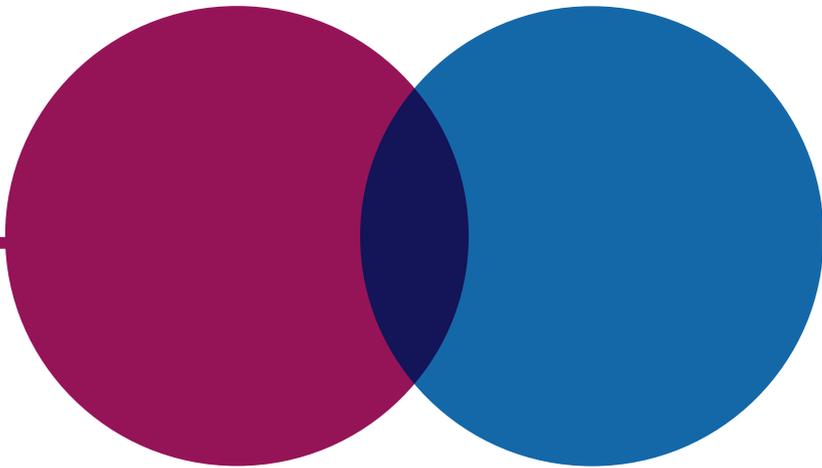




National Audit Office



REPORT

# Supporting people to work through jobcentres

Department for Work & Pensions

---

SESSION 2024-25  
31 MARCH 2025  
HC 769



We are the UK's independent public spending watchdog.

We support Parliament in holding government to account and we help improve public services through our high-quality audits.

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2023, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £1.59 billion. This represents around £17 for every pound of our net expenditure.



National Audit Office

# Supporting people to work through jobcentres

**Department for Work & Pensions**

---

## **Report by the Comptroller and Auditor General**

Ordered by the House of Commons  
to be printed on 27 March 2025

This report has been prepared under Section 6 of the  
National Audit Act 1983 for presentation to the House of  
Commons in accordance with Section 9 of the Act

---

**Gareth Davies**  
**Comptroller and Auditor General**  
**National Audit Office**

**19 March 2025**

## Value for money reports

**Our value for money reports examine government expenditure in order to form a judgement on whether value for money has been achieved. We also make recommendations to public bodies on how to improve public services.**

The material featured in this document is subject to National Audit Office (NAO) copyright. The material may be copied or reproduced for non-commercial purposes only, namely reproduction for research, private study or for limited internal circulation within an organisation for the purpose of review.

Copying for non-commercial purposes is subject to the material being accompanied by a sufficient acknowledgement, reproduced accurately, and not being used in a misleading context. To reproduce NAO copyright material for any other use, you must contact [copyright@nao.org.uk](mailto:copyright@nao.org.uk). Please tell us who you are, the organisation you represent (if any) and how and why you wish to use our material. Please include your full contact details: name, address, telephone number and email.

Please note that the material featured in this document may not be reproduced for commercial gain without the NAO's express and direct permission and that the NAO reserves its right to pursue copyright infringement proceedings against individuals or companies who reproduce material for commercial gain without our permission.

Links to external websites were valid at the time of publication of this report. The National Audit Office is not responsible for the future validity of the links.



# Contents

**Key facts** 4

**Summary** 5

**Part One**

The system for supporting people to work through jobcentres 12

**Part Two**

Demand for, and supply of, support through jobcentres 21

**Part Three**

Performance of jobcentres 34

**Appendix One**

Our audit approach and evidence base 43

This report can be found on the National Audit Office website at [www.nao.org.uk](http://www.nao.org.uk)

If you need a version of this report in an alternative format for accessibility reasons, or any of the figures in a different format, contact the NAO at [enquiries@nao.org.uk](mailto:enquiries@nao.org.uk)

The National Audit Office study team consisted of:

Charlie Acton, Lloyd Astley, Araz Enayati Rad and Mark Parrett, with assistance from Jayden Elliott, Ruby Holley, Aimee Mather, Isaac Ruhinda and Jack Walmsley, under the direction of Laura Brackwell.

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](http://www.nao.org.uk)

 @NAOorguk

## Key facts

**1.6mn**

number of Universal Credit (UC) claimants in the Intensive Work Search category, who receive the most support from jobcentres, in October 2024

**2,100  
(10.9%)**

shortfall of work coaches (number and percentage) against the Department for Work & Pensions' (DWP's) estimate of need in the first six months of 2024-25

**8.2%**

average monthly into-work rate in 2023-24 for UC claimants in the Intensive Work Search category, a reduction from 9.7% in 2021-22

**646**

number of jobcentres across Great Britain in January 2025

**£1.2 billion**

DWP's spending on jobcentres in 2023-24 (excluding estates, digital and other corporate costs)

**80%**

the government's long-term ambition for the employment rate, which has been around 75% for people aged 16 to 64 since mid-2020

**57%**

proportion of jobcentres that used flexibilities allowed by DWP to manage their workload, by reducing the support they provide for UC claimants when their caseload per work coach is high, from September 2023 to November 2024

**5.5% to 10.8%**

range in average monthly into-work rates for the 37 DWP jobcentre districts, from December 2023 to November 2024

# Summary

**1** The Department for Work & Pensions (DWP) aims to help people move into work and to support those already in work to progress, with the aim of increasing overall workforce participation. Its outcome delivery plan for 2023 to 2025 included an objective to maximise employment, reduce economic inactivity, and support the progression of those in work.

**2** DWP relies on its jobcentres to help people seeking employment or wanting to progress in work. In January 2025, there were 646 jobcentres across Great Britain, organised into seven regions and 37 districts. In 2023-24, DWP spent £1.2 billion on jobcentres (excluding estates, digital and other corporate costs). Staff costs comprised 93% of this total. Within each jobcentre, work coaches play a critical role working directly with Universal Credit (UC) claimants to identify their needs and provide support.

**3** UC is a benefit to help with living costs, paid to people who are out of work, who cannot work or who have a low income. In October 2024, there were 7.2 million people claiming UC. Of these, 2.5 million were below the earnings threshold where DWP can impose conditions on their UC claim – 1.6 million in what DWP calls the ‘Intensive Work Search’ category and 0.9 million in the ‘Light Touch’ category. Conditions can include undertaking a specified number of hours of activity to prepare for and look for work, and meeting with a work coach regularly.

**4** In November 2024, the new government published a white paper, *Get Britain Working*, which set out its plans for reforming employment support, including the role of jobcentres.<sup>1</sup> Its aims include “bringing together skills and health to get more people into work and to get on in work”.

## Focus of our report

**5** The purpose of this report is to set out the facts about how jobcentres support people to work in order to inform public debate and support scrutiny of the implementation of the government’s reforms. Our work was not designed to assess the value for money of DWP’s spending on jobcentres. The report sets out:

- the system for supporting people to work, including explaining what jobcentres do and the support they provide to UC claimants (Part One);
- the demand for, and supply of, support through jobcentres, including whether DWP has enough work coaches to meet demand (Part Two); and
- the performance of jobcentres (Part Three).

Details of our audit approach and evidence base are set out in Appendix One.

<sup>1</sup> HM Government, *Get Britain Working*, CP 1191, November 2024.

## **Key findings**

The system for supporting people to work through jobcentres

**6 The network of 646 jobcentres across Great Britain is DWP's main mechanism for supporting UC claimants to work.** DWP expects its jobcentres to provide tailored advice and support to help UC claimants move into work and progress. Jobcentres are also involved in administering UC and other working-age benefits, and monitoring whether claimants are meeting the conditions of the benefits they are receiving. Work coaches at jobcentres have a range of options available to support claimants. As well as providing advice and support, work coaches can refer claimants to DWP's employment support programmes and to job opportunities and support provided locally by organisations such as local authorities, training providers and colleges. Jobcentres can also provide claimants with financial support to help with the costs of, for example, clothing and travel to attend interviews (paragraphs 1.2 to 1.5, and Figure 1).

**7 DWP tailors the support its jobcentres provide to UC claimants, based on their earnings and personal circumstances.** DWP uses six labour market categories to determine the level of support a UC claimant receives and the activities they may be required to complete. Three of the categories are based on claimants' earnings. DWP places people with the lowest earnings into the Intensive Work Search category and requires them to undertake work-related activities. The other three categories are based on claimants' personal circumstances, such as whether they have caring responsibilities or a health condition that limits their capacity to work. DWP requires its jobcentres to provide a nationally consistent, centrally defined service that it judges will maximise employment and earnings for UC claimants. Its model focuses on supporting UC claimants in the Intensive Work Search category through regular meetings with their work coach, comprising weekly meetings for the first 13 weeks of a person's claim and either weekly or fortnightly meetings after 13 weeks (paragraphs 1.9 to 1.11, and Figure 3).

**8 There are limitations in the evidence base for DWP's model for supporting claimants to work, with its most recent evaluation dating from 2015.** DWP designed its central support model based on evaluations that assessed the impact of adjusting aspects of the meetings between claimants and work coaches. These evaluations were randomised control trials undertaken from 2005 to 2015. They focused on Jobseeker's Allowance claimants and did not cover claimants of UC, which had not been rolled out nationally at that time. The evaluations also focused on the number of days claimants were off Jobseeker's Allowance rather than their earnings while in work. At the time of our work, DWP had ongoing work to enhance its evidence base and explore the impact of potential changes to its support model. It is testing the impact of alternative communication channels (telephone and video) and of reducing the frequency of meetings (paragraphs 1.12 to 1.14).

**9 The new government’s plans for reforming employment support include creating a jobs and careers service, bringing together jobcentres with the National Careers Service in England.** The government intends that the new jobs and careers service will “prioritise providing genuine support for people over monitoring compliance and benefits administration”. Its November 2024 white paper set out that the new service will have objectives which focus on:

- employment – supporting a reduction in unemployment nationally and reducing regional disparities in unemployment rates;
- earnings – enabling individuals to make informed choices about their careers, including helping them to boost their skills and move into higher-paid, higher-quality and more productive work, and supporting economic growth; and
- engagement – providing a universal service, not just support for benefit recipients.

The government has allocated £55 million in 2025-26 for investment in new digital prototypes and tests and trials of elements of the jobs and careers service. It described the plans set out in the white paper as the first steps to delivering its long-term ambition to achieve an 80% employment rate (paragraphs 1.15 to 1.18).

Demand for, and supply of, support through jobcentres

**10 The number of UC claimants in categories where DWP could require them to receive support from a work coach increased from 2.6 million in October 2023 to 3.0 million in October 2024.** The scale of support needed depends on the number of UC claimants in DWP’s various labour market categories. In October 2024, DWP could require a total of 2.5 million claimants, based on their earnings, to receive significant support from a work coach – 1.6 million in the Intensive Work Search category and 0.9 million in the Light Touch category. It could also require a further 0.5 million claimants, based on their personal circumstances, to receive some support from a work coach to help them prepare to return to work. The number of claimants in the Intensive Work Search category rose after DWP increased the earnings threshold it applies – the majority of work coach resource is spent supporting claimants in this category. The number of claimants with no work-related requirements (including people with health conditions and disabilities) stood at 2.9 million in October 2024 (paragraphs 1.10 and 2.5 to 2.7, and Figure 4).

**11 DWP has not had enough work coaches to meet the expected demand for jobcentre support in the past three years, with shortfalls in five of its seven regions in 2023-24.**

DWP models the expected demand for support to determine the number of work coaches it needs for service delivery. In 2022-23, on average, DWP had 2,300 (13.2% of total demand) fewer work coaches than it estimated it needed. This shortfall decreased to 1,400 (8.6%) in 2023-24 before increasing to 2,100 (10.9%) on average in the first six months of 2024-25. Five of DWP's seven regions had a shortfall of work coaches in 2023-24, with the largest percentage shortfall in Southern England (382 work coaches, 12.3% of those needed). The shortfall in work coaches was due to a combination of factors including funding and challenges with recruiting and retaining staff. Overall, DWP secured funding for fewer work coaches than it estimated it needed to meet demand. For the first six months of 2024-25, it assessed it would need on average 18,900 work coaches but had funding for between 17,600 and 18,000 (paragraphs 2.2 and 2.8 to 2.12, and Figures 5 and 6).

