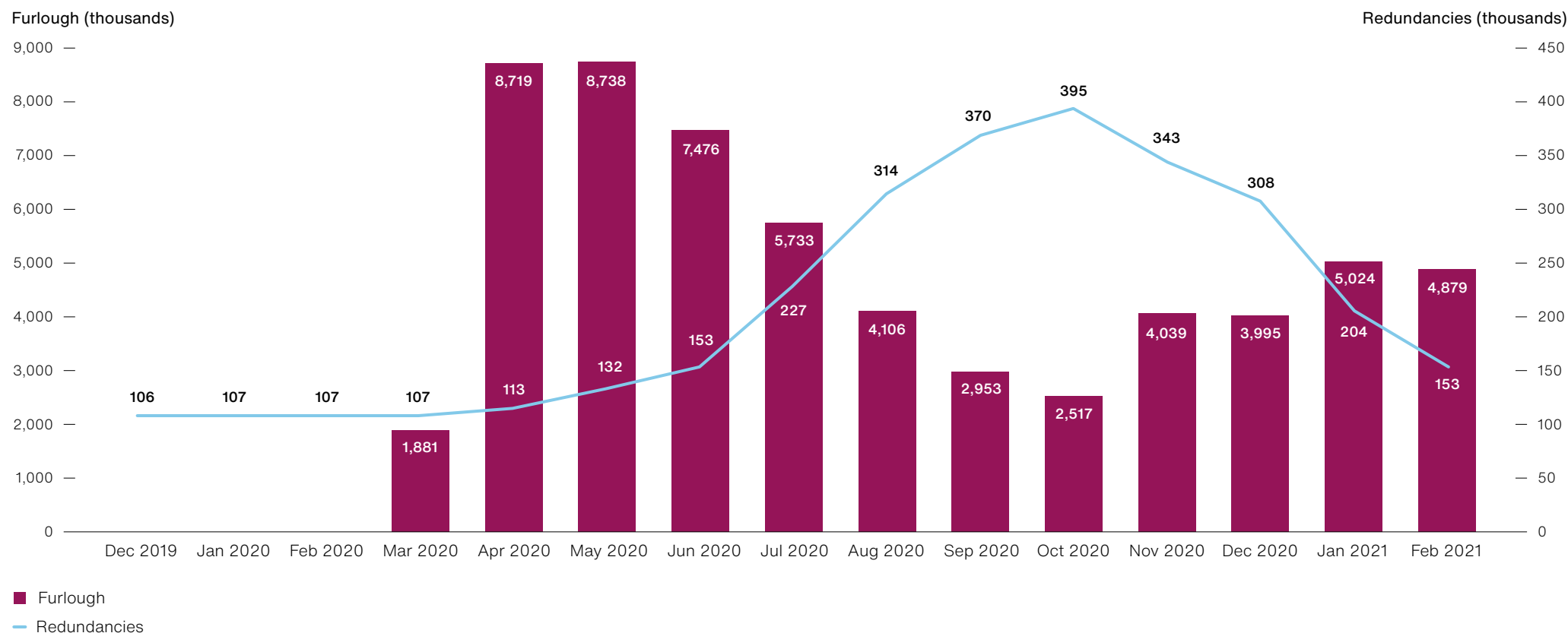
Source: National Audit Office analysis of Office for National Statistics data

The impact of the COVID-19 pandemic on employment and benefits claims (3/4)

Figure 3

Redundancy and furlough numbers through the COVID-19 pandemic

Redundancies rose as the number of people on furlough fell over the latter half of 2020



Notes

- 1 Furlough data are taken from HM Revenue & Customs' published data on gov.uk. The figures are the monthly average of the daily number of employments on furlough. Available at: www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-6-may-2021
- 2 Redundancies data are monthly averages taken from Office for National Statistics Labour Force Survey, May 2021 release. Available at: www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/redundancies/timeseries/beao/lms

Source: National Audit Office analysis of Office for National Statistics and HM Revenue & Customs data

The impact of the COVID-19 pandemic on employment and benefits claims (4/4)

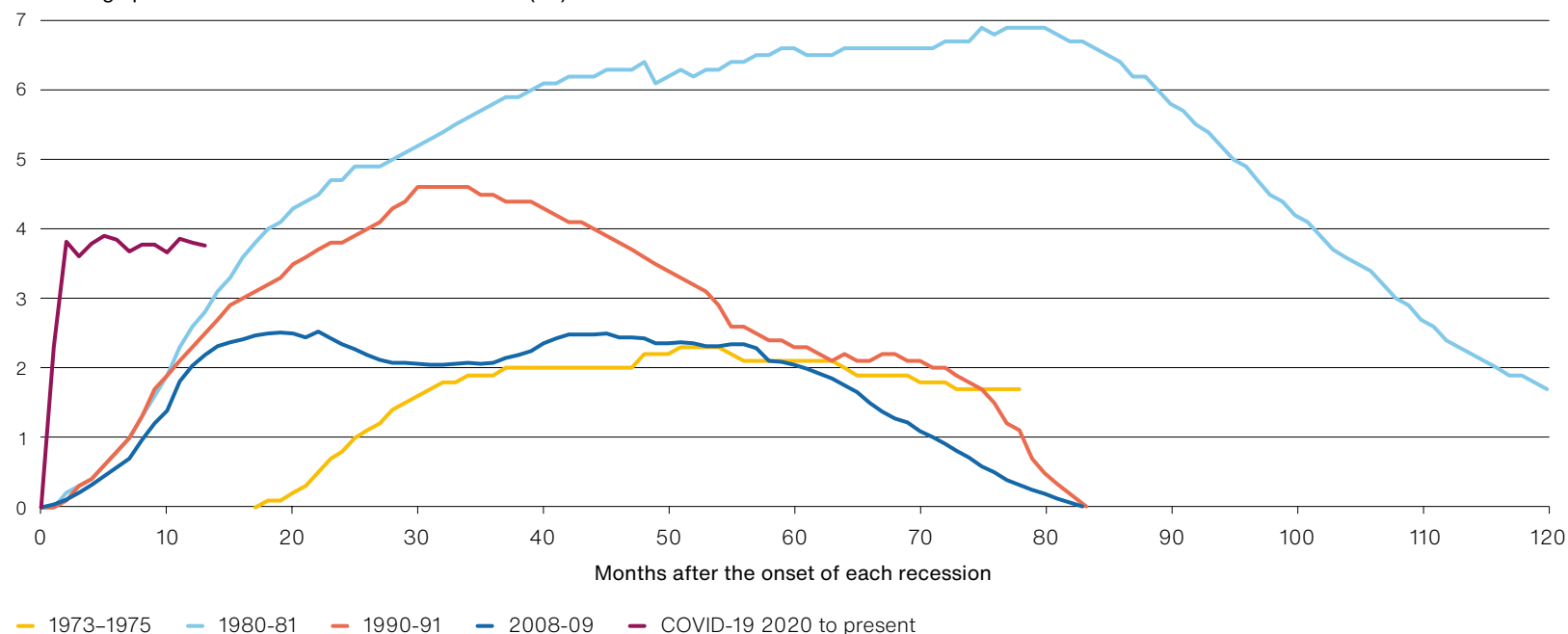
The out of work benefit claimant count increased faster than in previous recessions. From 1 March to 26 May 2020, the Department for Work & Pensions (the Department) received 2.4 million household claims to Universal Credit, with a peak of more than 100,000 a day. Other benefits, such as New Style Jobseeker's Allowance and New Style Employment and Support Allowance, also saw increases in claims.

Figure 4

Comparison of the change in the claimant count since the start of different recessions

The increase in the claimant count rate was far faster than seen in previous recessions

Percentage point increase in the claimant count rate (%)



Notes

- 1 The graph shows the change from the minimum claimant count rate immediately before a recession, in the months following the start of each recession.
- 2 Data taken from the Office for National Statistics (ONS) Claimant Count CLA01 experimental statistics dataset, May 2021 release, available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/outofworkbenefits/datasets/claimantcountcla01.
- 3 Since 2013, the Department has also produced an Alternative Claimant Count (ACC) series – see important note 2.
- 4 The starting point for each recession is the month before the first quarter of negative Gross Domestic Product (GDP) growth in the recession. For the current recession, the starting point used is the claimant count as at 12 March 2021, which the Department for Work & Pensions has said pre-dates the major impacts of the pandemic on the labour market. The time series for each recession runs until the start of the subsequent recession, or until the claimant rate had dropped to below the minimum claimant count rate at which the time series started (note that the 1973-1975 series incorporates two recessions occurring shortly after one another within this time period). Data on GDP are produced by the ONS, available here: www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/ihyq/qna

Source: National Audit Office analysis of Office for National Statistics data

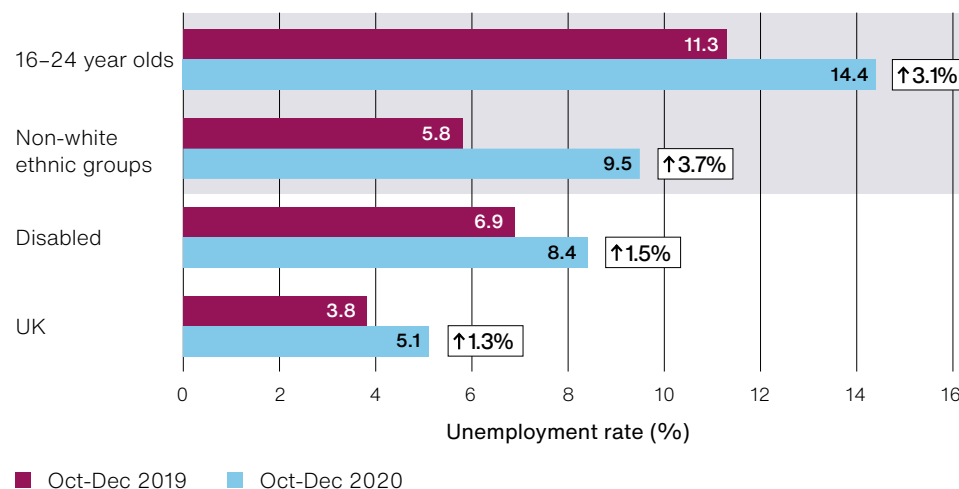
The pandemic's employment impact on different groups of people (1/3)

The pandemic has had an unequal effect on the employment of different groups of people. Some unemployment gaps (the difference between the unemployment rate among that group and the UK as a whole) widened during 2020. The unemployment rate for black people aged 16–24 was at nearly 42% for the quarter October to December 2020.

Figure 5

Unemployment rates for different groups of people during the COVID-19 pandemic

Unemployment rose over 2020, and the differences in unemployment rates between some groups and the UK as a whole widened



Notes

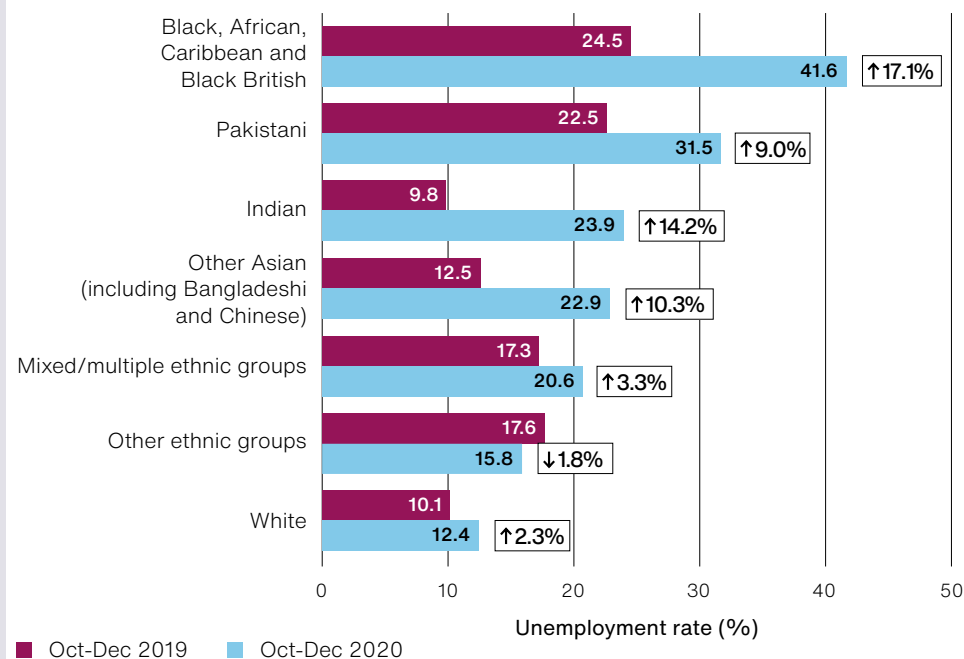
- 1 Data on unemployment and payroll numbers are taken from the Office for National Statistics Labour Force Survey (LFS), May 2021 release. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics
- 2 'Non-white ethnic groups' includes people of the following groups: Black/African/Caribbean/Black British; Indian; Pakistani; Bangladeshi; Chinese; mixed/multiple ethnicity; and all other non-white including Arab or people in Northern Ireland that identify as 'Irish Traveller'.
- 3 There are some important considerations about LFS data in the pandemic. See important note 1.

Source: National Audit Office analysis of the Office for National Statistics Labour Force Survey data

Figure 6

Unemployment rates for 16 to 24 year olds by ethnic group during the COVID-19 pandemic

Young Black people had the highest unemployment rate of the ethnic groups before the start of the pandemic and a year later, and saw the largest increase in their unemployment rate



Notes

- 1 Data on unemployment are taken from an Office for National Statistics (ONS) Labour Force Survey (LFS), March 2021 data request release. As such they could not be updated to reflect more recent figures. Data not seasonally adjusted. Available at: www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/adhocs/12960youthunemploymentjanuarytomarch2019tooctobertodecember2020
- 2 There are some important considerations about LFS data in the pandemic. See important note 1.
- 3 The ONS notes that, with the exceptions of White and Black groups, these estimates are based on a small sample size. This may result in less precise estimates.

Source: National Audit Office analysis of the Office for National Statistics Labour Force Survey data

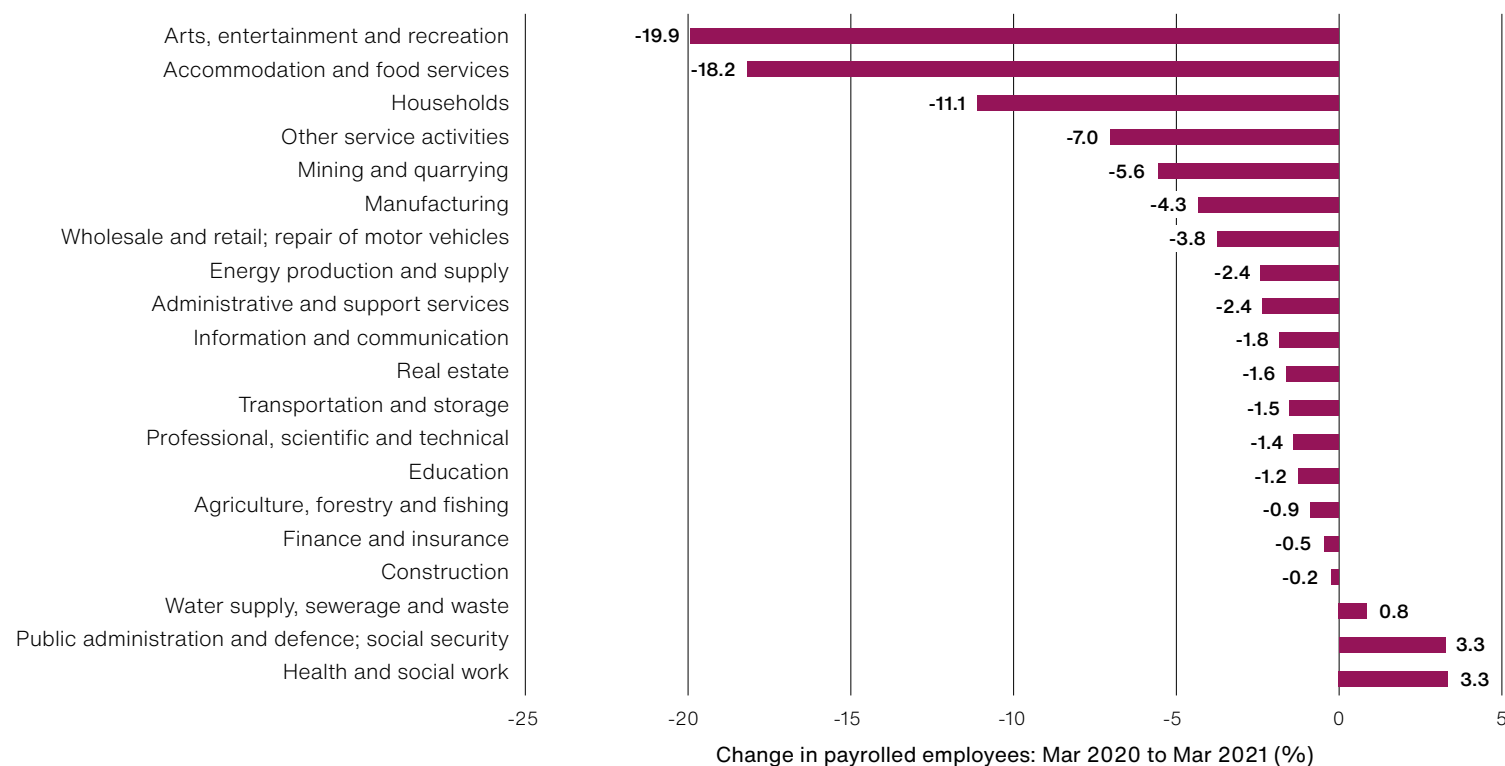
The pandemic's employment impact on different groups of people (2/3)

The pandemic and the lockdowns that followed have affected regions and business sectors differently. London and hospitality and leisure-related sectors, have been particularly affected.

Figure 7

Changes in the number of payrolled employees in different sectors of the economy between March 2020 and March 2021

Most sectors of the UK economy had fewer payrolled employees in March 2021 than a year earlier, with arts, entertainment and recreation and accommodation and food services, most affected



Notes

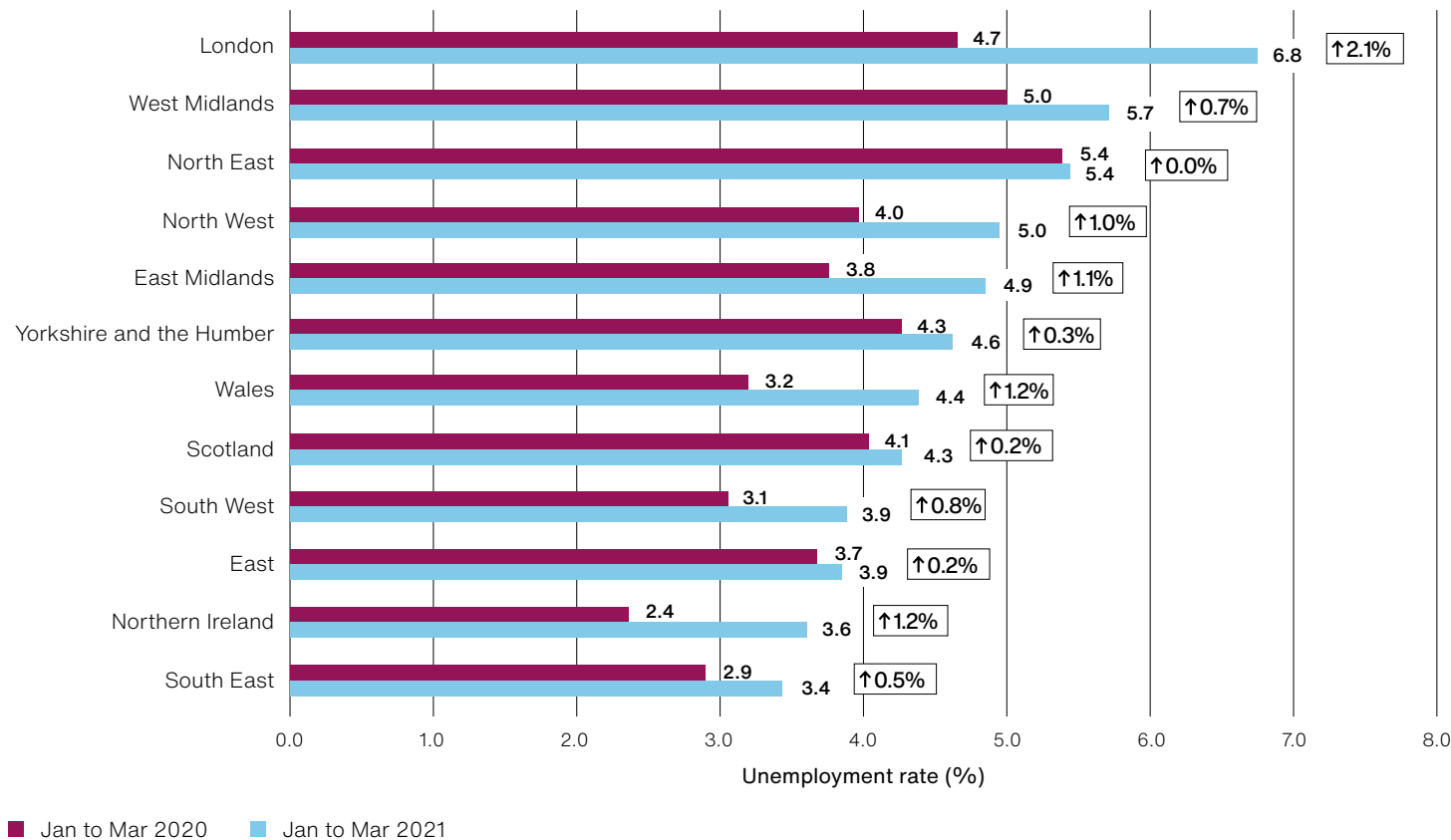
- 1 Data on payroll are taken from the Office for National Statistics Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted May 2021 release. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimeinformationstatisticsreferencetableseasonallyadjusted
- 2 The number of payrolled employees is defined as the number of people receiving paid remuneration included in Pay As You Earn Real Time Information within the reference period, including people who have not done work but are an employee – such as those on paid leave or furlough. It is a measure of payrolled employees, as opposed to a measure of employee jobs.

The pandemic's employment impact on different groups of people (3/3)

Figure 8

Unemployment rates in UK regions and changes to unemployment rate during the COVID-19 pandemic

London saw the highest percentage point increase in unemployment of any UK region during the pandemic



Notes

- 1 Data on unemployment and payroll numbers are taken from the Office for National Statistics Labour Force Survey (LFS), May 2021 release. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics
- 2 There are some important considerations about LFS data in the pandemic. See important note 1.

Source: National Audit Office analysis of Office for National Statistics Labour Force Survey data



Issues with measuring unemployment in the pandemic

Care is required in interpreting labour market statistics during the pandemic.

Challenges such as collecting data by telephone instead of face-to-face during the pandemic, existing gaps in data on benefit claimants, and the effect of furlough mean that the usual data sources, such as the Labour Force Survey (LFS), may not reflect fully the impact of unemployment and worklessness.

Challenge

Collecting and interpreting data is harder in a pandemic

Therefore it is more difficult for the Department to know if it is targeting the right groups

Example issue

There is some confusion about the make-up of the labour force

The LFS shows a year-on-year fall in the number of non-UK nationals in employment of over 550,000 (15%) from October to December 2020. However HMRC data show a reduction of only 4% over the same period.¹

LFS estimates alone may overstate the fall in the number of non-UK nationals due to bias stemming from greater non-response rates from non-UK nationals, following a switch from face-to-face to telephone interviewing in the pandemic (see important note 1).

Furlough and lockdowns suppress 'unemployment' figures

The LFS measure of 'employment' follows the International Labour Organization guidelines and therefore includes those temporarily away from their job, including furloughed workers.

People who are not working because, for example, businesses are closed during lockdown could be classed as 'economically inactive' rather than 'unemployed' because they are not actively seeking work or waiting to start a job.



The claimant count is not necessarily a reliable gauge of unemployment

The out-of-work benefit claimant rate has risen above the unemployment rate (Figure 2). The claimant count may be affected by range of factors including:

- longer-term increases in the claimant count because Universal Credit (UC) eligibility is broader than Jobseeker's Allowance;
- furloughed workers claiming UC;
- self-employed people in receipt of income from the Self-Employment Income Support Scheme; and
- fraud – the Department does not know exactly how many claims are fraudulent but estimated that in 2020-21 12.8% of UC paid out was fraudulent.

Official forecasts of unemployment peaks have shifted backwards

Official forecasts indicate peak unemployment may be lower and later than originally expected (see page 21).

The Office for Budget Responsibility attributed this to a faster recovery in output, the extended Coronavirus Job Retention Scheme and additional fiscal support announced in the March 2021 Budget.



The Department has incomplete data on diversity and disadvantage

The Department lacks complete data on who is unemployed and claiming benefits. For instance at the time of our 2020 report, *Universal Credit: getting to first payment*, the Department had data on the ethnic background of only 40% of claims. This has since increased to 54%, with 74% of new declarations in March 2021 containing these data.

The Department also lacks unemployment data on some disadvantaged groups such as homeless people and rough sleepers, and people with issues related to drug and alcohol addiction. Its research suggests these issues may be 'hidden' because people do not engage with the Department or disclose their circumstances, and also because it lacks data 'flags' for disadvantage within its benefits systems.

Key data sources

The Office for National Statistics Labour Force Survey; HM Revenue & Customs Pay As You Earn Real Time Information on payroll workers and data on the Coronavirus Job Retention Scheme

Universal Credit data on Universal Credit and other benefits claimants

Office for Budget Responsibility unemployment forecasts

The Department's management information, research and analysis

Note

- ¹ LFS data from which the 15% reduction is drawn includes self-employment as well as employees. A different comparison to the HM Revenue & Customs data on people in employment may emerge from looking just at the LFS employee count. Also see important note 1.

Assessing the impact of the Department's employment support

The Department used the data available to monitor the emerging situation and drew on evidence from evaluations of past schemes to shape its pandemic response. Good-quality evaluations can be challenging to deliver in practice and measuring a programme's impacts robustly can take years. The Department is currently developing its plans to evaluate its new initiatives.

Evaluation means examining the implementation and impacts of policy interventions, to identify and assess their intended and unintended effects and costs. Evaluation should be a key source of information on the cost-effectiveness of government activities, for accountability purposes and to improve existing policies and to better design future policies.

See National Audit Office report: *Evaluation in government* (December 2013)

The Department's approach



The Department undertakes analysis, trials and evaluations on its employment support programmes to inform short-term and long-term decisions on what programmes to fund.

The Department used evaluations of past schemes in developing its current programmes. For example, it based its business case for its Kickstart and Restart schemes in large part on analysis of the Future Jobs Fund and the Work Programme, respectively.

The Department is developing its plans to evaluate both Kickstart and Restart. The context, design and implementation for new schemes differs from predecessors, so further evaluation is needed as the schemes are not replicas of the Work Programme and Future Jobs Fund.

The Department is exploring ways to measure a wider range of outcomes for people who are further from the labour market. It is also exploring assessing the impact of its employment support as a whole.

Challenges



We found in our 2019 report *Supporting disabled people to work* that the Department's allocation of funding to evaluation represented a clear commitment to improving the evidence base of its programmes. There were also examples of good practice such as the evaluation of Pathways to Work, and its approach to evaluating the Work and Health Programme, which contained a Randomised Controlled Trial (RCT) element.

However, we also found the Department's evaluations were not always robust enough to measure the additional impact of employment support programmes. The pandemic presents an extra challenge in delivering robust and timely evaluation.