**12 To help manage the shortfall in work coaches, DWP has prioritised supporting UC claimants in the Intensive Work Search category, who totalled 1.6 million in October 2024.**

In implementing measures to deal with the shortfall in work coaches, DWP aims to maximise the number of people it supports into work while minimising any adverse impact on levels of benefit expenditure and fraud and error. For example, there is a risk that less frequent interactions with claimants may lead to higher expenditure as claimants will spend more time on benefits, or increased fraud and error because work coaches will have fewer opportunities to check, for example, whether claimants' circumstances have changed. DWP had to obtain approval from HM Treasury for changes to help manage shortfalls in work coaches that involved a potential impact on benefit expenditure. DWP has focused its support on claimants in the Intensive Work Search category, maintaining their weekly and fortnightly meetings with work coaches. It postponed its plans to introduce conditions for claimants in the Light Touch category, which would have meant these claimants meeting regularly with a work coach. It estimated that postponing the change meant it would need 900 fewer work coaches in 2024-25 than it would otherwise have done. DWP has also made changes to processes in order to improve work coach productivity (paragraphs 2.5 and 2.13 to 2.16).

**13 More than half of jobcentres have used flexibilities allowed by DWP to reduce the support they provide for claimants when their caseload is too high.**

DWP has funded jobcentres to operate with a caseload per work coach of around 100 cases in the Intensive Work Search category. In September 2024, at district level, average caseload ranged from 67 to 123 cases per work coach. In September 2023, DWP introduced a national framework for local flexibility, which provides jobcentres with guidance on how to prioritise their resources in a consistent way. The framework sets out five measures that jobcentres can implement in order – for example, the first measure involves shortening the first meeting with claimants from 50 to 30 minutes. DWP allows jobcentres to implement measures in the framework if their work coaches have a caseload of more than 110 cases and this position is forecast to continue for at least three months. From September 2023 to November 2024, more than half (57%) of jobcentres used the framework to help manage their workload. DWP is examining whether some of the measures could be made permanent to help manage demand pressures without adversely affecting outcomes for claimants, benefit expenditure or fraud and error (paragraphs 2.17 to 2.21, and Figure 7).

#### Performance of jobcentres

**14 DWP's key performance measure for jobcentres has focused on the proportion of people who move from being out of work into work, but it has not had a target.**

In November 2023, DWP introduced a new performance framework to monitor the operation of its jobcentres. The framework includes six key performance indicators of particular relevance to jobcentres' role in supporting people to work. The only one of the indicators with data held before November 2023 is the into-work rate. This measures, based on earnings, the proportion of UC claimants in the Intensive Work Search category who move into work each month, having not been in work in the previous month. Other indicators cover reducing the risk of long-term worklessness and the proportion of claimants sustaining and increasing their earnings in work. DWP has not set targets for its key performance indicators to indicate the level of performance it is aiming to achieve (paragraphs 3.5, 3.6 and 3.8, and Figure 10).

**15 The proportion of UC claimants in the Intensive Work Search category who move into work each month has declined in the past two years to below pre-pandemic levels.**

The average monthly into-work rate for claimants in the Intensive Work Search category reduced during the COVID-19 pandemic from 8.8% in 2018-19 to 7.2% in 2020-21. The rate then increased to 9.7% in 2021-22, but declined in the following two years, to 8.2% in 2023-24. DWP's analysis suggests that, as well as the impact of relatively weak economic conditions on the labour market, changes in UC claimant volumes and composition may have also contributed to the decline in the into-work rate. For example, more claimants have been in the Intensive Work Search category for a year or longer and their prospects of finding jobs or increasing earnings may be weaker than others (paragraphs 3.8 and 3.9, and Figure 11).

**16 There is substantial variation in performance across DWP's seven jobcentre regions and 37 districts.** The performance of each jobcentre is influenced by a number of factors, including the local labour market, and some variation is to be expected. At regional level, in the 12 months from December 2023 to November 2024, Southern England had the highest average monthly proportion of UC claimants moving into work (8.7%) while London and Essex had the lowest proportion (7.3%). As would be expected, the variation in performance is greater between DWP's 37 jobcentre districts. Birmingham and Solihull had the lowest average monthly into-work rate at 5.5% and Northern Scotland had the highest at 10.8% (paragraphs 3.10 to 3.12, and Figures 12 and 13).

## **Recommendations**

**17** Many factors affect employment outcomes, including national economic conditions, the health of local labour markets, and the skills and demographic characteristics of the labour force. Through its jobcentres, DWP aims to have a positive impact on outcomes by supporting people to work and to progress in work. It is crucial that it secures value for money from its spending on this area, both for the people who need its support and for the country's productivity and economic growth. As it takes forward the government's proposals to create a jobs and careers service and reform the system of employment support, DWP should take the following actions:

- a** Assess the impact of the shortfall in work coaches on jobcentres' ability to provide the intended level of support, and use the findings from this assessment to inform:
  - the design of its future operating model for employment support; and
  - how it will manage the risk of not being able to meet future demand for its reformed services.
- b** Strengthen accountability for, and performance management of, jobcentres, with the aim of maximising their contribution to the government's overall ambition of an 80% employment rate, by:
  - setting out the management information it will use to monitor jobcentres' performance;
  - using the results of its monitoring to identify and share good practice from jobcentres that are performing strongly in order to drive up overall performance; and
  - improving how it measures and reports outcomes, with metrics covering factors such as the sustainability and quality of employment.

- c** Through a comprehensive evaluation programme, build on its evidence base about the effectiveness of its support model, and set out:
  - how its evaluation findings support changes to its services; and
  - its plan to incorporate evaluation throughout the process of making changes to the system of employment support, including through phases of development and testing and through post-implementation review.

# Part One

## The system for supporting people to work through jobcentres

**1.1** This part of the report sets out the system for supporting people to work, including information about jobcentres and the support they provide to claimants of Universal Credit (UC), and outlines the government's plans to reform employment support.

### About jobcentres

**1.2** The Department for Work & Pensions (DWP) relies on its jobcentres to help people seeking employment or wanting to progress in work. Its outcome delivery plan for 2023 to 2025 included an objective to maximise employment, reduce economic inactivity, and support the progression of those in work. To help achieve this objective, DWP expects its jobcentres to offer tailored advice and support to help benefit claimants move into work and progress. Jobcentres also provide support to employers, for example by promoting vacancies.

**1.3** Jobcentres are also involved in administering UC and other working-age benefits, particularly where face-to-face meetings are needed, for example to confirm someone's identity. In addition, jobcentres help to monitor whether claimants are meeting the conditions of the benefit they are receiving.

**1.4** At January 2025, DWP had 646 jobcentres across Great Britain, including 12 temporary ones. During the COVID-19 pandemic, the number of people claiming UC grew rapidly and DWP set up temporary jobcentres to increase its capacity to provide support. The number of temporary jobcentres (including additional temporary space in existing jobcentres) peaked in 2021-22 at 194, and DWP has since been closing them or converting them to permanent sites. DWP organises jobcentres into seven regions and 37 districts. Jobcentres, while of different sizes and run locally, all offer a range of support including access to national employment programmes and local opportunities (**Figure 1**).

**Figure 1**

## How jobcentres in Great Britain support Universal Credit (UC) claimants to work

The Department for Work & Pensions' (DWP's) network of jobcentres is organised into districts and regions, and provides a range of support to help UC claimants across Great Britain look for work and increase their income

**Key engagements between UC claimants and work coaches****An initial meeting to:**

- verify a claimant's identity;
- verify, for self-employed claimants, the nature and viability of their business;
- establish current earnings (if any) and personal circumstances such as employment history, caring responsibilities and health; and
- agree the conditions which the claimant must meet to receive UC such as activity to look for and prepare for work.

**For claimants receiving significant work coach support**

Weekly meetings for 13 weeks followed by either weekly or fortnightly meetings to:

- provide ongoing advice and support to help the claimant look for and apply for work or increase their income; and
- check the claimant is meeting the conditions for receiving UC and potentially apply sanctions (typically a reduction in UC payments) if the conditions have not been met.

**Examples of support options available for UC claimants****Identifying needs and providing advice and support**

– for example, on how to look for work and complete job applications.

**Referrals to DWP's national employment support programmes including:**

- **Youth Offer** – support for eligible UC claimants aged 16 to 24 to develop the skills they need for employment and to find work.
- **Restart Scheme** – a programme that is aimed at supporting UC claimants who engage significantly with a work coach, and have claimed UC for at least six months, by providing enhanced support to find jobs in their local area.
- **Sector-based Work Academy Programmes** – industry-specific training and support programmes, which last up to six weeks for jobseekers aged 16 and over who are claiming benefits.

**Signposting to initiatives led by the Department for Education including:**

- **Apprenticeships** – jobs that combine work with training, open to people over the age of 16 and available at a range of levels, from GCSE-equivalent to degree-equivalent.
- **National Careers Service** – provides careers information, advice and guidance to people in England.

**Signposting to local support from organisations such as:**

- local authorities;
- employers;
- further education colleges and independent training providers;
- childcare providers; and
- charities, youth organisations and housing associations.

**Notes**

- 1 UC is a benefit to help with living costs, paid to people who are out of work, who cannot work or who have a low income.
- 2 This figure focuses on how jobcentres support UC claimants in the Intensive Work Search category, the group of claimants who receive most support from work coaches. The majority of work coach resource is spent supporting claimants in this category.
- 3 The number of jobcentres is at January 2025 and includes 12 temporary jobcentres.

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

**1.5** Work coaches at jobcentres play a critical role working directly with benefit claimants to identify their needs and provide support. Work coaches are DWP civil servants at executive officer grade. They have a range of options available to support claimants to work (Figure 1). As well as providing advice and support, work coaches can:

- refer claimants to DWP's employment support programmes, such as the Restart Scheme and Sector-based Work Academy Programmes;
- point claimants to job opportunities and support provided locally by organisations such as local authorities, training providers and colleges; and
- provide claimants with financial support from the Flexible Support Fund to help with the costs of, for example, clothing and travel to attend interviews, training, and essential tools and equipment.

### **Spending on jobcentres**

**1.6** In 2023-24, DWP spent £1.2 billion on the direct costs of jobcentres (**Figure 2**). Staff costs comprised 93% of this total. The full cost of jobcentres will be higher as the direct costs exclude DWP's spending on estates and digital costs and on other corporate costs, such as finance and human resources. In 2023-24, DWP also spent £785 million on national employment support programmes in addition to its spending on jobcentres.

**1.7** DWP's spending on jobcentres peaked in 2021-22 at £1.7 billion (based on 2023-24 prices), an increase in real terms of £571 million (52%) compared with 2018-19. Spending rose as DWP recruited extra permanent and temporary staff to deal with the increased number of claimants during the COVID-19 pandemic. Spending on jobcentres has since fallen, with a reduction in real terms of £421 million (25%) from 2021-22 to 2023-24.