Case example: delays to the Intensive Personalised Employment Support Evaluation

The Department's evaluations of its employment support for disabled people are behind schedule. For example, the Department began an RCT of Intensive Personalised Employment Support (IPES) in 2019. IPES is highly intensive, personalised employment support for people with disabilities and complex needs.

We reported in March 2019 that this trial was due to report interim results in 2020 and final results in 2021. However, the trial is currently suspended due to the pandemic, and the Department has not yet made a decision about whether or when to restart it. If the trial does restart, the Department expects to report interim results in 2022, with the final report in 2025.

See National Audit Office report: *Supporting disabled people to work* (March 2019)



The Department's employment support response to the pandemic

The Department and the government's employment support objectives (1/2)

The Department for Work & Pensions told us its current focus is **minimising the impact of the downturn on unemployment**. It is focusing particularly on young people and long-term unemployment, to reduce the 'scarring' effect of the recession. Over the longer term, it wants to prioritise a wider set of issues, many of which were challenges even before the COVID-19 pandemic.

The Department has presented a set of performance indicators to support its priority outcomes as part of the 2020 Spending Review.

Department's priority outcomes

- Maximise employment across the country to aid economic recovery following COVID-19.
- Improve opportunities for all through work, including groups that are currently under-represented in the workforce.
- Address poverty through enabling progression in the workforce and increasing financial resilience.
- Deliver a reliable, high-quality welfare and pensions system which customers have confidence in.



Immediate response in the downturn

The Department's current primary focus is to deal with the **immediate impact of the economic downturn** in response to the COVID-19 pandemic. This includes:

- Managing the Universal Credit (UC) system to provide **a safety net** to support those who are out of work or on low income.
- Getting **people back into work quickly**.
- **Preventing the long-term 'scarring' effects** of unemployment for younger people.



Longer-term priorities

- The Department has a role in **addressing the wider social and economic inequalities agenda** through labour market interventions.
- There are still major challenges for people with **health and disability** issues, such as workplace accessibility, negative attitudes, and lack of assistive technology.
- Some people and groups experience barriers to **in-work progression**. The Department has established a Commission to review the evidence base around this and make recommendations to better support people in low-pay employment to progress.

The Department's performance indicators



Employment indicators

- Overall UK employment rate (16 to 64 year olds)
- Employment rate (16 to 24 year olds)
- Number of participants in Kickstart – including by region and nation
- Children in workless households
- Disability employment rate gap (%)

Other Department Indicators

- Absolute poverty before housing costs – children, adults and pensioners combined (%)
- Percentage of claims processed within planned timescales
- Fraud and error (gross monetary value and as a percentage of total payments)



Goals

- One million more disabled people in work in the 10 years to 2027
- 250,000 participants in Kickstart by the end of 2021
- Percentage of claimants satisfied with the Department's services overall
- Number of people automatically enrolled in workplace pensions

The Department and the government's employment support objectives (2/2)

The government's 2020 *Plan for Jobs* outlined the government's priorities to support the labour market in the pandemic. The government is currently considering both its longer-term skills and jobs policy objectives and the scope to increase collaboration between departments. Meanwhile, the Department leads or attends a range of forums with other departments to discuss issues related to the labour market.

Examples of other government departments' responsibilities that relate to the labour market

Department of Health & Social Care (DHSC)

Responsible for health and social care in England, and some aspects in Scotland, Wales and Northern Ireland that are not devolved. Shares the Department's target to see one million more disabled people in work over the 10 years from 2017.

Department for Education (DfE)

Responsible for children's services and education, including early years, schools, higher and further education policy, apprenticeships and wider skills for those aged 16+ in England.

Department for Business, Energy & Industrial Strategy (BEIS)

Responsible for business policy, science and innovation policy, and energy, clean growth and climate policy. Sets the national living wage and national minimum wage.

HM Treasury (HMT) and Cabinet Office (CO)

HM Treasury is the government's economic and finance ministry, maintaining control over public spending, setting the direction of economic policy and working towards sustainable economic growth. Cabinet Office leads the cross-government response to the pandemic.

Ministry of Housing, Communities & Local Government (MHCLG)

Responsible for creating great places to live and work, by investing in places and communities to support growth (for example, Stronger Communities Fund, Future High Street Fund).

Examples of key meetings and joint working with the Department for Work & Pensions

Work and Health Joint Unit focuses on developing employment solutions that benefit disabled people, those with health conditions and those who support them.

The **Employment and Skills Advisory Group** allows DfE and the Department to liaise with mayoral combined authorities and the Greater London Authority on labour market employments and skills programme and the Plan for Jobs.

Weekly meetings to explore areas of common working, for example young people policy.

Ministerial 'stocktake' meetings on the jobs and skills agenda – Prime Minister, relevant Secretaries of State and key officials to discuss strategic policy (monthly). These also involve other government departments, including BEIS and DfE.

HM Treasury/the Department meetings on **Plan for Jobs** (fortnightly).

Office of the Prime Minister/the Department/Cabinet Office/HM Treasury – discussion of **Plan for Jobs** (fortnightly).

National Economy and Recovery Taskforce – Ministerial Committee with the agenda to 'catalyse growth, level up across the United Kingdom and drive public service performance and delivery'. The Department attends by invitation.

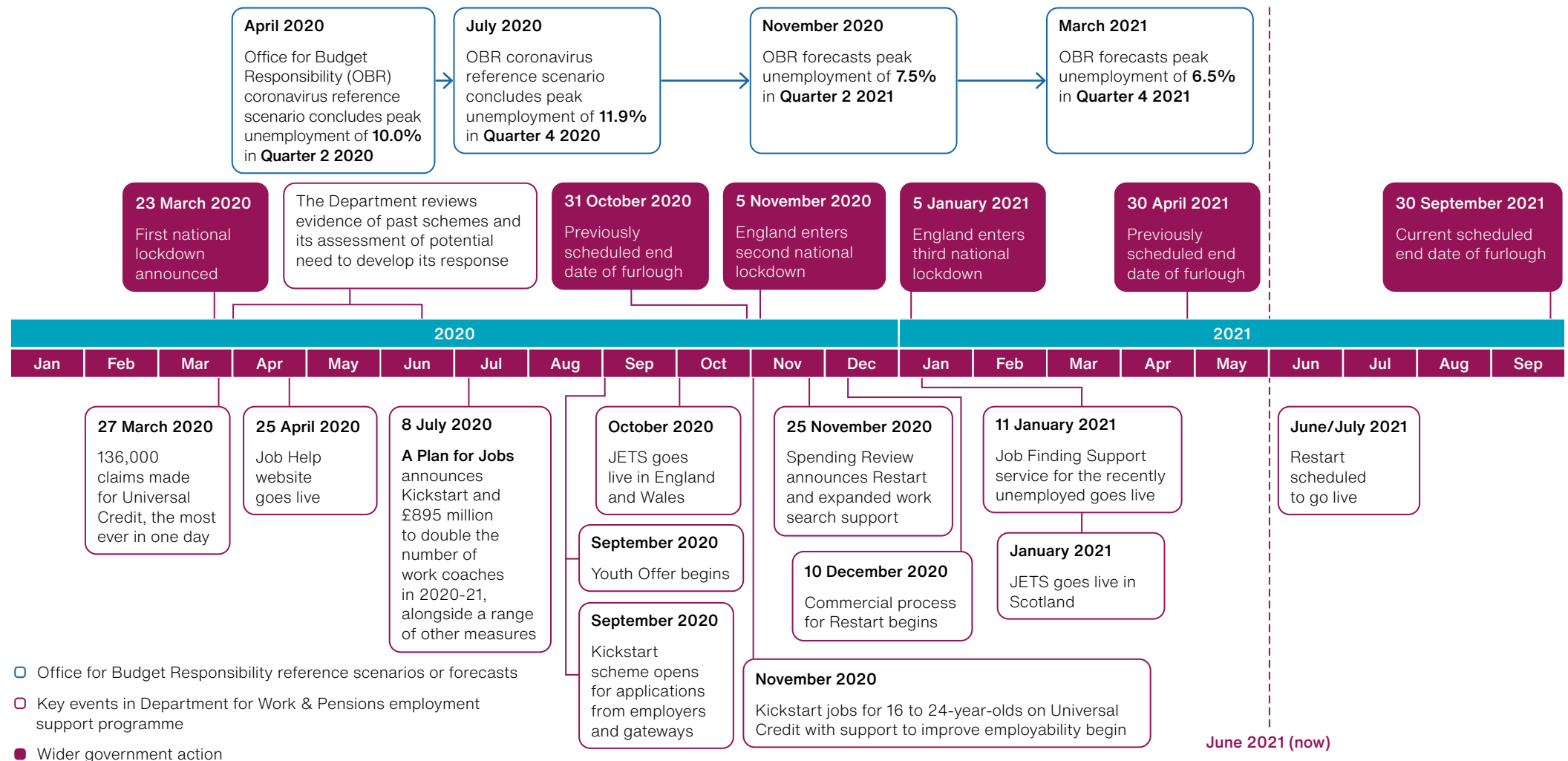
Local Economic Advisory Panel monitors intelligence from local authorities and explores the local impacts of strategic or nationwide changes.



The Department's employment support programmes in the pandemic (1/5)

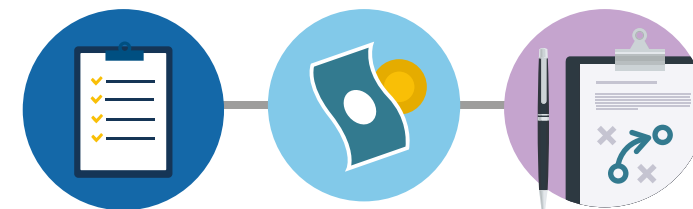
The Department responded to the pandemic by increasing support to claimants through Universal Credit and expanding its range of specialised employment support programmes.

The interventions set out in the July 2020 Plan for Jobs were designed in the context of the planned withdrawal of the furlough scheme from the end of October 2020. In the event, the end of the furlough scheme has been extended to September 2021.



The Department's employment support programmes in the pandemic (2/5)

Although the furlough scheme has since been extended, the timeframe for the Department's support programmes has not changed. Some schemes have an option to extend by one year. Should the Department need to extend its schemes it will need some lead-in time and to ensure it has adequate budget to cover the reprofiled costs. Schemes that involve contracts (such as Restart and JETS) may require substantial procurement exercises to extend.



Kickstart – new

Creation of additional jobs with support to improve employability for 16 to 24-year-olds on Universal Credit (UC), for at least 25 hours a week for six months.

Restart – new

Tailored support to help long-term unemployed people into sustained employment. Each placement lasts for 12 months and is mandatory post-referral for UC claimants in the Intensive Work Search regime.

Jobs Entry: Targeted Support (JETS) in England and Wales – new

Light-touch employment support for people out of work and claiming UC or New Style Job Seeker's Allowance for 13 weeks.

Job Finding Support – new

Online job finding service for people out of work for up to 13 weeks and who do not need significant help with finding a job.

Sector-based Work Academy Programme (SWAPs) – expanded

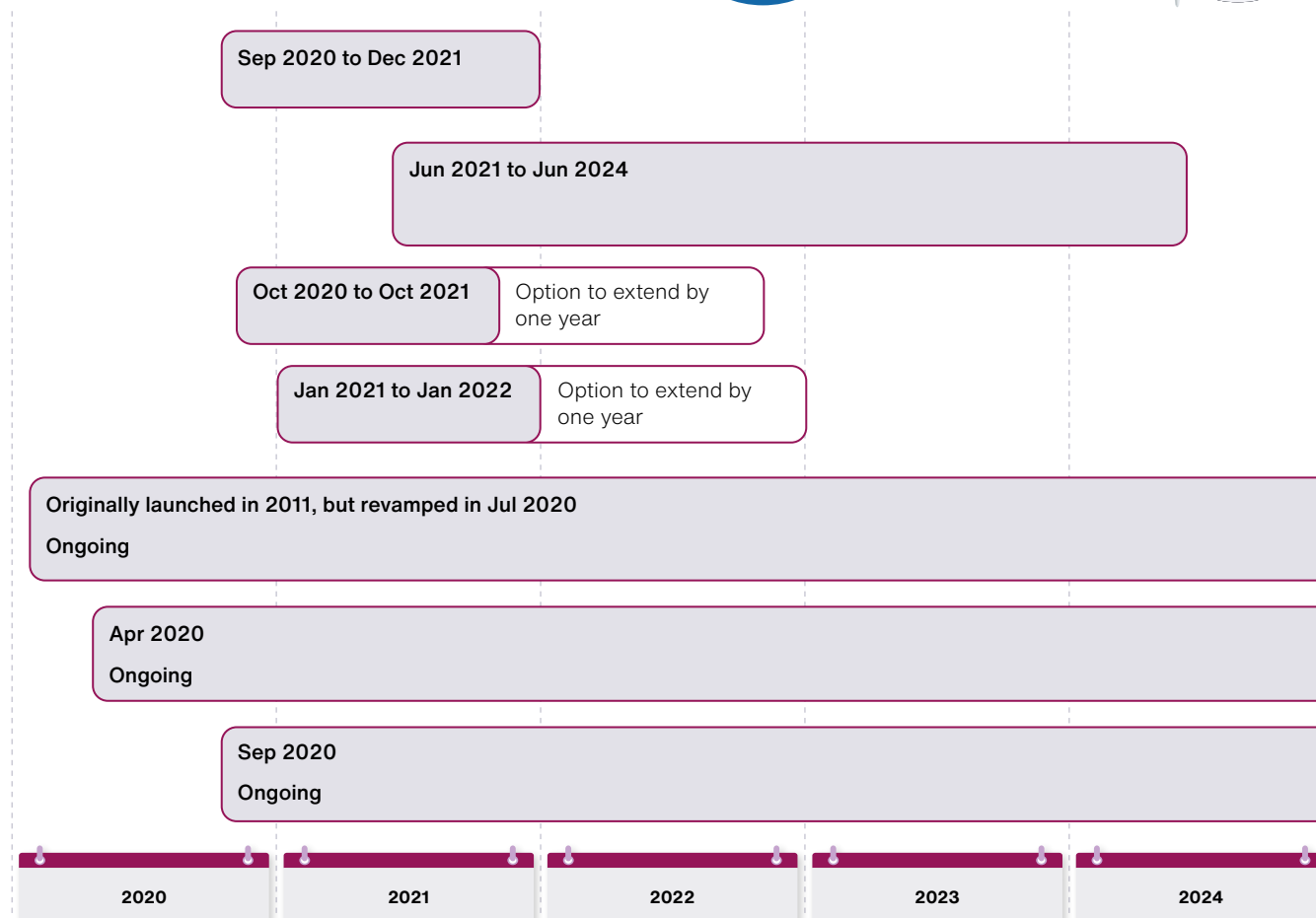
Supports unemployed people looking to move into a different sector. This includes pre-employment training, work experience and a guaranteed interview and a guaranteed interview to fill a current job or apprenticeship vacancy.