### **The system for supporting UC claimants to work**

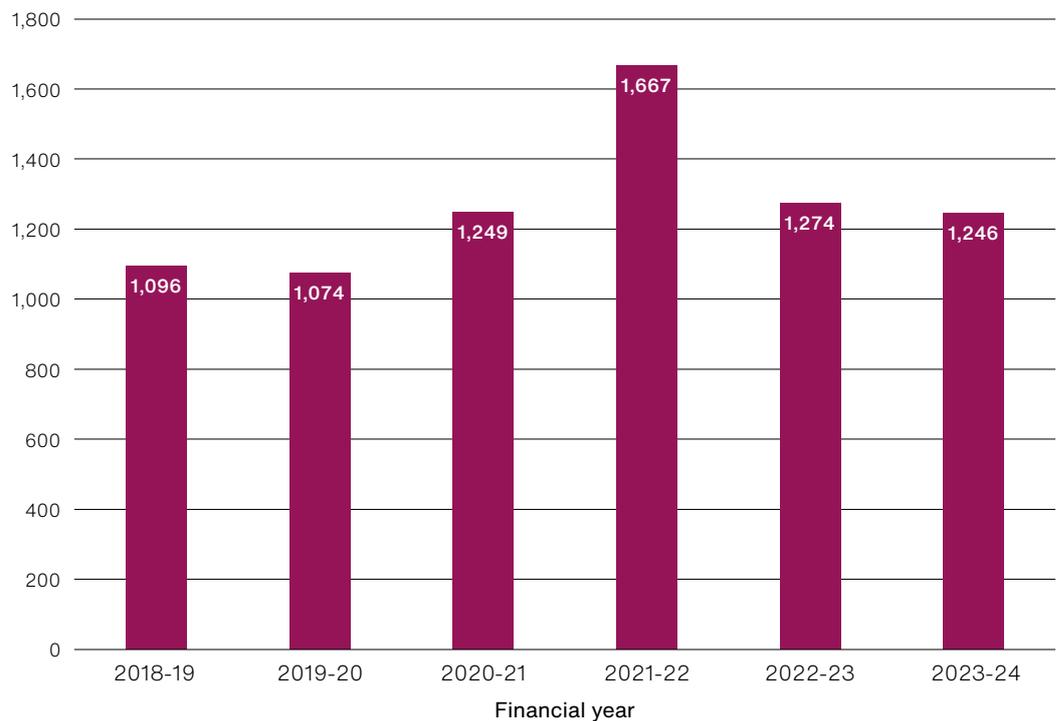
**1.8** UC is a benefit to help with living costs, paid to people who are out of work, who cannot work or who have a low income (either employed or self-employed). Through UC, DWP aims to encourage more people into work, including by increasing requirements on claimants to search for jobs. Introduced by DWP from 2013, UC is replacing six means-tested benefits for working-age people: Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, income-based Jobseeker's Allowance, and income-related Employment and Support Allowance.

**Figure 2**

Department for Work & Pensions' (DWP's) real-terms spending on the direct costs of jobcentres, 2018-19 to 2023-24

DWP's spending on the direct costs of jobcentres, in real terms, peaked at £1.7 billion in 2021-22, as more staff were recruited during the COVID-19 pandemic, and fell to £1.2 billion in 2023-24

Adjusted expenditure (£mn)

**Notes**

- 1 This figure shows DWP's spending on the direct costs of jobcentres. Estates and digital costs and other corporate costs, such as finance and human resources, are excluded.
- 2 Data are in real terms based on 2023-24 prices.

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

**1.9** DWP tailors the support it provides to UC claimants based on their earnings and personal circumstances. When applying for UC, all claimants have an initial meeting with a work coach, usually face to face at a jobcentre, to establish the circumstances of the claim, the support required and the conditions which apply. This includes setting up a 'claimant commitment', which is an agreement with the claimant of the conditions they must meet, including the activities they must carry out in order to receive UC. If their commitment includes looking for work, claimants are typically required to spend up to 35 hours a week on activities such as preparing a CV, applying for jobs and attending interviews. Work coaches can sanction a claimant by reducing their UC payments if the claimant does not meet the conditions in their commitment. Claimants must inform DWP if their circumstances change.

**1.10** DWP uses six labour market categories to determine the support a UC claimant receives and the activities they may be required to complete as a condition of receiving the benefit (**Figure 3** on pages 17 and 18).

- Three of the categories are based on claimants' earnings. DWP uses two earnings thresholds, the Administrative Earnings Threshold and the Conditionality Earnings Threshold, to separate the categories. It places UC claimants with the lowest earnings, who do not meet the Administrative Earnings Threshold, into the Intensive Work Search category. It expects claimants in this category to receive significant support from a work coach and requires them to undertake work-related activities as a condition of receiving UC.
- The other three categories are based on claimants' personal circumstances. For example, they may have caring responsibilities or a health condition that limits their capacity or capability to work. DWP does not expect these claimants to start work either immediately or at all. Depending on their specific circumstances, it may require claimants to undertake some work-related activities.

### **DWP's central support model**

**1.11** DWP requires its jobcentres to provide a nationally consistent, centrally defined service that it judges will maximise employment and earnings for UC claimants. DWP's central support model focuses on supporting UC claimants in the Intensive Work Search category through regular meetings with their work coach. Meetings are typically face to face and scheduled to last between 10 and 20 minutes, apart from the initial claimant commitment meeting and claimant commitment review meetings which are longer. DWP's model comprises:

- weekly meetings for the first 13 weeks of a person's claim; and
- after 13 weeks, weekly meetings with half of claimants and fortnightly meetings with the other half of claimants.

### Figure 3

Universal Credit (UC) labour market categories and number of claimants in each category at October 2024

The Department for Work & Pensions (DWP) allocates UC claimants to one of six labour market categories – three based on their earnings and three based on their personal circumstances

#### Categories based on claimants' earnings

##### Intensive Work Search: 1.6 million claimants



- Claimants in this category earn less than the **Administrative Earnings Threshold**. DWP calculates this threshold based on hours worked at the National Living Wage, currently 18 hours a week for a single claimant, or £892 a month. The threshold is £1,437 per month for couples receiving UC.
- DWP expects these claimants to receive significant support from a work coach and requires them to undertake work-related activities as a condition of receiving UC.

##### Light Touch: 0.9 million claimants



- Claimants in this category earn more than the Administrative Earnings Threshold but less than the **Conditionality Earnings Threshold**. DWP calculates the latter threshold based on the number of hours an individual claimant can be expected to work (typically 35 hours a week) at the National Living Wage (or National Minimum Wage if the claimant is under 21 years old).
- DWP expects these claimants to receive some support from a work coach. It can apply conditions requiring them to undertake work-related activities but does not currently do so.

##### Working Enough: 1.3 million claimants



- Claimants in this category earn at or more than the Conditionality Earnings Threshold.
- DWP does not expect these claimants to meet regularly with a work coach and cannot require them to undertake work-related activities as a condition of receiving UC.

#### Categories based on claimants' personal circumstances

##### Work Preparation: 0.4 million claimants



- Claimants in this category may have limited capability for work or are lead carers with their youngest child aged two.
- DWP can require these claimants to begin preparing for work, through work-related activities and interviews, and to meet with a work coach every month as a condition of receiving UC.

##### Work-focused Interview: 0.1 million claimants



- Claimants in this category include, for example, lead carers with their youngest child aged one.
- DWP can require these claimants to meet with a work coach every three months for a work-focused interview as a condition of receiving UC.

##### No Work-related Requirements: 2.9 million claimants



- DWP does not expect claimants in this category to work because, for example, they are lead carers with their youngest child aged under one, are too ill, are over State Pension age, are in the first year of an adoption or have significant caring responsibilities.
- DWP does not require these claimants to undertake work-related activities or to meet with a work coach as a condition of receiving UC.

**Figure 3** *continued*

## Universal Credit (UC) labour market categories and number of claimants in each category at October 2024

**Notes**

- 1 Data on the number of claimants in each category are at October 2024. We accessed these data in December 2024.
- 2 Data on the number of claimants include those who are not working and those who are employed or self-employed.
- 3 DWP allocates claimants to one of the six categories at any one time. For example, it would allocate someone who is a lead carer for a child aged one and who earns less than the Administrative Earnings Threshold to the Work-focused Interview category. If a claimant's earnings or circumstances change, DWP may allocate the claimant to a different category.
- 4 The definitions of the Administrative Earnings Threshold and the Conditionality Earnings Threshold are for 2024-25.
- 5 The earnings thresholds shown in the figure relate to claimants who are employed. DWP has similar arrangements to determine levels of support for self-employed claimants. In the first year of a UC claim, DWP will support a self-employed claimant while they seek to grow their business.

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

**1.12** DWP designed its central support model based on evaluations it carried out from 2005 to 2015. These evaluations were randomised control trials that assessed the impact of adjusting aspects of the meetings between claimants and work coaches.

- **2005 Jobseeker's Allowance intervention pilots:** The results of this trial showed that excusing claimants from meetings with work coaches or conducting meetings over the telephone increased the time claimants spent on Jobseeker's Allowance when compared with fortnightly face-to-face meetings during the first 13 weeks of a claim.
- **2013 Jobseeker's Allowance meeting trials:** This study found that, on average, claimants who attended weekly face-to-face meetings with a work coach spent some 2.6 fewer days claiming the benefit than claimants who attended fortnightly meetings. It also found that shorter meetings and work coaches applying discretion about who to support had no impact on the length of time people received Jobseeker's Allowance.
- **2015 weekly work search review trial:** This trial assessed the impact of weekly meetings compared with fortnightly meetings, during the first 13 weeks of a person's claim. It concluded that weekly meetings significantly increased the time claimants were in employment and reduced the time they spent on Jobseeker's Allowance.

**1.13** DWP acknowledges that there are limitations in the evidence base for its central support model. Its trials covered Jobseeker's Allowance claimants, and the most recent trials were in 2015. They did not cover claimants of UC, which DWP rolled out for new claims nationwide in 2018. The evaluations also focused on the number of days claimants were off Jobseeker's Allowance rather than their earnings while in work.

**1.14** At the time of our work, DWP had ongoing work to enhance its evidence base and explore the impact of potential changes to its support model. It has carried out research to identify which aspects of work search review meetings between work coaches and claimants make them effective, including the effectiveness of different means of interaction for different groups of claimants. Where possible using randomised control trials, DWP is also assessing alternative arrangements for delivering its services. Specifically, it is testing the impact on outcomes for claimants when:

- it allows work coaches to choose the channel of communication (face to face, telephone or video) for their weekly meetings with claimants; and
- it reduces the frequency of appointments for Intensive Work Search claimants in the first 13 weeks from weekly to three-weekly.

DWP expects the results of these trials to be available between June 2025 and November 2026.

### **DWP's plans to reform employment support**

**1.15** In November 2024, the government published a white paper setting out its plans to reform employment support, “bringing together skills and health to get more people into work and to get on in work”.<sup>2</sup> The government described its plans as the first steps to delivering its long-term ambition to achieve an 80% employment rate. From May 2018 to October 2024, the employment rate fluctuated between 74.3% and 76.4%.

**1.16** The government’s plans include creating a new jobs and careers service by bringing together jobcentres with the National Careers Service in England.<sup>3</sup> The government intends that the new service will “prioritise providing genuine support for people over monitoring compliance and benefits administration” with a focus on supporting “anyone who is looking for work, who wants to get on in work, or who wants to change their career or retrain”.

<sup>2</sup> HM Government, *Get Britain Working*, CP 1191, November 2024.

<sup>3</sup> The National Careers Service in England operates under contracts with the Department for Education to provide careers information, advice and guidance to people aged 13 and over.

**1.17** The white paper set out that the new jobs and careers service will have objectives which focus on:

- employment – supporting a reduction in unemployment at a national level and reducing regional disparities in unemployment rates;
- earnings – enabling individuals to make informed choices about their careers, including helping them to boost their skills and move into higher-paid, higher-quality and more productive work, and supporting economic growth; and
- engagement – providing a universal service which all people, not just benefit recipients, will be able to engage with.

At the time of our work, DWP was developing plans to implement the government's proposals. It had not yet set out an implementation timetable. DWP told us it expects the creation of the new jobs and careers service to be an iterative process, building on lessons learned at each stage of implementation.

**1.18** The white paper noted that the government had allocated, in the 2024 Autumn Budget, £55 million in 2025-26 for investment in new digital prototypes and tests and trials of elements of the new jobs and careers service, including an enhanced employer offer to help a broader range of employers find the candidates they need. The government's other proposals include developing the work coach and careers adviser professions. As part of this, it will launch a new coaching academy which will provide training on delivering high-quality coaching conversations for customers, focused on goal setting and action planning.

## Part Two

### Demand for, and supply of, support through jobcentres

**2.1** This part of the report covers:

- the demand for support from jobcentres;
- the supply of jobcentre support in terms of the number of work coaches; and
- how the Department for Work & Pensions (DWP) has managed any gaps between demand and supply.

#### **Demand for support from jobcentres**

DWP's modelling of the demand for support

**2.2** DWP models the expected demand for jobcentre support to determine the number of work coaches it needs for service delivery. Our 2022 report on *Financial modelling in government* highlighted elements of good practice in DWP's modelling of workload and staff demand – particularly around gaining assurance of model inputs and coordinating assumptions across different analyses owned by different teams.<sup>4</sup> Like all models, DWP's demand model relies on assumptions. These cover areas such as economic forecasts and work coach productivity, which will affect workload and staff demand – for example, through the number of people expected to claim Universal Credit (UC) and the number of claimants each work coach is expected to support.

**2.3** DWP's modelling is overseen by officials on its Demand and Supply Scrutiny Committee. This meets twice a year to scrutinise the estimates produced by the model and provides assurance that the model's outputs are the best estimates of demand at the time, based on the available information. The committee confirms it is satisfied with the process followed to model demand, including the assumptions used. It considers changes in the main drivers of demand and key areas of risk and uncertainty in the forecasts (for example, where DWP does not yet know the impact of a policy change).

<sup>4</sup> Comptroller and Auditor General, *Financial modelling in government*, Session 2021-22, HC 1015, National Audit Office, January 2022.

## Scale and nature of the demand for support

**2.4** The total number of people claiming UC increased significantly during the early stages of the COVID-19 pandemic and stood at 5.7 million in October 2020. With the continued rollout of UC, the number of claimants rose further to 7.2 million in October 2024. The nature of claimants has also changed as DWP has rolled out UC. In April 2023, DWP started implementing its plans to move households claiming legacy benefits to UC. Some of these households, such as those claiming Tax Credits, may not have engaged with jobcentres previously.

**2.5** The scale of support needed from work coaches in jobcentres depends on the number of UC claimants in DWP's various labour market categories. Claimants in categories where DWP could require them to receive support from a work coach grew from 0.8 million in October 2018 to 3.5 million in October 2020. The number then fell over the following three years, to 2.6 million in October 2023, before rising again to 3.0 million in October 2024. Of the 3.0 million:

- 2.5 million claimants could be required to receive significant support from a work coach: 1.6 million in the Intensive Work Search category and 0.9 million in the Light Touch category; and
- 0.5 million people could be required to receive some support from a work coach to help them prepare to return to work: 107,000 in the Work-focused Interview category and 364,000 in the Work Preparation category (**Figure 4**).

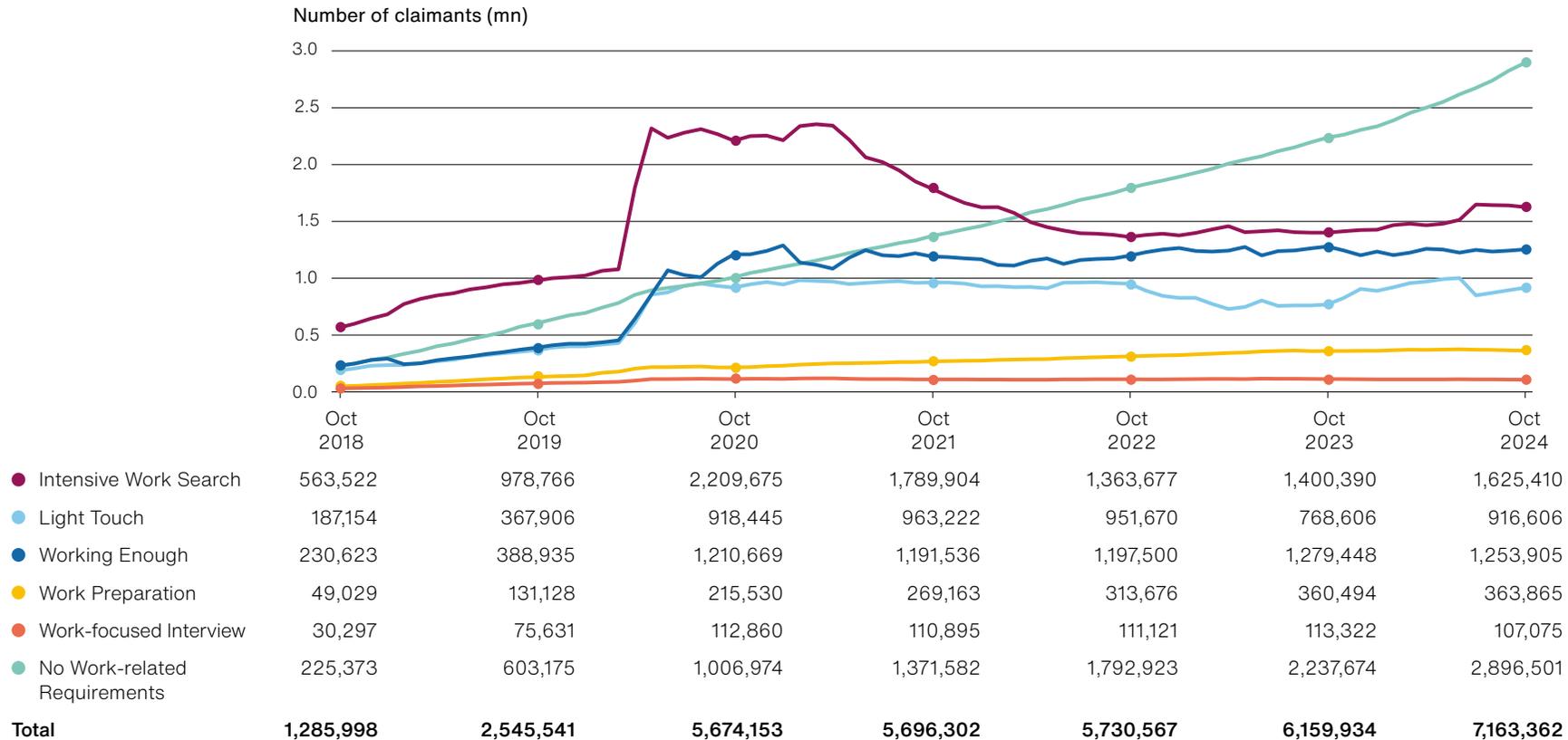
**2.6** The majority of work coach resource is spent implementing DWP's central support model, supporting claimants in the Intensive Work Search category. DWP has increased the number of claimants in this category by raising the Administrative Earnings Threshold. It increased the threshold in stages, from the equivalent for an individual of nine hours per week at the National Living Wage in 2021-22 to 18 hours in 2024-25. DWP estimated that, as a result of the increases to the threshold, some 400,000 more people would be allocated to the Intensive Work Search category, rather than to the Light Touch category.

**2.7** The number of claimants with no work-related requirements (including people with health conditions and disabilities) has increased very significantly over recent years – from 0.2 million (17.5% of the total) in October 2018 to 2.9 million in October 2024 (40.4% of the total).

**Figure 4**

Number of Universal Credit (UC) claimants by labour market category, October 2018 to October 2024

In October 2024, around 2.5 million UC claimants were in the Intensive Work Search and Light Touch categories, meaning that the Department for Work & Pensions (DWP) could require them to receive significant support from a work coach



**Notes**

- 1 DWP allocates UC claimants to one of six UC labour market categories. The category a claimant is allocated to determines the support they receive from a work coach and whether they are required to undertake work-related activities as a condition of receiving UC.
- 2 We plotted on the graph the number of claimants in each category using monthly data points. The data table shows the position at October each year.
- 3 Data on the number of claimants include those who are not working and those who are employed or self-employed.
- 4 We accessed UC caseload data in December 2024.

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

## **Demand for, and supply of, work coaches**

**2.8** DWP's estimate of the average number of work coaches needed to meet the demand for support across Great Britain reduced from 2022-23 to 2023-24 but has been increasing since late 2023 (**Figure 5**). DWP estimated it needed:

- 17,500 work coaches on average in 2022-23, with the number falling to 16,100 in 2023-24; and
- 18,900 work coaches on average in the first six months of 2024-25, with monthly estimates varying from 17,300 in April 2024 to 20,900 in June 2024.

**2.9** As would be expected, the total number of work coaches in post has followed a similar trend to the estimates of need (Figure 5). DWP had:

- 15,200 work coaches on average in 2022-23, with the number falling to 14,700 in 2023-24; and
- 16,800 work coaches on average in the six months from April to September 2024, an increase of 14% compared with 2023-24. In September 2024, DWP had over 17,000 work coaches.

**2.10** Therefore, on average, DWP did not have enough work coaches overall to meet estimated demand over the period April 2022 to September 2024. In 2022-23, it had 2,300 (13.2% of total demand) fewer work coaches than it estimated it needed. This shortfall decreased to 1,400 (8.6%) in 2023-24, before increasing to 2,100 (10.9%) on average in the first six months of 2024-25.

**2.11** There was substantial variation in the position of DWP's seven regions in 2023-24 (**Figure 6** on pages 26 and 27).

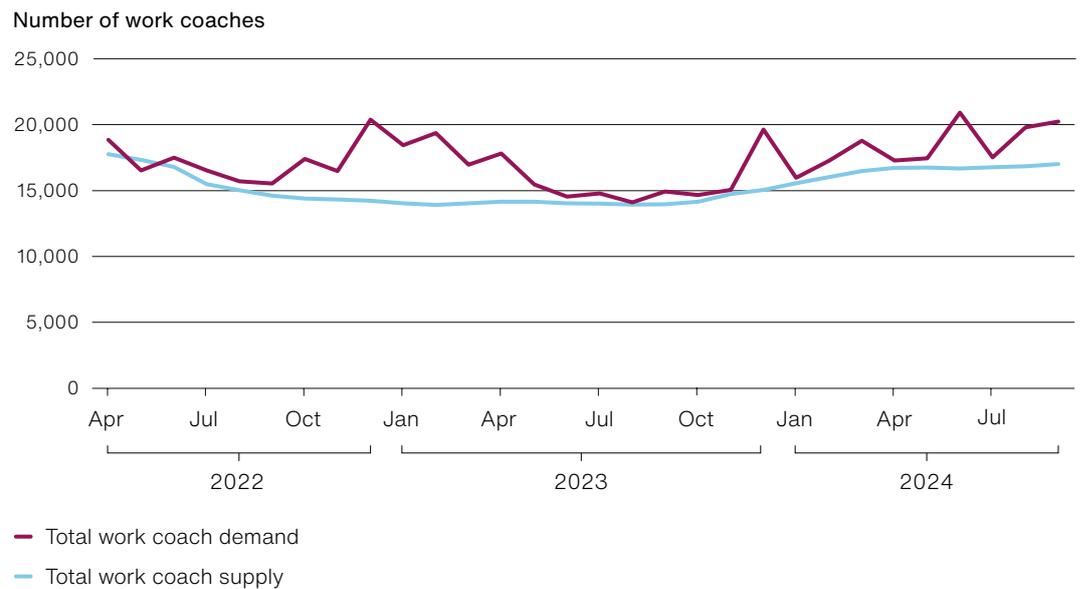
- Two regions (North East England and Scotland) had slightly more work coaches on average than DWP estimated they needed (0.7% and 0.1% respectively).
- The five other regions had a shortfall of work coaches, ranging on average from 4.3% to 12.3% of the number that DWP estimated each region needed.
- The largest percentage shortfalls were in Southern England (382 work coaches, 12.3% of those needed) and North West England (351 work coaches, 11.0%).

DWP told us that the geographical variation in work coach supply is attributable to different labour market factors in each region. For example, more job opportunities have led to greater competition for people in some parts of the country, making it more difficult for jobcentres to recruit and retain staff.