Job Help – new

Free-to-access website to support people in challenging labour market conditions since COVID-19. Open to all unemployed people.

Youth Offer – expanded

Support for all 18 to 24-year-olds on UC and who are in the Intensive Work Search regime. Includes the Youth Employment Programme, Youth Hubs and Youth Employability Coaches.



Notes

1 Dates reflect when schemes are open to new participants. The support will extend beyond this timeframe for individuals registered within these dates.

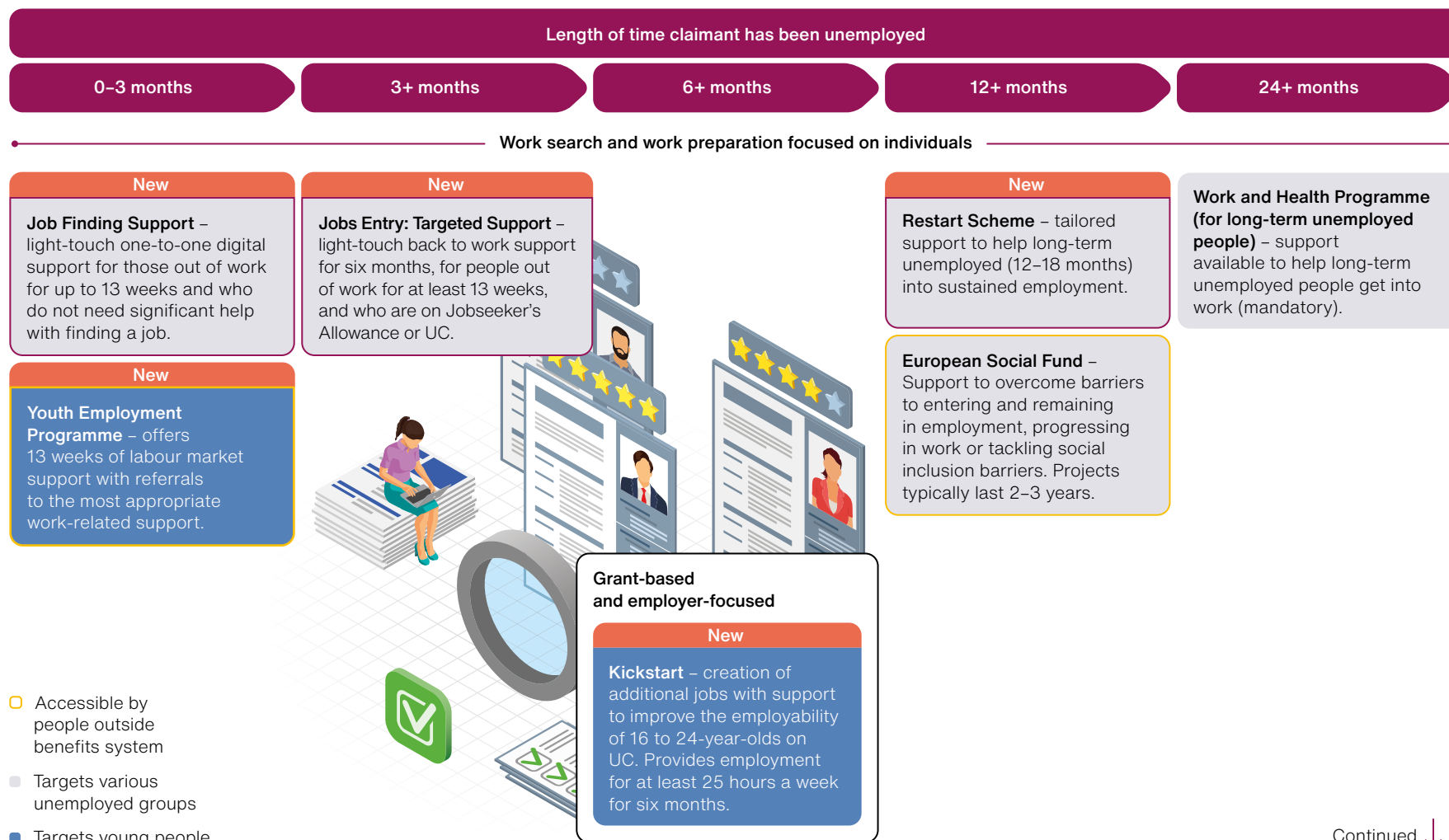
2 JETS in Scotland went live on 25 January 2021, for 12 months, with an option of a year's extension.

The Department's employment support programmes in the pandemic (3/5)

The Department has targeted its new employment support schemes particularly at young people and preventing long-term unemployment.

Much of its existing support focused on disabled people and those people who were a long way from the labour market. Appendix Two has more details on each of these schemes.

Employment support schemes aimed at people who have been unemployed for a specific amount of time



Continued ↓

The Department's employment support programmes in the pandemic (4/5)

Employment support schemes that are not linked to how long someone has been unemployed

Aimed at disabled people

Work and Health Programme (for disabled people) – support for people getting back into work available to disabled people (mandatory at 24+ months).

Intensive Personalised Employment Support – up to 21 months of support for disabled people with six months of intensive in-work support when they find a job.

Access to Work – grant to cover costs of practical support in the workplace such as specialist equipment or transport costs.

Aimed at young unemployed

Youth Hubs and coaches – Youth Hubs offer a wide range of support alongside partners. Youth employability coaches can provide up to six months of specialist support for those with complex barriers to work (page 36).

Aimed at all claimants

Expanded

Work coach support.

Expanded

Sector-based Work Academy Programme – supports claimant to move into certain sectors. Includes pre-employment training, work experience and guaranteed interview.

Expanded

Flexible Support Fund – local discretionary funding that jobcentres can use to remove barriers to work.

New Enterprise Allowance – support for claimants looking to start or expand their own business.

Available to all

New

Job Help website – free-to-access website to support people in challenging labour market conditions since COVID-19.

Find a Job – website on which employers can advertise vacancies for free. Jobseekers can search and apply for vacancies.

- Accessible by people outside benefits system
- Targets various unemployed groups
- Targets young people
- Targets disabled people

The Department's employment support programmes in the pandemic (5/5)

The majority of the Department's provision, including its mainstream jobcentre-based work coach support, is accessed through the benefits system. Not everyone who is unemployed and who might potentially benefit from employment support necessarily claims benefits.

Examples of unemployed people who may not get support from a jobcentre

Those already in a working household



UC is a household benefit.

Somebody who is unemployed but is not the lead claimant may not have any contact with the Department and could miss out on the Department's employment support.

Somebody who is unemployed but who has a partner that earns enough that the household cannot claim UC is not eligible for much of the Department's employment support.

Young people under 18



The Department's Kickstart scheme is open to young people aged 16–24 on UC.

Young people need to be referred to a vacancy by their work coach.

However, people under the age of 18 can only claim UC in limited circumstances.

Those unable or unwilling to access benefits because of vulnerabilities, disadvantage or other reasons



We identified in our report *Universal Credit: getting to first payment* that claimants with more complex needs and circumstances can struggle to engage with the claim process or provide the evidence required to make a claim.

Not everyone who is eligible makes a benefit claim straightaway. The Department's survey of UC claimants in 2018 found that the main reasons given for delaying a claim were: they did not know what to do; and they thought they would get another job quickly.

The European Social Fund (ESF) currently funds employment and skills provision that is accessible to people who do not necessarily claim benefits, and is being succeeded by the UK Shared Prosperity Fund (UKSPF). Full details of the UKSPF are expected to be published later in 2021.

The Department is responsible for €3.5 billion of EU funding in England under the ESF over the current programming period (2014 to 2020), which aims to address employability and skills needs. The Department works with other bodies and local partners and selects projects in line with the Operational Programme agreed between the Department and the European Commission. The Department seeks reimbursement from the European Commission for payments it makes to projects.

The Department told us that it estimates that 2.3 million people will access ESF-funded schemes during the seven-year programme period. Its analysis of a sample of ESF participants suggested that over 75% are not on benefits, and 50% were never on benefits.

The ESF will end in 2023. The government has guaranteed payments due under the ESF to the end of 2023 following the UK's exit from the EU.

The government intends EU Structural Funds, including ESF, to be succeeded by a Shared Prosperity Fund to “to level up and create opportunity across the UK for people and places”. The UKSPF is due to launch in 2022. Government set out the overall objectives for the UKSPF in the November 2020 Spending Review and the Department told us that it expects the funding profile to be confirmed at the 2021 Spending Review and full details of how the funding will be allocated and who will be eligible to be published later in 2021 in a UK-wide investment framework.

The Department's historic and planned spending on employment support (1/2)

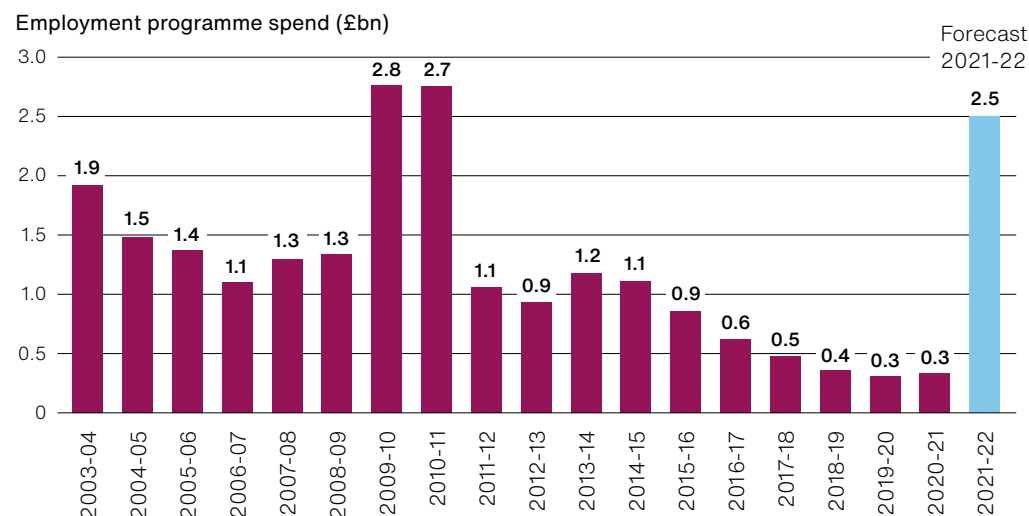
The Department plans to significantly increase its funding of employment support, although it plans to spend less in real terms than it did following the 2008-09 recession.

The cost of employment support interventions is forecast to increase from £0.3 billion to £2.5 billion between 2020-21 and 2021-22, with most of the increase coming from new expenditure on the Kickstart scheme.

Figure 9

Cost of employment support programmes

The Department for Work & Pensions (the Department) plans to significantly increase its funding of employment support, although it plans to spend less in real terms than it did following the 2008-09 recession



Notes

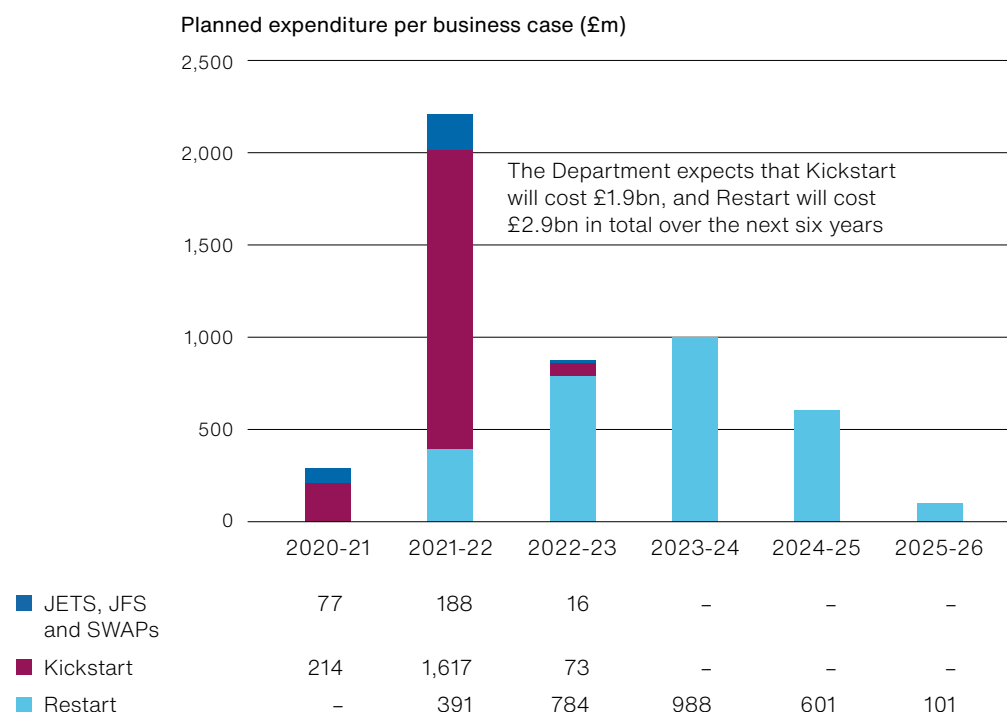
- Excludes the cost of Department staff such as work coaches.
- Figures up to 2019-20 are the amounts recorded as spent on employment programmes in the Department for Work & Pensions' financial statements, presented in real terms (2019-20 prices).
- Amounts for 2020-21 onward are based on information and plans supplied by the Department. We have not adjusted the 2020-21 or 2021-22 amounts for inflation, reflecting that these amounts may change in future and uncertainty about future rates of inflation. Should inflation remain as currently forecast, these amounts would appear lower than in this chart.