**Figure 5**

Department for Work & Pensions' (DWP's) estimated demand for, and supply of, work coaches, April 2022 to September 2024

**DWP had fewer work coaches than it estimated it needed over the period April 2022 to September 2024, with the exception of May 2022**

**Notes**

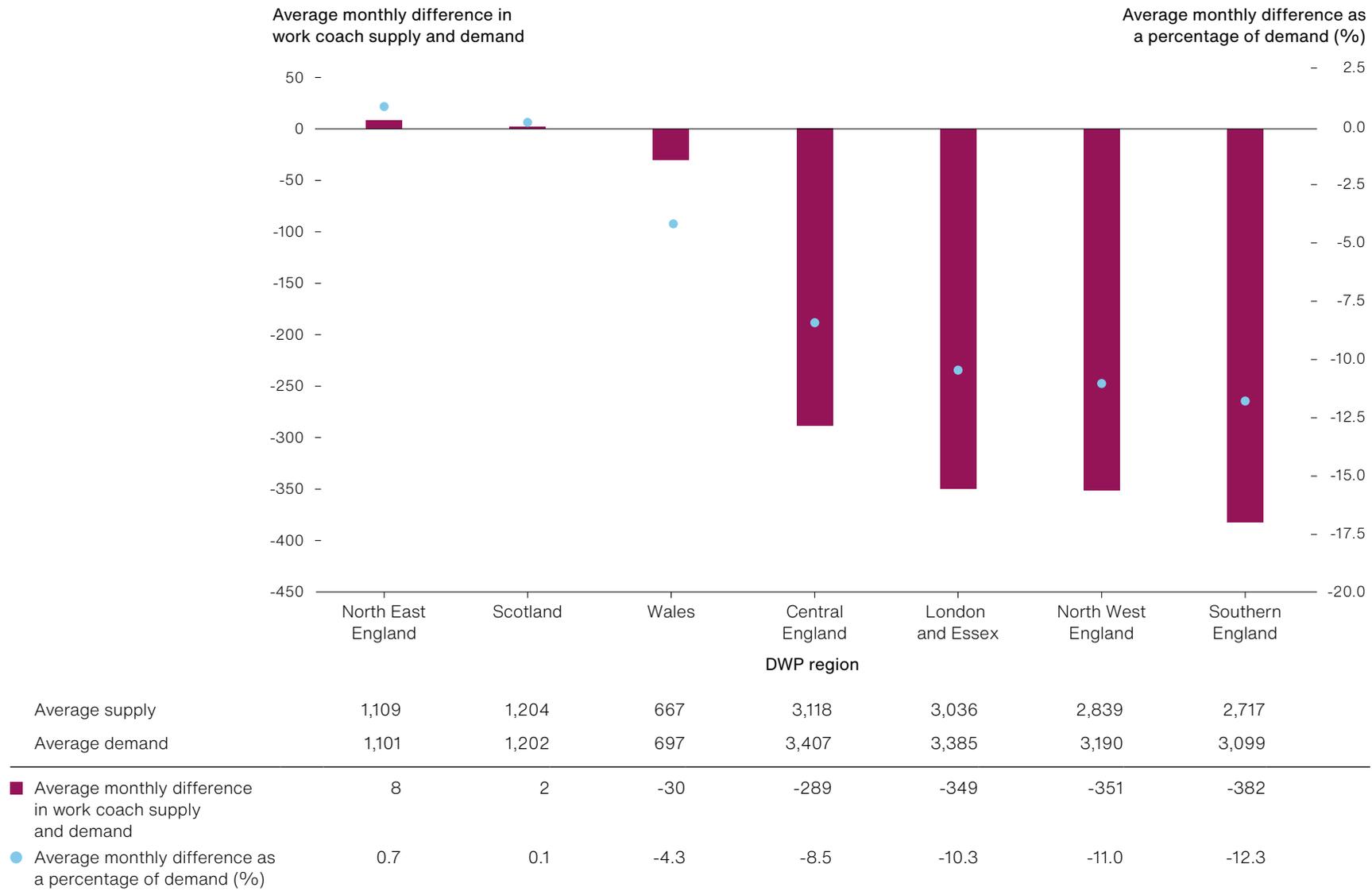
- 1 The numbers of work coaches are measured in full-time equivalents.
- 2 DWP estimates the demand for work coaches using its own demand model.
- 3 Work coach supply is the number of work coaches in post at the end of each month.

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

**Figure 6**

Average monthly difference in the supply of and demand for work coaches by Department for Work & Pensions (DWP) region in Great Britain, 2023-24

In 2023-24, there was substantial geographic variation in the difference between the supply of and demand for work coaches, with the largest shortfall in Southern England



**Figure 6** *continued*

Average monthly difference in the supply of and demand for work coaches by Department for Work & Pensions (DWP) region in Great Britain, 2023-24

**Notes**

- 1 The numbers of work coaches are measured in full-time equivalents.
- 2 DWP estimates the demand for work coaches using its own demand model.
- 3 Work coach supply is the number of work coaches in post at the end of each month.

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

**2.12** The following factors have contributed to the shortfall in work coaches.

- **Funding constraints:** DWP has secured funding for fewer work coaches than it estimated it needed to meet the demand for support. DWP and HM Treasury agree a funding settlement that takes into account factors such as overall headcount – for example, the then government announced a cap on civil servant headcount in October 2023 – and assumptions about efficiency. For the first six months of 2024-25, DWP estimated it would need on average 18,900 work coaches, peaking at 20,900 in June 2024. However, the funding it allocated to jobcentres covered the cost of fewer work coaches – 18,000 from April to July 2024, and 17,600 from August to March 2025.
- **Workforce challenges:** DWP has also had fewer work coaches than it has had funding for, which it attributes to factors such as challenges with recruiting and retaining staff. We reported in July 2024 that resourcing to meet demand is a key area of focus for DWP and that it finds it difficult to retain staff in critical frontline roles, such as work coaches.<sup>5</sup> The turnover rate for DWP executive officers working in jobcentres, including work coaches, was 8.5% in 2023-24.<sup>6</sup> In addition, when staff are recruited, it takes time to train them to the point where they can operate efficiently and effectively.

### How DWP manages shortfalls in the number of work coaches

**2.13** DWP has implemented measures to manage shortfalls in work coaches by changing how jobcentres apply its central support model (see paragraph 1.11). In making changes, DWP aims to maximise the number of people it supports into work while minimising any adverse impact on levels of benefit expenditure and fraud and error. For example, there is a risk that less frequent interactions with claimants may lead to higher expenditure as claimants will spend more time on benefits, or increased fraud and error because work coaches will have fewer opportunities to check, for example, whether claimants' circumstances have changed.

5 Comptroller and Auditor General, *DWP customer service*, Session 2024-25, HC 127, National Audit Office, July 2024.

6 DWP told us that approximately 70% of executive officers working in jobcentres are work coaches.

**2.14** DWP had to obtain approval from HM Treasury for changes to help manage shortfalls in work coaches that involved a potential impact on benefit expenditure. Spending on benefits is classified as Annually Managed Expenditure (AME), which DWP manages jointly with HM Treasury.<sup>7</sup> HM Treasury is involved in decisions which affect AME as DWP, while being responsible for the spending, has no delegated authority.

### Central changes to reduce demand

**2.15** To help manage the shortfall in work coaches, DWP has opted to prioritise support for UC claimants in the Intensive Work Search category and to engage less than it planned with claimants in the Light Touch category. In the 2022 Autumn Statement, the government announced that it would introduce new conditions for claimants in the Light Touch category from September 2023, meaning these claimants would be required to meet regularly with a work coach.<sup>8</sup> In 2024, however, the government decided to postpone this change to help deal with the shortfall of work coaches. DWP estimated that the postponement would mean it needed 900 fewer full-time equivalent work coaches in 2024-25 and would enable it to maintain its weekly and fortnightly meetings between work coaches and claimants in the Intensive Work Search category. DWP told us it was considering the level of work coach support to be provided to UC claimants, in light of the priorities set out in the 2024 white paper, and was expecting to announce its plans soon.

**2.16** DWP adjusted, in its central support model, the frequency of meetings with some UC claimants in the Intensive Work Search category to manage workload – it requires work coaches, after the first 13 weeks of claims, to continue their weekly meetings with half of claimants and to meet the remaining claimants fortnightly. In addition, DWP has made changes to processes in order to improve work coach productivity. It has looked at what activities take up a disproportionate amount of work coach time and assessed whether these could be made more efficient. As a result, it has, for example, automated some parts of the process that is applied when claimants fail to attend meetings. DWP estimated that, as a result of this change, it would save nearly 5,700 hours per week of work coach time, equivalent to around 250 full-time equivalent staff.

### Local flexibility to reduce demand

**2.17** In addition to the central changes, DWP allows jobcentres in some circumstances to reduce the support they provide for claimants. In September 2023, it introduced a national framework for local flexibility, which provides jobcentres that are under the most pressure in terms of work coaches' caseload with guidance on how to prioritise their resources in a consistent way.

<sup>7</sup> Annually Managed Expenditure is spending that is difficult to predict or control as it is spent on programmes that are demand-led. It is not subject to multi-year spending limits set in government spending reviews.

<sup>8</sup> HM Treasury, *Autumn Statement 2022*, CP 751, November 2022.

**2.18** DWP has funded jobcentres to operate with a caseload per work coach of around 100 Intensive Work Search cases. Average caseload per work coach varies – at district level, it ranged from 67 to 123 cases per work coach in September 2024 (**Figure 7** on pages 30 and 31). DWP allows jobcentres to implement measures set out in the local flexibility framework if their work coaches have an Intensive Work Search caseload of more than 110 and this position is forecast to continue for at least three months.

**2.19** In the local flexibility framework, DWP has set out a series of measures that jobcentres can implement, in order, starting at level 1. DWP told us it decided the order mainly by placing first those measures with the least risk of increasing benefit expenditure. It also considered the expected savings in demand for its work coaches and the ease of delivery of the measures. The measures, and the savings that DWP initially expected to achieve were all jobcentres to implement the measure, are as follows.

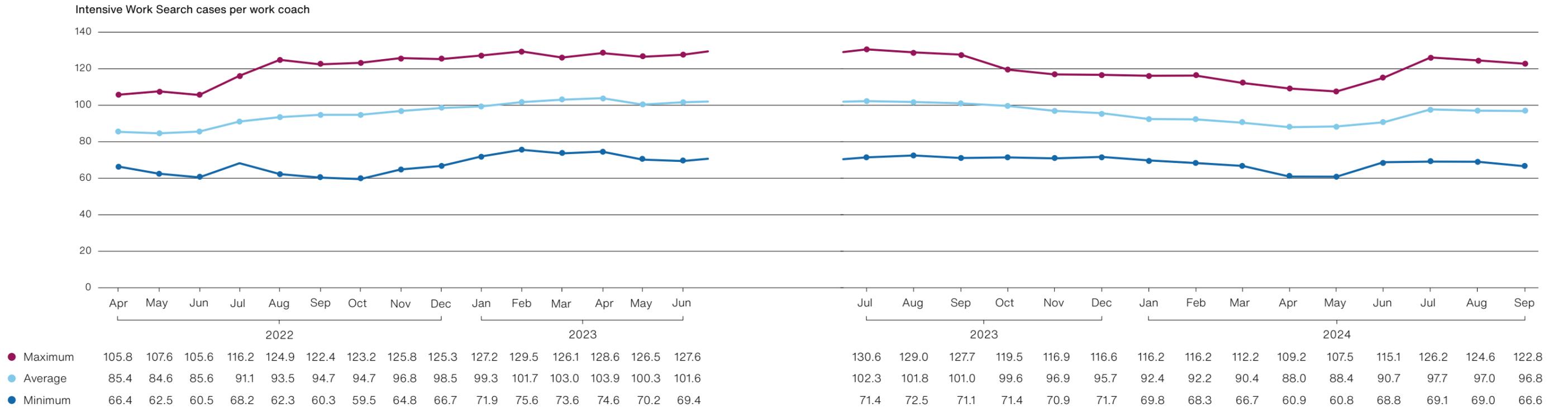
- Level 1: Shorten the first meeting with claimants from 50 to 30 minutes (expected savings in 2024-25: 600 work coach full-time equivalents).
- Level 2: Meet employed claimants in the Intensive Work Search category monthly instead of weekly or fortnightly (expected savings in 2024-25: 1,150 work coach full-time equivalents).
- Level 3: Reduce support for self-employed claimants in the initial 12-month period from four 30-minute interviews to two (expected savings in 2024-25: 150 work coach full-time equivalents).
- Level 4: Pause some work coach support for people with health conditions and disabilities who claim Employment and Support Allowance (expected savings in 2024-25: 149 work coach full-time equivalents). DWP suspended this measure from the framework in May 2024 because it had little impact on reducing work coaches' workload.
- Level 5: Meet all claimants in the Intensive Work Search category fortnightly after 13 weeks, instead of meeting some claimants weekly (expected savings in 2024-25: 2,800 work coach full-time equivalents).

**2.20** From September 2023 to November 2024, more than half (57%) of jobcentres used the local flexibility framework at some point to help manage their workload. Use of the framework peaked in April 2024, when 348 jobcentres (54%) were implementing at least one of the measures in the framework (**Figure 8** on pages 32 and 33). Use of the framework has since fallen, with 198 jobcentres (31%) using it in November 2024.

**2.21** The extent to which jobcentres have used the local flexibility framework has varied between DWP's regions, reflecting their different staffing pressures and local circumstances. For example, 100% of jobcentres in London and Essex implemented at least one of the measures in the framework at some point from September 2023 to November 2024, while no jobcentres in Scotland used the framework. DWP is examining whether some of the measures in the local flexibility framework could be made permanent to help manage demand pressures without adversely affecting outcomes for claimants, benefit expenditure or fraud and error.

**Figure 7**  
Intensive Work Search average caseload per work coach at Department for Work & Pensions (DWP) districts in Great Britain, April 2022 to September 2024

At DWP district level, average caseload per work coach ranged from 67 to 123 cases in September 2024



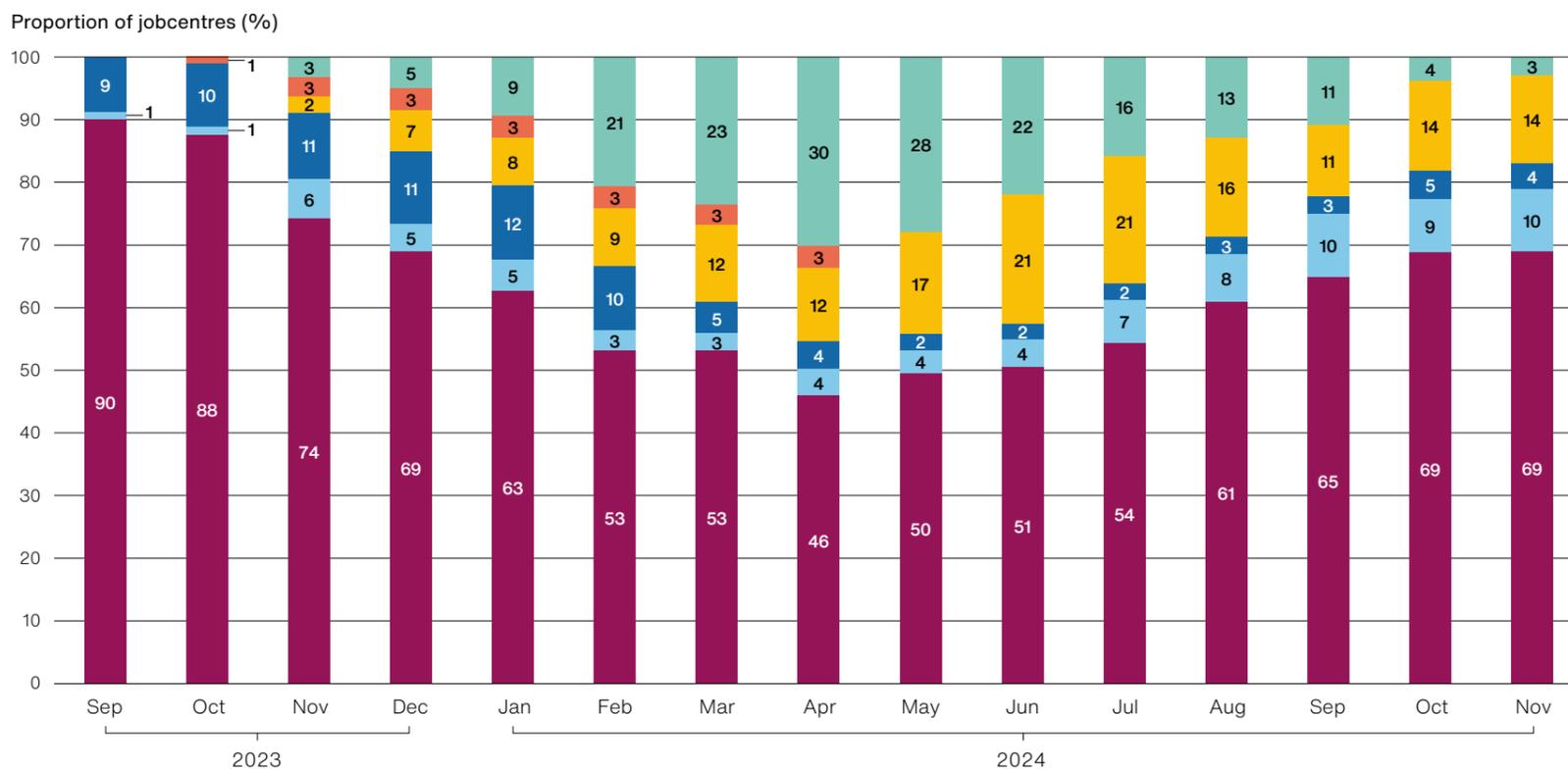
- Notes**
- 1 DWP organises jobcentres into 37 districts. Data show the minimum and maximum average caseload per work coach across the 37 districts and the average for all districts.
  - 2 There are six Universal Credit (UC) labour market categories. Data are for UC claimants in the Intensive Work Search category. The majority of work coach resource is spent supporting claimants in this category.

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

**Figure 8**

Proportion of jobcentres that have used the Department for Work & Pensions' (DWP's) local flexibility framework and reduced their support to Universal Credit claimants, September 2023 to November 2024

Use of the local flexibility framework peaked in April 2024 when 54% of jobcentres implemented at least one of the measures



- No reduction in support
- Jobcentres implementing level 1 measure
- Jobcentres implementing measures up to and including level 2
- Jobcentres implementing measures up to and including level 3
- Jobcentres implementing measures up to and including level 4
- Jobcentres implementing measures up to and including level 5

Level 1	Shorten first meeting with a claimant from 50 to 30 minutes
Level 2	Meet claimants in the Intensive Work Search category who are employed monthly instead of weekly or fortnightly
Level 3	Reduce support for self-employed claimants in the initial 12-month period from four 30-minute interviews to two
Level 4	Pause some additional work coach support for people with health conditions and disabilities who claim Employment and Support Allowance
Level 5	Meet all claimants in the Intensive Work Search category fortnightly after 13 weeks, instead of meeting some claimants weekly

- Notes**
- 1 Data cover the period since DWP introduced the local flexibility framework in September 2023 to November 2024, the most recent month for which data were available.
  - 2 DWP's local flexibility framework sets out the measures that jobcentres whose work coaches have large caseloads can implement to reduce the demand on work coaches.
  - 3 DWP intends that jobcentres should implement the measures in the local flexibility framework in order, as required, starting with level 1. For example, a jobcentre at level 5 would have implemented all the levels in the framework up to and including level 5.
  - 4 DWP suspended the level 4 measure in May 2024.

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

## Part Three

### Performance of jobcentres

**3.1** This part of the report covers the performance of jobcentres in supporting people to work, including how the Department for Work & Pensions (DWP) reports and monitors performance.

#### **DWP's reporting of jobcentre performance**

**3.2** DWP has set out in its annual reports and accounts a range of performance metrics to show progress against its objective to maximise employment, reduce economic inactivity, and support the progression of those in work. The metrics have included macro-economic data such as employment and unemployment rates for different age groups and economic inactivity rates. DWP has also reported administrative data for its main employment programmes, the Restart Scheme and Sector-based Work Academy Programmes. DWP does not report on the performance of jobcentres specifically.

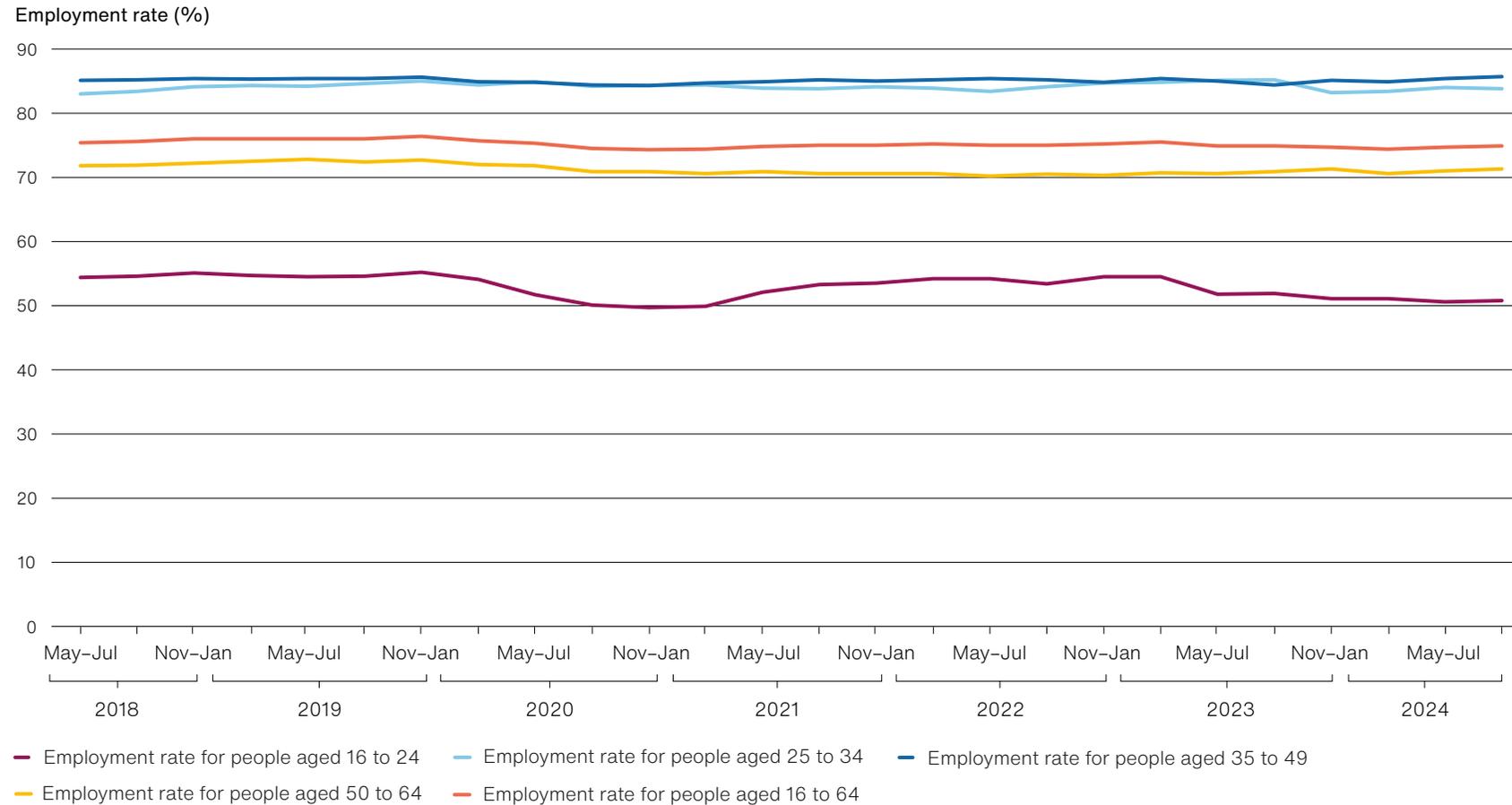
**3.3** **Figure 9** shows the employment rate for different age groups in the United Kingdom from May 2018 to October 2024.