Source: National Audit Office analysis of Department for Work & Pensions' financial statements and information provided by the Department

Figure 10

Planned expenditure per new scheme 2020-2026

The Department for Work & Pensions' (the Department's) spending plans are set out in scheme business cases. It is possible that the uptake of schemes may be slower than forecast, shifting spending profiles to later years



Notes

- JETS: Jobs Entry: Targeted Support; JFS: Job-Finding Support; SWAPs: Sector-based Work Academy Programme. See Appendix Two for further information about these schemes.
- The figure shows spending plans presented in the business case for Kickstart, Restart, JETS and JFS. SWAPs expenditure is based on information provided by the Department about funding arising from the 2020 Spending Review.
- The figure illustrates spending under the Department's new schemes. It does not include some of the employment support interventions in place before the COVID-19 pandemic, which are included as part of Figure 9.

Source: National Audit Office analysis of Department for Work & Pensions business cases and other information provided by the Department

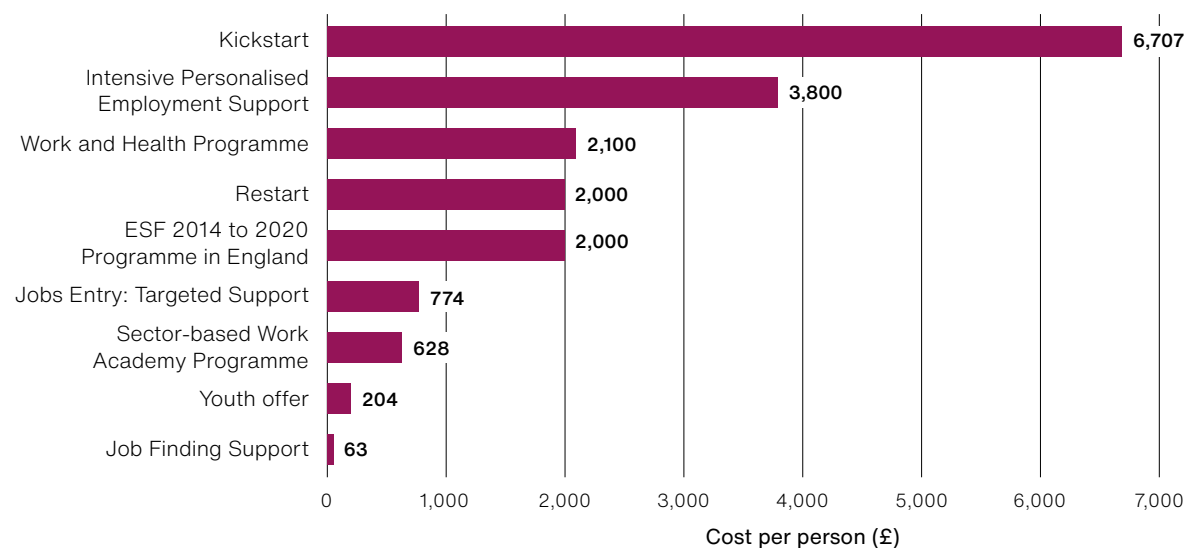
The Department's historic and planned spending on employment support (2/2)

The costs of the Department's employment support schemes vary widely, reflecting the different type and intensity of support each provides. Kickstart, which aims to provide additional jobs with employability support for young people aged 16 to 24 on Universal Credit, has the highest unit cost of any programme currently funded at around £6,700.

Figure 11

Cost of different interventions in 2021-22, on a per-person basis

Kickstart is the most expensive of the Department for Work & Pensions' (the Department's) main employment schemes on a per-person basis



Notes

- Costs presented are illustrative, and are based on information supplied by the Department and business cases for some of the schemes.
- Each Sector-based Work Academy Programme placement costs the Department for Work & Pensions £228 in delivery costs and costs the Department for Education £400 in training costs, on average. The Department for Education costs come from a 2016 impact assessment.
- Youth Offer covers the Youth Employment Programme, Youth Hub and Youth Employability Coaches.
- Jobs Entry: Targeted Support unit cost stated is for England and Wales. The unit cost for Scotland is £986.
- Unit cost per person for Kickstart is linked to the national minimum wage entitlement.

Source: National Audit Office analysis of Department for Work & Pensions' schemes business cases and stated unit costs

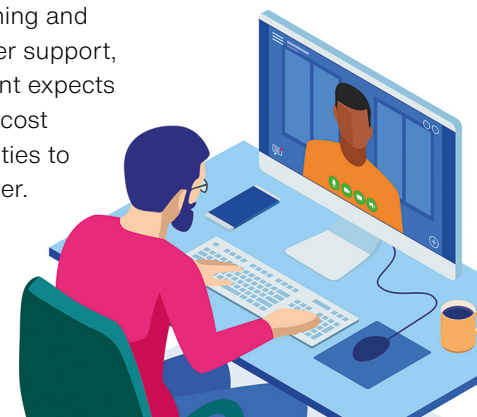
The cost of work coaches

The costs of the employment schemes presented on pages 26 to 27 exclude the cost of the work coaches responsible for providing support to claimants in jobcentres and referring claimants to the right intervention.

The Department estimates that the cost of advisers and work coaches completing this kind of work was £689 million in 2020-21. The monthly cost rose from £47 million in March 2020 to £62 million in March 2021 as the Department increased the number of work coaches it employs.




The estimated cost includes employment advice in both one-to-one and group sessions, and the routine meetings between a work coach and claimant. It also includes the cost of specialist work coaches such as disability employment advisers, schools and college advisers and troubled families advisers.

As more work coaches complete training and begin to deliver support, the Department expects the indicative cost of these activities to increase further.



Implementing the Department's employment support schemes (1/2)

Our previous reports highlight the key implementation issues the Department will have to manage as it rolls out new employment support programmes at pace. We have previously found that implementing employment support programmes at pace can bring forward benefits but also heightens the level of risk.

Theme	Examples of issues identified in past National Audit Office (NAO) reports	Issues the Department will need to manage (based on examples of previous NAO recommendations)
 Evidence base: without clear evidence about what programmes are effective, decisions on how to allocate resources cannot be based on knowledge of effectiveness, even when programmes have been running for a long time.	Our <i>Supporting disabled people to work</i> ¹ report found that the evidence base for most of the eight programmes reviewed was weak or unavailable. The Department had not developed a plan that identified or responded to all the gaps in the evidence base.	<ul style="list-style-type: none"> The Department has used evidence from past schemes to build its evidence base – it now needs to ensure that it delivers its planned evaluation activity in a timely manner (see page 18).
 Additionality: ensuring maximum impact by assessing what the programme achieves over and above what would have happened without the programme.	In the 'Train to Gain' ² scheme around 50% of trainers would have arranged the same or similar training in the absence of the programme.	<ul style="list-style-type: none"> Set out clear measures for the impact of the programme, and indicate the level of impact it is aiming to achieve.³ Examine ways of raising additionality, such as by further increasing the focus on 'hard to reach' groups.²
 Targeting: different user groups have different needs and programmes must be appropriately targeted to ensure additionality.	Many fewer harder-to-help claimants were referred to the Work Programme than expected, leading the Department to revise projections for referrals of Employment and Support Allowance claimants for 2011-12 downwards by 60% and later extend the prognosis requirement for this group from six to 12 months to increase referrals. ⁴	<ul style="list-style-type: none"> Monitor services and assess whether they are meeting the broad range of user needs. Improve the information held to better track users' needs as well as whether support needed is reaching them and whether there are any gaps in provision.⁵

Notes

¹ See National Audit Office, *Supporting disabled people to work*, March 2019.


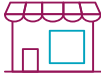

² See National Audit Office, *Train to Gain: Developing the skills of the workforce*, July 2009.

³ See National Audit Office, *The apprenticeships programme*, March 2019.

⁴ See National Audit Office, *The introduction of the Work Programme*, January 2012 and *The Work Programme*, June 2014.

⁵ See National Audit Office, *Gaining and retaining a job: the Department for Work and Pensions' support for disabled people*, October 2005.

Implementing the Department's employment support schemes (2/2)

Theme	Examples of issues identified in past National Audit Office (NAO) reports	Issues the Department will need to manage (based on examples of previous NAO recommendations)
 Perverse incentives: some oversight and contract management mechanisms can unintentionally incentivise undesired behaviours.	<p>'Parking' of harder-to-help claimants was an issue in the Work Programme,⁶ with spending allocated to these payment groups reduced by 54% from the original bids. Under 'Payment by Results' contracts, providers may prioritise users who are easier-to-help since less effort and expense are required to help them achieve the desired outcomes and hence receive payment.⁷</p>	<ul style="list-style-type: none"> ● Review whether payment groups require different minimum service standards and monitor standards by payment group, to ensure that contractors are not 'parking' people.⁶ ● Gather other standard measures of services to identify good practice or potential 'parking'.⁶
 Market capacity: when using external providers to deliver employment support, this is dependent on there being a market of providers with the capacity to deliver this support.	<p>Spending on contracted employment support provision has significantly reduced over the past 10 years, which may impact the market's capacity to expand.</p> <p><i>Supporting disabled people to work</i>⁸ study found that, despite introducing a 10-year employment support market strategy in 2017 to build a stronger pipeline of suppliers capable of providing new types of integrated support, the Department had not yet mapped the whole wider market for employment support beyond its own supply chain.</p>	<ul style="list-style-type: none"> ● Implement its published employment provision commissioning strategy to support longer-term market development and capacity-building, and to clarify the role of in-house provision and how this will complement contracted-out services.⁹ ● Map the provision and funding available for employment support.⁸ ● Develop a framework for assessing the quality of the provision to which work coaches refer customers and use this to manage transparent approved-provider lists.⁸
 Fraud: fraud or improper practice can lead to incorrect reporting of results and loss of public funds.	<p>New Deal programmes were susceptible to fraud. Outcomes that triggered payments were difficult to verify, checks relied on complex records held by providers and there were no checks with employers.¹⁰</p>	<ul style="list-style-type: none"> ● Consider fraud risks at every stage of the process. For example, ensure delivery of outcomes can be validated and is checked before payment, assess providers' controls before appointment and regularly review how controls are working in practice, and have appropriate channels for investigating fraud cases.¹⁰

Notes

6 See National Audit Office, *The Work Programme*, June 2014.

7 See National Audit Office, *Payment by results analytical framework*, June 2015.

8 See National Audit Office, *Supporting disabled people to work*, March 2019.

9 See National Audit Office, *Contracted out health and disability assessments*, January 2016.

10 See National Audit Office, *Preventing fraud in contracted employment programmes*, May 2012.

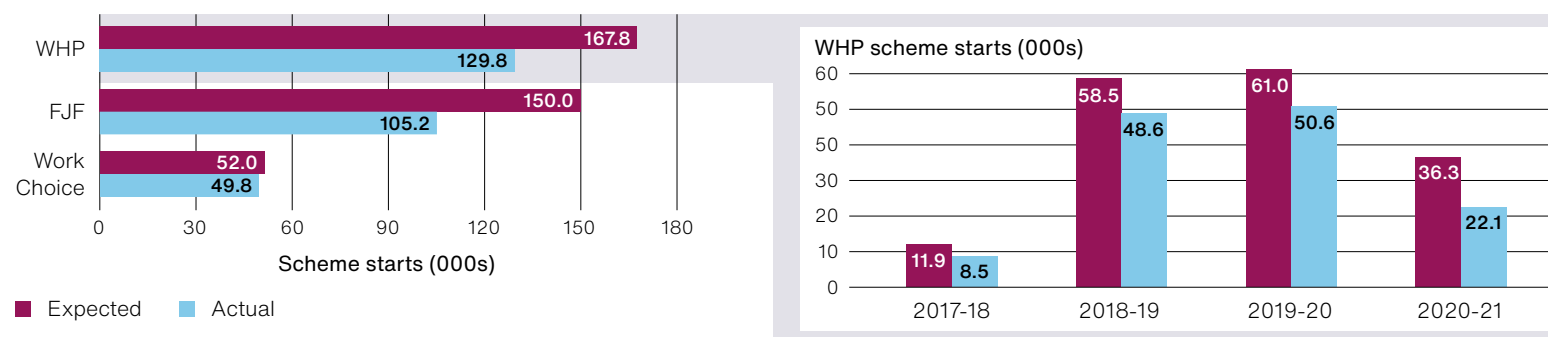
Take-up of the Department's schemes to date (1/2)

The Department faces an ongoing challenge in balancing demand for its employment support programmes with its and providers' capacity to supply them. Predicting demand has been particularly difficult in the context of the pandemic. For example, the Kickstart scheme was designed under the expectation that the furlough scheme would end in October 2020, which has since been extended to September 2021. The second and third national lockdowns affected employer demand and ability to take on young people through Kickstart. The later than expected peak in unemployment may suppress demand for the scheme in the short term.

Figure 12

Expected take-up of the employment support schemes compared with actual starts

Take-up of previous schemes has fallen short of the number of starts that the Department for Work & Pensions expected



Note

1 WHP: Work and Health Programme (2017-18 to 2020-21); FJF: Future Jobs Fund (2009-10 to 2010-11); Work Choice (2016-17 to 2017-18).

Source: National Audit Office analysis of data provided by the Department for Work & Pensions

Case example: take-up of the Work and Health Programme

We reported in March 2019 that the Department had tended to overestimate the take-up of its schemes to support disabled people to work, such as the Work and Health Programme and consequently underspend its budgets. **See National Audit Office report: *Supporting disabled people to work* (March 2019).**

There are several factors influencing supply of and demand for this type of programme:

- Voluntary vs mandatory** – in recent years the Department has moved away from mandating individuals' participation in programmes, which has slowed take-up. The Department believes there are enough eligible people to go on schemes like the Work and Health Programme but that it needs to increase their willingness to engage.
- Building up demand and awareness** – it took time for the Department to build engagement with vulnerable people and to make appropriate referrals.
- Economic context** – a stable economy with less movement in unemployment may make it easier to profile the demand for employment support schemes.

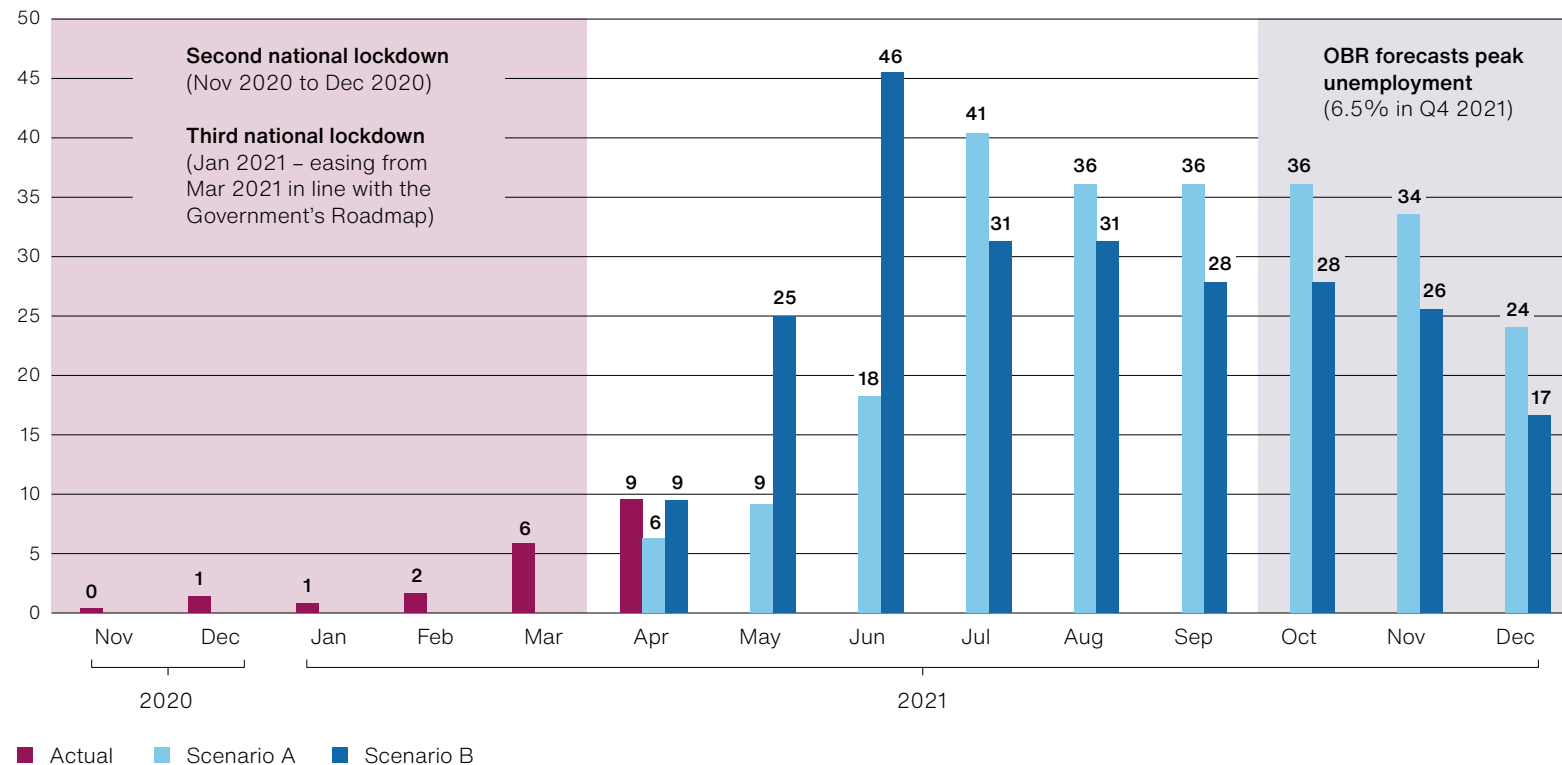
Take-up of the Department's schemes to date (2/2)

Figure 13

Projected starts on the Kickstart scheme under different Departmental planning scenarios

Kickstart scheme starts are expected to peak from the second half of 2021

Kickstart scheme starts (000s)



■ Actual ■ Scenario A ■ Scenario B

Notes

- 1 The Department produced several planning scenarios relating to how Kickstart scheme starts could increase in line with the Government's COVID-19 roadmap out of lockdown. These indicate the profile required to reach 250,000 job starts by the end of December 2021. These scenarios are reviewed and refreshed periodically.
- 2 Office for Budgetary Responsibility forecasts unemployment peaking at 6.5% in Q4 2021 and falling thereafter. Based on the Economic and fiscal outlook – March 2021. Available at: <https://obr.uk/efo/economic-and-fiscal-outlook-march-2021/>

Source: National Audit Office analysis of Department for Work & Pensions' data and Office for Budgetary Responsibility forecast data



The Department's delivery of employment support to claimants through jobcentres and work coaches

How work coaches help people into work

Universal Credit (UC) work coaches are the main point of access to employment support for most people with whom the Department for Work & Pensions (the Department) is in contact. Work coaches have considerable discretion over: the frequency and form of their meetings with the claimant; the support to which they refer or signpost claimants; and expectations set in the claimant's commitments.

The Department's research indicates that work coach support and work search reviews can cut the time people spend out of work and increase their earnings in work.

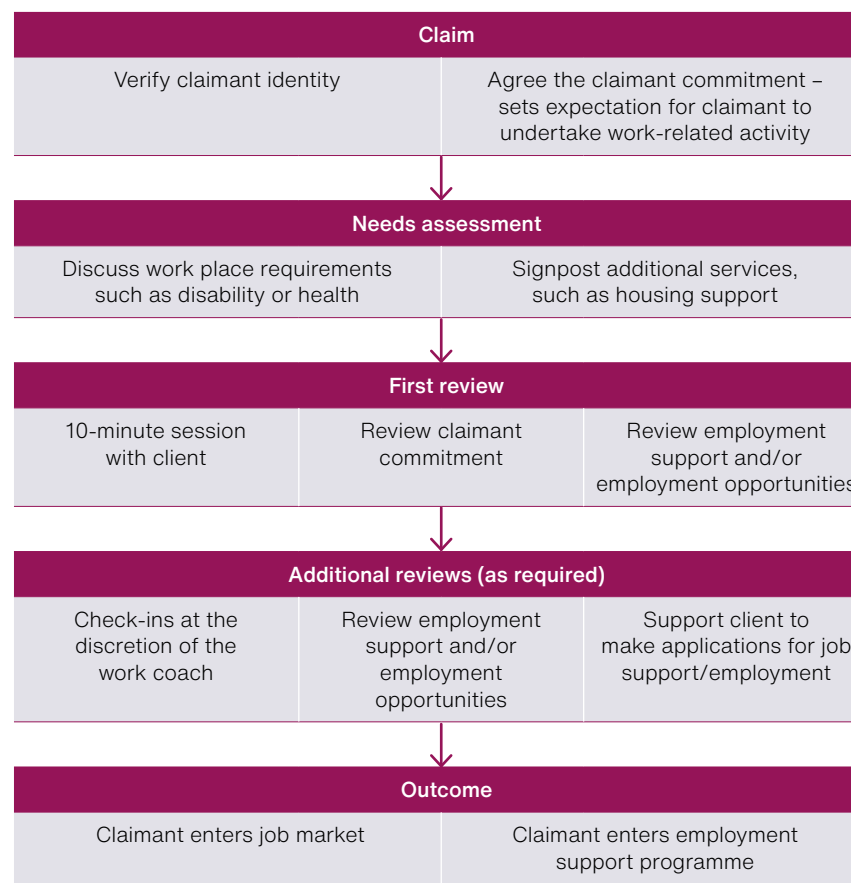
A work coach can also **refer** claimants to:

- a local job opportunity or Kickstart job with employability support;
- the Department's national employment support programmes; and
- local provision from external providers, such as college courses.

They can also **commission** support locally, where there is sufficient demand, using the local Flexible Support Fund.

Work coaches can draw on colleagues in supporting roles such as employment advisers and work coach team leaders, for on-the-job training and support.

Universal Credit customer journey



Challenges

Getting to know clients

Work coaches told us that personal relationships with claimants are vital to getting to know claimants well enough to direct them to appropriate support.

This initial stage can take several meetings, particularly where people have more complex needs or are further from the labour market.

Matching claimants to provision

Work coaches can use the UC system to filter their caseloads to an extent but have continually told us they would like to be able to segment their caseloads more easily, to help match claimants to relevant opportunities. Work coaches can also identify work opportunities by claimants' postcode but cannot currently sort results further by sector or skill requirements.

Quality control

The Department's assurance over the quality of its customer service relies on work coaches' ability to provide the right service to claimants, supported by mechanisms such as observations from team leaders and advice from specialist coaches. The processes are not designed to ensure absolute consistency across every interaction with a customer.

Additionally, much of the data in the UC system, including the claimant commitment and journal, the key digital documents setting out what claimants are expected to achieve and how they are doing it, are written as unstructured text. The Department does not believe it is possible to analyse these key digital documents without reviewing individual cases.

Ensuring the Department has enough well-trained work coaches (1/2)

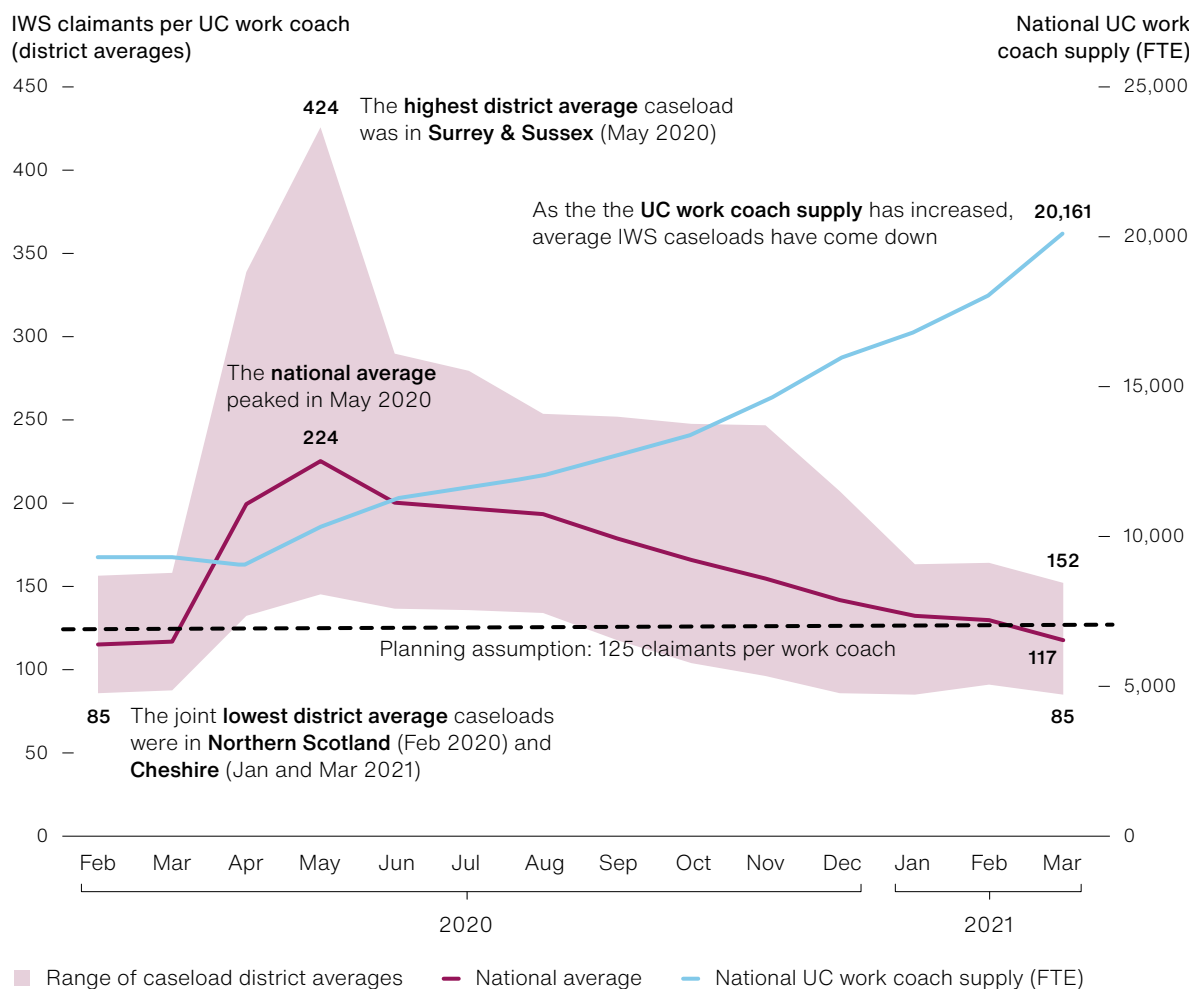
The number of people each work coach is expected to help search for work increased substantially during the COVID-19 pandemic.

By March 2021, Intensive Work Search claimant caseloads in the busiest jobcentres were much higher than the Department's planning assumptions, although others were much less busy. As new work coaches increase the Department's total capacity, average caseloads should fall.