- The employment rate for people aged 16 to 64 has been around 75% since mid-2020.
- The employment rates for people aged 25 to 34 and 35 to 49 have been higher than the overall rate, averaging 84% and 85% respectively since mid-2018.
- The employment rate for people aged 50 to 64 has been slightly lower than the overall rate, at around 71% since mid-2020.
- The employment rate for people aged 16 to 24 has fluctuated more over the period, in the range 50% to 55%. The rate has been around 51% since mid-2023. Around 45% of people in this age group are in full-time education.

**Figure 9**

Employment rate in the United Kingdom by age group, May 2018 to October 2024

The employment rate for people of working age (aged 16 to 64) has been around 75% since mid-2020



#### Notes

- 1 The employment rate for any given age group is the number of people in employment in the age group, divided by the total population in the age group.
- 2 Data are seasonally adjusted, non-overlapping three-month average employment rates from May to July 2018 to August to October 2024.
- 3 Data are from the Labour Force Survey. To help address issues with the quality of the data caused by low response rates, for data from January 2019, the Office for National Statistics has reweighted data based on 2022 mid-year estimates. It has modelled data before 2019 for consistency.

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

**3.4** The macro-economic data reported by DWP comes from the Labour Force Survey.<sup>9</sup> The quality of data derived from the survey has been affected by low response rates. In December 2024, the National Statistician wrote to the Chair of the Treasury Committee setting out actions underway since late 2023 to improve data quality. These included changes to data collection, such as increasing the targeted sample and increasing face-to-face interviewing and the incentives for participation, and methodological changes, such as adjusting the weighting applied to the data. In his letter, the National Statistician stated that, at its lowest point in 2023, the response rate to the survey had been 17.4%. He noted that the Office for National Statistics had been exploring how survey response challenges might be introducing potential bias in estimates based on the survey, in particular for young people and ethnic minorities. While response levels and the size of datasets have improved, the Office for National Statistics has reported that the changes it has been making have led to some data instability. The National Statistician said he could not yet set out a firm timetable for transition to a transformed Labour Force Survey but would lay out potential timetables in the first quarter of 2025.

### **DWP's performance framework for jobcentres**

**3.5** In November 2023, DWP introduced a new performance framework to monitor the operation of its jobcentres. The framework comprises 13 key performance indicators and a range of supporting administrative data. DWP told us that this was the first time it has had a systematic performance framework for the management of Universal Credit (UC) cases through its jobcentres. Before November 2023, DWP reported to its labour market board a range of data covering caseloads and staff, administrative data on the activity of its employment programmes, and data on into-work rates, out-of-work rates and levels of worklessness.

**3.6** DWP's framework includes six key performance indicators of particular relevance to jobcentres' role in supporting people to work (**Figure 10**).

- The only one of the six indicators for which DWP held data before November 2023 is the into-work rate. It has national into-work rate data available from April 2016.
- DWP has been collecting data since November 2023 for three other indicators.
- At the time of our work, DWP did not have data to report performance for the remaining two indicators.

DWP has not set targets for the key performance indicators to indicate the level of performance it is aiming to achieve.

<sup>9</sup> The Labour Force Survey is undertaken by the Office for National Statistics. It is a study of the employment circumstances of the UK population and provides the official measures of employment and unemployment.

**Figure 10**

Department for Work & Pensions' (DWP's) indicators for monitoring the performance of jobcentres in supporting people to work

DWP currently has data to track performance against four of its six indicators relevant to jobcentres' role in supporting people to work

Key performance indicator	Data collected and available from before November 2023	Data collected since November 2023	Metric in development	Average national performance from December 2023 to November 2024
				(%)
<b>Reducing the risk of long-term worklessness</b>				
Number and percentage of Universal Credit (UC) claimants reporting no earnings since opening their claim.		✓		49.7
<b>Increasing the number of people moving into work</b>				
Into-work rate: The proportion of UC claimants in the Intensive Work Search category who have no earnings in one month and have earnings in the following month.	✓	✓		7.9
Into-work rate sub-divided by employer partnerships, for example through the Sector-based Work Academy Programmes, and the support provided.			✓	
<b>More customers sustain and increase their earnings in work</b>				
Number and proportion of UC claimants who achieved a sustained increase in earnings of at least 5% over three months.		✓		9.2
Number and proportion of UC claimants earning below the Administrative Earnings Threshold who have increased earnings to above the threshold.		✓		2.5
Number and proportion of Jobseeker's Allowance claimants moving from working below 16 hours a week to above 16 hours a week.			✓	

**Notes**

- DWP's performance framework for jobcentres, which it introduced in November 2023, includes a total of 13 key performance indicators. We selected six of these as most relevant to jobcentres' role in supporting people to work.
- All data are calculated as an average over the year. For the into-work rate, the average is calculated from monthly data from December 2023 to November 2024. For the three other indicators, the average is calculated from weekly data for 52 weeks from 4 December 2023 to 25 November 2024.

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

**3.7** DWP considers the metrics in its framework provide a broad indication of jobcentres' operational performance in managing UC cases. However, it does not have evidence to show the specific impact of its jobcentres on the outcomes of people being supported to work. This is because, without a counterfactual that would allow it to evaluate employment outcomes in the absence of jobcentres, DWP cannot isolate the impact of its jobcentres from other factors, such as changes in the local economy which may affect employment opportunities. DWP told us that it is considering whether other indicators will be needed to track performance given the planned reforms set out in the 2024 white paper.

### **National into-work rates**

**3.8** The proportion of UC claimants who move into work each month has declined since 2021-22 (**Figure 11**). The into-work rate measures, based on earnings, the proportion of claimants in the Intensive Work Search category who move into work each month, having not been in work in the previous month. The average monthly into-work rate reduced during the COVID-19 pandemic from 8.8% in 2018-19 to 7.2% in 2020-21. The rate then increased to 9.7% in 2021-22, but declined in the following two years, to 8.2% in 2023-24.

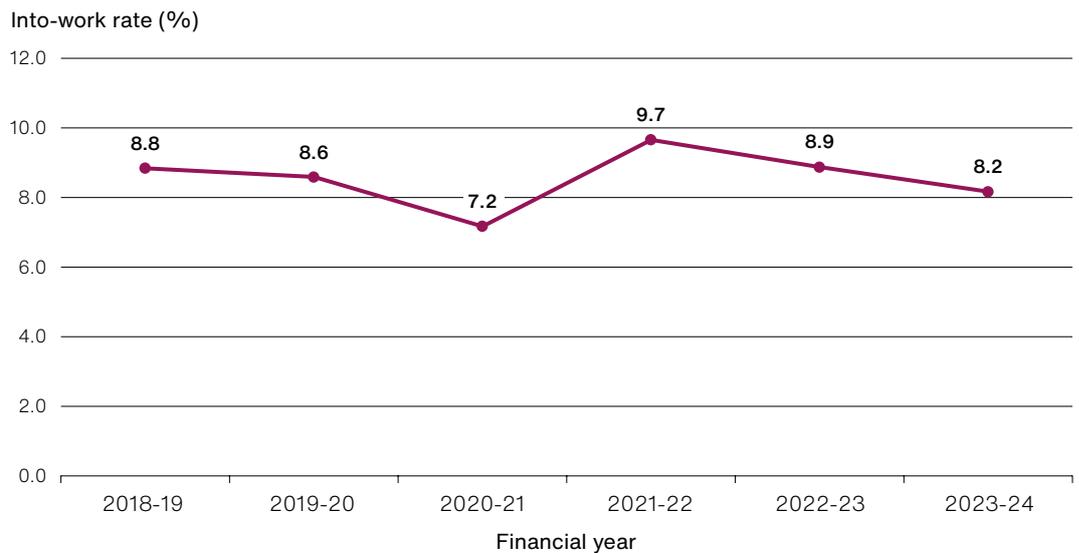
**3.9** DWP's analysis noted that recent economic conditions have been relatively weak with a reduction in Gross Domestic Product for two consecutive quarters at the end of 2023, followed by modest growth in 2024. The analysis suggested that, as well as the impact of these wider economic conditions on the labour market, changes in UC claimant volumes and composition may have also contributed to the recent decline in into-work rates.

- The number of claimants in the Intensive Work Search category has increased, as DWP has moved claimants of legacy benefits to UC and increased the Administrative Earnings Threshold. This increase in demand may have affected the ability of work coaches to support claimants into work.
- More claimants have been in the Intensive Work Search category for one year or longer than before the COVID-19 pandemic. Their prospects of finding jobs or increasing earnings may be weaker than others.
- To calculate the into-work rate, DWP uses, as the denominator, the total number of claimants in the Intensive Work Search category with no earnings. The rate has fallen in part because the number of claimants with no earnings was higher in 2024 than in 2023.

**Figure 11**

Average monthly into-work rates for Universal Credit (UC) claimants in the Intensive Work Search category, 2018-19 to 2023-24

The proportion of claimants in the Intensive Work Search category of UC who moved into work increased in 2021-22 but declined in the following two years



● Rate for claimants in the Intensive Work Search category

**Notes**

- 1 The average monthly into-work rate for each year is calculated as the average of all the monthly into-work rates for that year, regardless of changes in the number of claimants in the Intensive Work Search category of UC.
- 2 The Department for Work & Pensions calculates the into-work rate for each month by dividing the number of claimants with earnings who had no earnings in the previous month, by the total number of claimants with no earnings in the previous month in the Intensive Work Search category.

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

### Local variation in jobcentre performance

**3.10** The performance of each jobcentre is influenced by a number of factors, including the local labour market, and some variation is to be expected. For example, a large employer opening or closing premises could affect the number of people claiming UC and moving into or out of work in a local area. DWP has undertaken analysis to identify factors, such as local labour market context and caseload characteristics, that influence jobcentre performance, in particular into-work rates.

**3.11** We assessed the extent of geographic variation by analysing the performance of DWP's seven jobcentre regions. Findings from our analysis, which covered the 12 months from December 2023 to November 2024, included the following.