Figure 14

Intensive Work Search claimants per Universal Credit work coach in jobcentre districts across England, Scotland and Wales

Average work coach caseloads vary widely between jobcentre districts. The Universal Credit (UC) work coach supply has doubled since February 2020, and the national caseload average returned below the Department's longer-term planning assumption in March 2021



Notes

- 1 This chart shows the highest and lowest average caseloads for jobcentre districts, and the national average. However, caseloads at the individual jobcentre or work coach level may be significantly higher or lower than these averages.
- 2 'IWS claimants per UC work coach' is used by the Department as an indicator of a fair workload for work coaches. The Department told us that its longer-term planning assumption of 125 IWS claimants per work coach was a "rule of thumb" used in its decision to increase the number of work coaches. It is regularly monitored and reported on internally but is not a primary measure used for jobcentre resourcing decisions, which are made based on a broader range of factors relating to work coach activities and DWP customers.
- 3 The IWS claimant count data that feeds into the IWS claimants per UC work coach district average metric is derived from published statistics (StatXplore).
- 4 The Universal Credit (UC) work coach supply data is the count of full-time equivalents. This includes full UC work coaches and related UC roles, but not work coaches for legacy schemes or support roles such as Disability Employment Advisors. This data is from the Department's internal activity-based management system, which is manually collected and not subject to the same level of scrutiny and validation as the IWS claimant count.
- 5 Figure 14 shows a national average caseload of 115 at February 2020. This is different to our 2020 report, *Universal Credit: getting to first payment*, which stated 125 IWS claimants per work coach at February 2020. This difference is mostly because the work coach data underlying Figure 14 uses a broader definition of work coach. Also the recent claimant count is a mid-month statistic derived from StatXplore, whereas in February 2020 we used a month-end claimant count from the Department's internal data.

Source: National Audit Office analysis of Department for Work & Pensions data

Ensuring the Department has enough well-trained work coaches (2/2)

The Department has met its target of recruiting 13,500 new work coaches, to address the increased demand due to the pandemic. The Department's challenge now is to train and embed new work coaches into the organisation while managing risks to productivity and quality.

Challenge	Status	Future
<p>The Department wanted to recruit an additional 13,500 work coaches. The timeframe for recruitment was short, and it was a considerable increase in staff numbers. For context, in 2019-20, the Department brought in around 2,900 new employees (full-time equivalents).</p>	<ul style="list-style-type: none"> The Department met its 13,500 additional work coaches target in March 2021. Most are on temporary contracts to provide the Department with flexibility in its future planning. New work coaches build up their caseloads gradually as they increase their experience. 	<ul style="list-style-type: none"> There remains uncertainty about the impact of the end of furlough on the labour market. This will affect the demand for work coaches and the size of their caseload.
<p>Work coaches need to be trained and embedded into the organisation. Work coaches may not have previous experience.</p>	<ul style="list-style-type: none"> In addition to the increase in work coaches, the Department is also recruiting 1,150 (mostly temporary) new team leaders to manage them. The Department has developed training with a blend of desk-based training, mentoring and work-shadowing. Regional managers also have an important role developing their teams. 	<ul style="list-style-type: none"> Embedding so many people into the organisation quickly is challenging and may be more difficult given the need for remote working.
<p>The new work coaches will require additional office space. The existing estate is at full capacity, and COVID-19 social distancing rules have come into force.</p>	<ul style="list-style-type: none"> The Department is exploring a number of options where increased demand is expected, including opening temporary premises, optimising existing estate, and looking to other organisations. As of 14 May 2021 the Department had published details of 111 new leases signed on temporary premises. 	<ul style="list-style-type: none"> All offices will need to be socially distanced to meet COVID-19 regulations. This will reduce capacity of the estate. The Department told us that some staff have expressed concern about returning to the office due to COVID-19, although most are happy to return.
<p>There will be a knock-on effect to other areas of the business. The recruitment of work coaches means that the Department cannot fully resource other business areas.</p>	<ul style="list-style-type: none"> The Department agreed with ministers to prioritise the recruitment of work coaches and to pause recruitment elsewhere in the business. The Department has now started to recruit for other positions within the business. 	<ul style="list-style-type: none"> It will take continued recruitment effort to maintain supply and backfill attrition.
<p>The quality of the service needs to be maintained. The Department does not collect data centrally on the quality of claimant commitments made by work coaches. We have previously found that the Department cannot readily assess the quality of service over time and across locations. The Social Security Advisory Committee has also found inconsistency in the treatment of claimants' commitments.</p>	<ul style="list-style-type: none"> The Department told us it has appointed new directors with monitoring responsibilities. 	<ul style="list-style-type: none"> The Department needs to ensure there are processes in place to monitor the work coach process and quality of services.

How the Department assures work coach quality

Universal Credit work coaches have considerable discretion to support claimants, including discretion over the frequency and form of their meetings with the claimant, the support to which they refer or signpost claimants, and how they respond to claimant journal entries. We have previously found that the Department cannot readily know if policies are being applied consistently over time, or between jobcentres. The Department has provided an updated picture of how it assures itself over the quality of service provided by work coaches.

What we found in our 2019 report *Supporting disabled people to work*

We found in our 2019 report *Supporting disabled people to work* that the Department's approach meant it was inherently impossible to know if policies are being applied consistently by work coaches over time, or between jobcentres. At the time of the study, the Department aimed to gain assurance on the quality of its coaching and customer service in the ways shown below:

Local observations

The Department used line managers' and peer reviewers in each jobcentre, with each jobcentre using its own quality assurance framework to assess the quality of service. The Department did not centrally collate or track these observations.

Escalation and independent reviews of quality

The Department told us it expects front-line staff to report any quality issues with their coaching to managers, and these are then escalated through its National Quality Forum. The National Quality Forum was made up of area directors, the central operations team, and the quality lead from each jobcentre. There had been no central reviews of service quality in jobcentres.

National management information

The Department told us it was developing management information based on the factors that most influence the outputs and outcomes it was seeking to control, such as timeliness of payments, labour market outcomes, appeals and customer contact. At the time of our report, management information was set up for payment timeliness and customer contact with non-disabled people.

Following our report, the Social Security Advisory Committee (SSAC) reported on the effectiveness of the claimant commitment in Universal Credit in September 2019.

The SSAC recommended that the Department should develop a more rigorous approach to ensure that discretion is applied fairly and systematically, and that the Department should act to understand why (and where) claimant commitments were not regularly reviewed.

The SSAC also echoed the National Audit Office report *Supporting Disabled People to Work* recommendation for the use of a framework for work coaches to apply discretion.

In response to the NAO and SSAC reports, the Department told us it has sought to strengthen its oversight of the quality of its work coaches work. It has developed:

Service Delivery Framework

The Department developed a service delivery framework which sets out the service expectations for jobcentres and the requirements for how they deliver their services. It provides information on why these expectations are set, and ways that jobcentre leaders and work coaches should implement the expectations.

Guidance for leaders to conduct staff observations

The Department produced an *Assessing the Customer Experience* guide and an observation template to help work coach and case manager team leaders assess work coach performance through observation. These observations are not centrally recorded.

Leader Assurance Strategy

The Department has set out an assurance strategy based on targeting events or changes in circumstances that fall into an identified risk area. This includes ensuring that self reported earnings or private rented housing costs were recorded correctly. Such "technical" assurance outcomes are recorded in a central database. The Department also provided a framework of questions that jobcentre leaders can use to ensure that work coaches are performing to a high quality. The Department told us that it believes that moving "as much assurance activity as possible into the line" will help it to become a continuously learning organisation, meaning an increased assurance role for team leaders.

Improved labour market management information

The Department told us that it now has the following management information that it uses to assess quality of work coach services:

- deployment of work coaches, and the characteristics of caseloads;
- interventions undertaken and employment support provided; and
- outcomes into employment (people moving in and out of work at a jobcentre site, district or national level).

Service Optimisation Team

The Department has a service optimisation team who will "conduct analysis, case reviews and research directly with teams to understand what is happening and why".

Transformation of the work coach learning journey

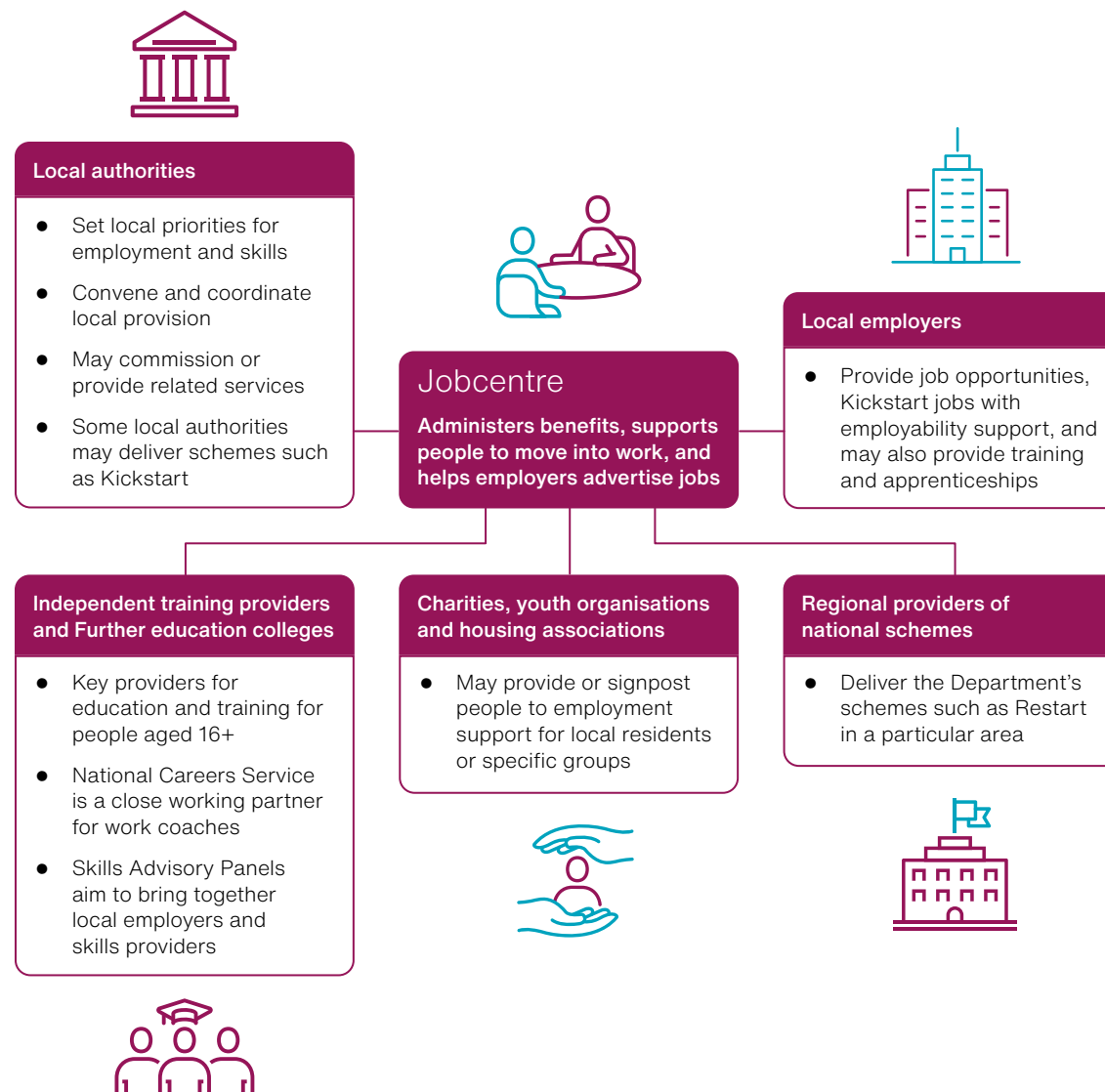
The Department told us it had updated the work coach learning journey to focus on continuous learning and consolidating work coach knowledge, and had consulted internally and with external experts to develop the new learning journey. The Department also told us it has developed a leader upskilling programme.

How the Department and jobcentres work with partners locally (1/3)

The Department's regional and local teams engage with local partners to understand the range of services available and match claimants to the right support.

Local partners have a key role in identifying local needs and setting local priorities and may also provide some of the Department's national programmes such as Kickstart.

Examples of key local partners






Case example: Department Youth Hubs

- Youth Hubs aim to help young people make connections into local support and work opportunities. They offer services including wellbeing, mental health, housing and personal budgeting support.
- They are co-located in the premises of the Department's partners or offered digitally.
- The hubs work with multiple partners including youth organisations, community centres, training and skills providers and libraries.
- Young people can be referred to by work coaches or they can drop in where premises allow.
- The Department is expecting to roll out more than 100 hubs across the country, with at least one hub in every Jobcentre Plus district.




How the Department and jobcentres work with partners locally (2/3)

The Department has a number of forums and tools to support engagement with local partners. This includes engagement with mayoral combined authorities and local partnership working through its regional and local jobcentre structures.

The Department national level	Jobcentre regional level	Individual jobcentres
Plans 	Place-based plan Lists jobcentre commitments and actions with partners against these.	Complex needs plans Plan of support for claimants with complex needs arising from personal circumstances – life events or health issues, for example.
Tools 	Universal Credit system The UC system (known as 'the build') records information on claimants.	District provision tool A database of national and local provision, hosted on the Department's intranet site. The Department told us it is working to improve the district provision tool which it considers can be cumbersome to use.
Key staff and teams 	Locally developed tools Some jobcentres also have their own databases of local provision.	Service leaders Responsible for running jobcentres across a region. They aim to build strong relationships and collaborate with local partners.
Places team Responsible for bringing an increased place-based focus to the Department's labour market policies – for example, working with Kickstart colleagues and local partners, such as mayoral combined authorities to encourage employers to create placements for young people, aligning with wider government initiatives for devolution, and building on the strong working relationships our jobcentre leaders have built with local partners.	Partnership managers Responsible for developing and maintaining partnerships with local authorities and other stakeholders at a local level.	Individual work coaches and advisers Support UC claimants into work by providing coaching, agreeing claimants' commitments setting out what they are expected to achieve, and regular reviews. Specialist advisers such as disability employment advisers support work coaches.

How the Department and jobcentres work with partners locally (3/3)

Local authorities we spoke to value their relationship with the Department and particularly local jobcentres highly, but also identified some areas where partnership working could be developed further.

Theme	Examples of processes local authorities considered worked well	Examples of processes local authorities suggested could be developed further
 <p>Local engagement with the Department's national programmes and strategic decision-making</p>	<p>The Department included a number of local authorities in the process of reviewing contractors' bids for the Restart programme, helping to assess how the bid fits with local priorities.</p> <p>A combined authority noted positively that mayoral arrangements provided the ability to discuss national issues with the Department.</p>	<p>Greater opportunities to be involved with the design and commissioning of the Department's national programmes at an early stage.</p> <p>Clarity on whether the Department knows if its national employment support provision met local priorities.</p> <p>More formal partnerships with local authorities, for example to identify local priorities and map services.</p>
 <p>Communication and flow of information</p>	<p>Several local authorities reported that they had positive relationships with their local jobcentres and partnership managers.</p>	<p>Clarifying links between employment and skills provision nationally, as local authorities felt they had to attempt to integrate these locally.</p> <p>Being informed in advance of changes to the Department's central policy, including the launch of new national programmes, so local authorities can ensure their own provision complements and does not duplicate the Department's.</p> <p>More consistent engagement with the Department, less reliant on individual staff relationships.</p>
 <p>Data on the totality of local provision</p>		<p>Data-sharing by the Department, such as lists of provision locally or local take-up of schemes such as Kickstart. The Department does not currently share the district provision tool with local partners such as local authorities, or collate plans nationally. One local authority told us they had commissioned work to gather this information from the Department's providers.</p>

Source: National Audit Office roundtable discussions with seven local authorities



Appendices

Appendix One: Our briefing approach and methodology (1/2)

We **analysed data** from:

- the Department for Work & Pensions (the Department) on benefit claimants rates;
- the Office for National Statistics Labour Force Survey on employment and unemployment, including unemployment among different groups; and
- HM Revenue & Customs on payrolled employees and the Coronavirus Job Retention Scheme.

In reviewing data, we considered technical notes and other statements from the data producers on challenges in collecting the data and caveats around its use in the pandemic. We have summarised some of the key challenges on page 17 and, where relevant, in notes to figures that draw on the data.

We **reviewed key documents** such as:

- scheme business cases;
- evaluation plans;
- analysis and research showing how the Department monitors the labour market; and
- documents and online tools jobcentre staff use to set out local priorities and plan local interventions, such as place-based plans and district provision tools.

We **interviewed Department officials** to understand the Department's objectives for employment support, how it developed its interventions in response to the pandemic, how individual schemes will be delivered, and its plans to evaluate the schemes' impact. We also **spoke to some regional managers (service leaders), work coaches and employment advisers** to understand how they help claimants into work and the challenges they face in doing so.

We **interviewed officials from other government departments** to understand their perspectives on labour market interventions and how they engaged with the Department. We also **held a roundtable discussion with seven local authorities** to understand their perspective on these issues.

We reviewed our past National Audit Office (NAO) reports on Universal Credit (UC) and on employment support and related schemes to identify key findings and risks that present in delivering employment support schemes. Key past NAO reports include:

- *Universal Credit: getting to first payment*, July 2020;
- *Supporting disabled people to work*, March 2019;
- *Train to Gain: Developing the skills of the workforce*, July 2009;
- *The apprenticeships programme*, March 2019;
- *The introduction of the Work Programme*, January 2012 and *The Work Programme*, June 2014;
- *Gaining and retaining a job: the Department for Work and Pensions' support for disabled people*, October 2005;
- *The Work Programme*, June 2014; and
- *Payment by results analytical framework*, June 2015.

Appendix One: Our briefing approach and methodology (2/2)

Important notes on data in this report

Important note 1: data from the Labour Force Survey

The Office for National Statistics (ONS) notes that Labour Force Survey (LFS) responses are weighted to official population projections. As the current projections are 2018-based, they are based on demographic trends that pre-date the COVID-19 pandemic.

The ONS states that rates published from the LFS remain robust; however, levels and changes in levels should be used with caution. This will particularly affect estimates for country of birth, nationality, ethnicity and disability.

Due to the COVID-19 pandemic, all face-to-face interviewing for the LFS was suspended and replaced with telephone interviewing. This has changed the non-response bias of the survey, affecting interviews from March 2020 onwards. The ONS introduced new weighting methodology, controlling for tenure, from March 2020 onwards to help deal with this bias.

On 17 May 2021, the ONS announced that the population data used to produce labour market estimates was being updated to better reflect changes in international migration and other impacts as a result of the COVID-19 pandemic. The ONS plans to use information from the payroll tax system to provide improved population weights for labour market estimates from 2020. The ONS plans to apply the new weighting from July 2021, and revised weights will be applied to LFS data from January to March 2020 onwards.

Important note 2: the Claimant Count and the Alternative Claimant Count

Since 2013, the Department has produced an Alternative Claimant Count (ACC) series. The ACC is a metric designed to recognise that under UC more people are required to look for work than under Jobseeker's Allowance (JSA). It measures the number of people claiming unemployment benefits by modelling what the count would have been had UC been in place since 2013.

Since June 2015, the previous Claimant Count statistics have been designated as experimental, due to the impact of UC on the claimant count. The experimental claimant count measures people in receipt of unemployment benefits. This includes JSA and some UC claimants. The UC claimants included are those recorded as not in employment (May 2013–April 2015); and those who are required to search for work, that is: within the conditionality regime defined by the Department (from April 2015 onwards). The Claimant Count rate is calculated using the total Claimant Count and total workforce jobs.

Under certain circumstances, some people are able to claim both contribution-based JSA and UC at the same time. The ONS does not currently have timely enough information to identify these individuals prior to producing the Claimant Count. Consequently, there has been a small amount of double counting. Information from the Department suggests this double counting increased at the start of the pandemic and has stabilised at 1.0% to 1.5% of the Claimant Count. The ONS is monitoring this.

Appendix Two: The Department's main employment support programmes (1/4)

Employment scheme	Who the scheme aims to support	Voluntary or mandatory	Geographical coverage of the scheme	How many people the scheme aims to help	Support offered	How the support is offered	Start and end date	People supported
Kickstart	16–24 year olds on Universal Credit (UC)	Voluntary	England, Scotland and Wales	250,000	Creation of additional jobs with employability support that will provide employment for at least 25 hours per week for six months.	Grant funding	Sep 20 – Dec 21	16,500 (as at 22 April 2021)
Youth Offer (covers Youth Employment Programme, Youth Hubs and Youth Employability Coaches)	18–24 year-old UC claimants within Intensive Work Search (IWS) regime 16–17 year-olds can access youth hubs on a drop-in basis	Youth Employment Programme is mandatory	England, Scotland and Wales	Demand-led	Youth Employment Programme offers 13 weeks of labour market support with referrals to the most appropriate work-related support. Youth hubs offer support alongside partners and youth employability coaches offer specialist support for those with complex barriers to work.	Through work coaches in job centres and youth hubs	Sep 2020 – ongoing	Estimated to be 166,000 between Sep 2020 and Mar 2021
Access to work	Disabled people or those with a health condition	Demand-led, discretionary grant	England, Scotland and Wales	Demand-led	Grant to cover costs of practical support in the workplace such as specialist equipment or transport costs.	Contracted out	Holistic contracts end Jun 2023; Mental Health contracts end Aug 2022	Around 350,000 people received a payment for Access to Work provision between Apr 2009 and Mar 2020
Intensive Personalised Employment Support (IPES)	Disabled people with complex barriers to employment	Voluntary	England and Wales	10,000 over four years	Up to 21 months' support with six months' intensive in-work support when they find a job.	Regional contracts	Dec 2019 – Nov 2023	Around 3,100 to 28 Feb 2021
Work and Health Programme	Disabled people, the long-term unemployed, and other disadvantaged groups such as ex-carers and ex-armed forces	Voluntary – unless out of work and claiming unemployment benefits for 24 months	England and Wales	275,000	Up to 15 months of out-of-work support and up to six months' in-work support.	Contracted out. In London and Manchester delivery has been contracted out to the local authorities	Nov 2017 – Nov 2022, with an option to extend by two years	134,000 starts to 30 Nov 2020

Appendix Two: The Department's main employment support programmes (2/4)

Employment scheme	Who the scheme aims to support	Voluntary or mandatory	Geographical coverage of the scheme	How many people the scheme aims to help	Support offered	How the support is offered	Start and end date	People supported
Restart	Long-term unemployed (12–18 months)	Post-referral, Restart is mandatory for UC IWS claimants unemployed for 12–18 months	England and Wales	More than one million	Tailored support to help participants into sustained employment and lasts for 12 months.	Regional contracts	Jun 2021 – Jun 2024	Scheme goes live in Jun/Jul 2021
Job Finding Support	People out of work for up to 13 weeks	Voluntary	England, Scotland and Wales	160,000	Online job finding service for those who do not need significant help with finding a job.	Single national contract	Jan 2021 – Jan 2022, with the option to extend by one year	9,100 starts at 30 Mar 2021
Jobs Entry: Targeted Support (JETS)	People out of work and claiming UC or JSA for at least 13 weeks	Primarily voluntary but with the option to mandate	England and Wales, with a separate scheme in Scotland	286,000	Light-touch back-to-work support for up to six months.	Regional contracts	Oct 2020 – Oct 2021, with the option to extend by one year	85,000 starts at 30 Mar 2021
Sector-based Work Academy Programme (SWAPs)	SWAPs aims to fill vacancies in sectors where there is a strong demand for workers	Voluntary – although some conditionality may apply once accepted onto the scheme	England and Scotland	40,000 in 2020-21 80,000 in 2021-22	Up to six weeks during which the person will be given pre-employment training; a work experience placement; and a guaranteed job interview to fill a current job or apprenticeship vacancy.	Partnership between the Department, local training providers (funded by the Adult Education system) and employers	Originally launched in 2011 but revamped in Jul 2020. No end date currently	64,500 people supported between Apr 2020 and Mar 2021
New Enterprise Allowance (NEA) Extension	Unemployed people wanting to start their own business and some UC claimants with existing businesses whose earnings fall below the minimum income floor	Voluntary	England, Scotland and Wales	1,500 per month	Guidance and support for claimants to develop their business plan or growth plans for existing businesses. Viable new businesses may also access financial support.	Regional contracts	Apr 2011 – Mar 2021 (but contracts set to be extended)	254,000 starts on NEA by 237,000 individuals as of Jun 2020; 140,000 businesses set up through the NEA programme by 137,000 individuals as of Jun 2020

Appendix Two: The Department's main employment support programmes (3/4)

Employment scheme	Who the scheme aims to support	Voluntary or mandatory	Geographical coverage of the scheme	How many people the scheme aims to help	Support offered	How the support is offered	Start and end date	People supported
Flexible Support Fund	In receipt of a qualifying benefit	Discretionary fund with no direct link to conditionality	UK	No target – discretionary use	Local discretionary funding jobcentres can use to remove barriers to work.	Discretionary non-repayable payment	2011 – ongoing	N/A, given the nature of fund
Find a Job	All jobseekers looking for work	Not mandated but a claimant may complete mandatory work search requirements using Find a Job	England, Scotland and Wales	No target	Employers can advertise vacancies for free. Jobseekers can search and apply for vacancies.	Contracted	May 2018 – ongoing (contract extended to Apr 2022)	280,000 active users (90 days up to Mar 2021)
Job Help	All jobseekers looking for work	N/A	England, Scotland and Wales	No target	Free-to-access website to support people in challenging labour market conditions since COVID-19.	Government Digital Service own the website	Apr 2020 – ongoing	Not applicable
European Social Fund	Long-term unemployed, people with multiple barriers, socially excluded	Voluntary	England	2.3 million over seven years	Support is tailored to individual need to maximise potential to overcome barriers to entering and remaining in employment, progressing in work or tackling social inclusion barriers. Projects typically last 2–3 years.	<ul style="list-style-type: none"> Grant funding Co-financing between the managing authority and organisations 	2014 – 2020	1.4 million people in England between Jan 2015 and 31 Dec 2020

Appendix Two: The Department's main employment support programmes (4/4)

Employment scheme	Who the scheme aims to support	Voluntary or mandatory	Geographical coverage of the scheme	How many people the scheme aims to help	Support offered	How the support is offered	Start and end date	People supported
20 Challenge Areas	People from an ethnic minority	Voluntary	20 areas within England, Scotland and Wales with a high ethnic minority population and high gap between the ethnic minority and white employment rate	Demand-led	Tailored support which could include removing barriers to work, referral to provision or mentoring circles.	Through work coaches in the areas concerned.	Developed from 2017 Race Disparity Audit – ongoing	No numbers available. The Department explained that the number of people supported may differ in each challenge area.
Mentoring Circles	All 16-24 year olds claiming benefits	Voluntary	England, Scotland and Wales	No target	Access to local and national employer-led sessions, supporting groups to build employability skills and prepare for work search activities. These can be targeted by jobcentres to local need, for example: minority ethnic groups; or young people experiencing similar barriers to work.	Through Jobcentre Plus teams	Originally launched in 2018 for challenge areas and extended more widely on 17 Jan 2019	630 mentoring circles, attended by 4,400 people from Jul 2019 to Jan 2020.

Notes

- 1 This table is based on information provided by the Department on its employment support provision. There may be further schemes administered by the devolved authorities in other areas of the UK.
- 2 Qualifying benefits for the Flexible Support Fund: Jobseeker's Allowance, Income Support, Incapacity Benefit, Employment and Support Allowance, Universal Credit, Carer's Allowance, Severe Disablement Allowance and Pension Credit.
- 3 Dates reflect when schemes are open to new participants. The support will extend beyond this timeframe for individuals registered within these dates.
- 4 Figures on number of people supported have been provided by the Department.

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