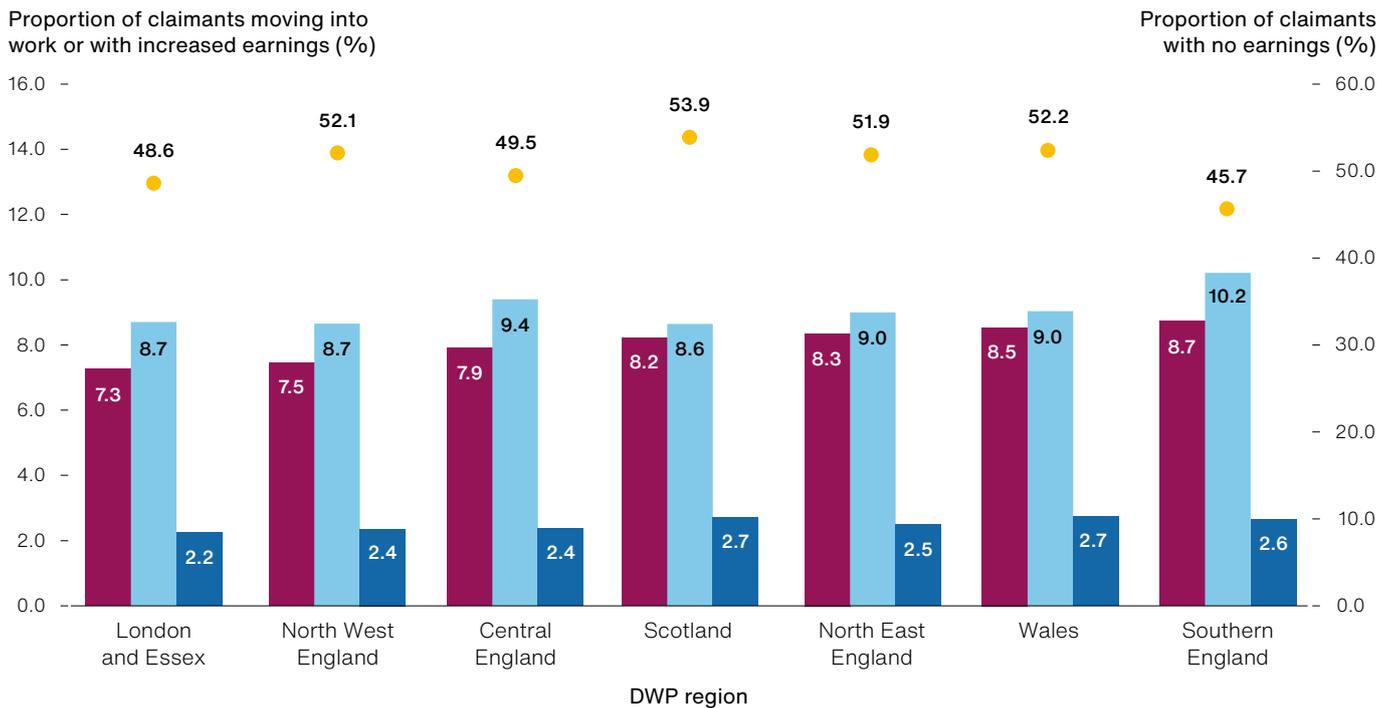
- There was some variation in performance against all four indicators in DWP's performance framework (**Figure 12**). For example, the average weekly proportion of UC claimants with no earnings ranged from 45.7% to 53.9%, with a national average of 49.7%; and the average monthly into-work rate varied from 7.3% to 8.7%, with a national average of 7.9%.
- Southern England had the highest average monthly proportion of claimants moving into work (8.7%), the highest average weekly proportion of claimants sustaining a 5% or higher increase in earnings over three months (10.2%), and the lowest average weekly proportion of claimants with no earnings (45.7%).
- London and Essex had the lowest average monthly proportion of claimants moving into work (7.3%) and the lowest average weekly proportion increasing their earnings above the Administrative Earnings Threshold (2.2%). It had the second lowest average weekly proportion of claimants with no earnings (48.6%).
- In all regions, the average weekly proportion of UC claimants in the Intensive Work Search category whose income moved above the Administrative Earnings Threshold was below 3%, with a national average of 2.5%.

**3.12** As would be expected, the variation in performance is greater between DWP's 37 jobcentre districts (**Figure 13** on page 42). From December 2023 to November 2024, 24 of the 37 districts had average monthly into-work rates in the range 7.1% to 9.0%. Birmingham and Solihull had the lowest average monthly into-work rate at 5.5% and Northern Scotland had the highest at 10.8%.

**Figure 12**

Performance of the Department for Work & Pensions' (DWP's) jobcentre regions against four key performance indicators for the 12 months from December 2023 to November 2024

Of DWP's jobcentre regions, London and Essex had the lowest average monthly rate of people moving into work, and Southern England had the highest rate



- Average monthly proportion of claimants moving into work (the into-work rate) (%)
- Average weekly proportion of claimants who achieved an increase in earnings of 5% or higher over three months (%)
- Average weekly proportion of claimants moving from below the Administrative Earnings Threshold to above the Administrative Earnings Threshold (%)
- Average weekly proportion of claimants with no earnings since the start of their claim (values shown on right-hand vertical axis) (%)

#### Notes

- 1 All data are calculated as averages over the year. For the into-work rate, the average is calculated from monthly data from December 2023 to November 2024. For the three other indicators, the average is calculated from weekly data for 52 weeks from 4 December 2023 to 25 November 2024.
- 2 The percentage of claimants who achieved a 5% or higher increase in their earnings over three months and the percentage of claimants with no earnings since the start of their claim are percentages of all claimants on Universal Credit.
- 3 The percentage of claimants moving into work (the into-work rate) and the percentage of claimants moving from below the Administrative Earnings Threshold to above the Administrative Earnings Threshold are percentages of claimants in the Intensive Work Search category of Universal Credit.

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

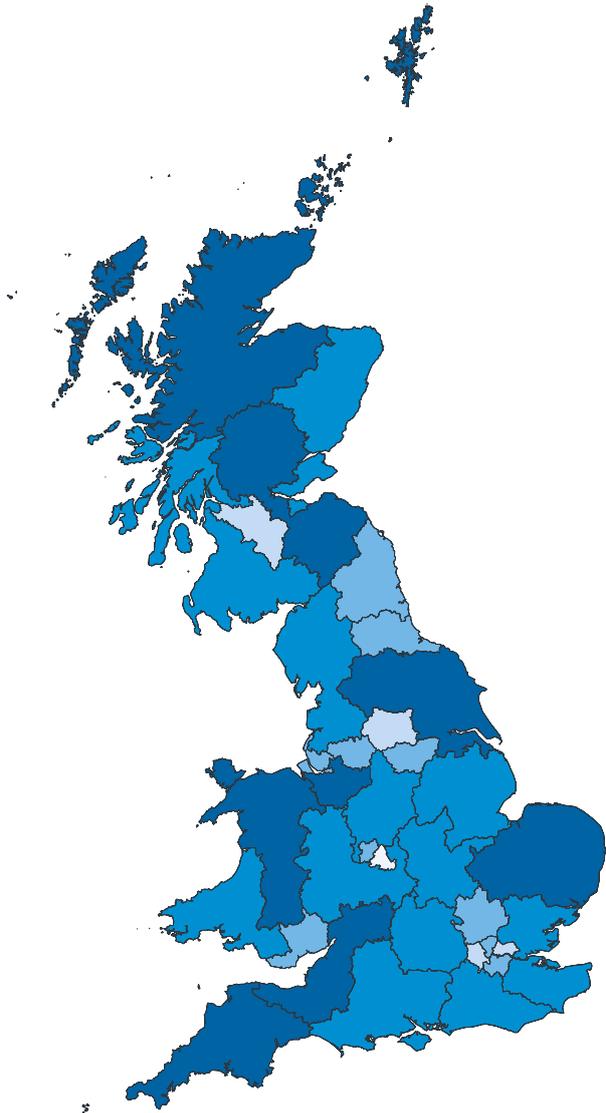
**Figure 13**

Average monthly into-work rates for the Department for Work & Pensions' (DWP's) jobcentre districts in Great Britain, December 2023 to November 2024

**Of the 37 DWP jobcentre districts, 24 had into-work rates in the range 7.1% to 9.0%**

Average monthly into-work rate by DWP district

- 6.0% and below (1 district)
- 6.1% to 7.0% (4 districts)
- 7.1% to 8.0% (10 districts)
- 8.1% to 9.0% (14 districts)
- More than 9.0% (8 districts)



**Notes**

- 1 To calculate the into-work rate, DWP uses, as the denominator, the total number of claimants in the Intensive Work Search category with no earnings.
- 2 The average monthly into-work rate is calculated as the average of all monthly into-work rates from December 2023 to November 2024, regardless of changes in the underlying population of claimants in the Intensive Work Search category.
- 3 District boundaries are based on a match of DWP jobcentre districts to Office for National Statistics local authority districts (May 2021) provided by DWP. DWP advised us that this match is approximate.
- 4 The lowest average monthly into-work rate was 5.5% for Birmingham and Solihull, and the highest was 10.8% for Northern Scotland.

Source: National Audit Office analysis of Department for Work & Pensions data. Office for National Statistics licensed under the Open Government Licence v.3.0. Contains OS data © Crown copyright and database right 2021

# Appendix One

## Our audit approach and evidence base

### Scope

**1** We reached our findings on how the Department for Work & Pensions (DWP) is supporting people to work through jobcentres, after analysing evidence collected from June 2024 to February 2025. The areas we focused on included:

- the system for supporting people to work, including the support jobcentres provide to claimants of Universal Credit (UC) and DWP's plans to reform employment support;
- the demand for, and supply of, support through jobcentres, including DWP's estimated need for work coaches and whether there are enough work coaches to meet demand; and
- the performance of jobcentres in supporting people to work, including how DWP reports and monitors performance.

**2** DWP uses six categories, which it calls 'labour market regimes', to determine the support a UC claimant receives and the activities they may be required to carry out as a condition of receiving the benefit. We focused on the 'Intensive Work Search' and 'Light Touch' categories. The conditions placed on claimants in these two categories to meet with work coaches, and the activities they must do to look for work and increase their earnings, create the most demand for jobcentre support.

**3** Early in our work, following the 2024 general election, DWP told us that the new government would be announcing plans to reform the system of employment support, which would affect how jobcentres work. In November 2024, the government published the white paper *Get Britain Working*, setting out its planned reforms.<sup>10</sup> We therefore designed our work to set out the facts about how jobcentres support people to work in order to inform public debate and support scrutiny of the implementation of the government's reforms. Our work was not designed to assess the value for money of DWP's spending on jobcentres.

10 HM Government, *Get Britain Working*, CP 1191, November 2024.

**4** We excluded from the scope of our work DWP's employment programmes, including schemes which jobcentres may refer claimants to. We have reported previously on *Employment support: The Kickstart Scheme* and *The Restart scheme for long-term unemployed people*.<sup>11,12</sup> In 2021, we also published a briefing, *Employment support*, setting out more broadly information about how DWP was supporting people to work in the context of the COVID-19 pandemic.<sup>13</sup> With respect to jobcentres, this report provides an update to elements of our 2021 briefing.

## Methods

### Interviews with DWP

**5** We interviewed officials from DWP, including staff responsible for policy development relating to jobcentres, operational delivery, and analysis and evaluation. We used these interviews to develop our understanding of jobcentres, how they operate and their performance, and to explore and ask questions about data and evidence provided by DWP.

### Document review

- 6** We reviewed a range of documents.
- Published DWP documents such as announcements and statements, policy papers, operational guidance and answers to Parliamentary Questions.
  - Evidence submitted to, and reports by, the Committee of Public Accounts and Work and Pensions Committee.
  - Unpublished DWP documents such as policy papers, evaluation reports, governance papers, assurance reports, risk registers and assessments, and performance reports.

We used the document review to inform further discussion and follow-up with DWP and to determine audit findings and triangulate findings from other sources.

11 Comptroller and Auditor General, *Employment support: The Kickstart Scheme*, Session 2021-22, HC 801, National Audit Office, November 2021.

12 Comptroller and Auditor General, *The Restart scheme for long-term unemployed people*, Session 2022-23, HC 936, National Audit Office, December 2022.

13 Comptroller and Auditor General, *Employment support*, Session 2021-22, HC 291, National Audit Office, June 2021.

## Quantitative analysis

### **Financial data**

**7** We conducted financial analysis using DWP's unpublished data to establish the cost of jobcentres. We have presented the financial data in Figure 2 in real terms, using the GDP deflators for 2023-24 published by HM Treasury in October 2024. The financial data are DWP's spending on the direct costs of jobcentres. Estates and digital costs and other corporate costs, such as finance and human resources, are excluded.

### **Data on the demand for, and supply of, jobcentre support**

**8** We analysed data on the demand for, and supply of, jobcentre support from 2018-19 to the first six months of 2024-25.

- We analysed published data (accessed via DWP's Stat-Xplore) on the number of claimants in each of the six UC categories, including the four categories requiring jobcentre support.
- We analysed DWP's unpublished management information on the number of work coaches required and the number of work coaches in post, by jobcentre. We used these data to establish the number of work coaches required and the number in post, in total and for DWP's seven jobcentre regions. We rounded national data on the number of work coaches to the nearest hundred, but the accompanying percentages were calculated using unrounded data.

**9** We used data from DWP's demand model on the number of work coaches needed to provide a consistent service across the country. We did not audit the model as part of this work. We reported in January 2022 on *Financial modelling in government* – this report used DWP's staff demand modelling for working-age benefits administration (five models) and the parallel staff supply model as a case study.<sup>14</sup>

**10** We calculated the average Intensive Work Search caseload per work coach at DWP district level from April 2022 to September 2024. For this analysis, we used:

- published data (accessed via DWP's Stat-Xplore) on the number of claimants in the Intensive Work Search UC category in each DWP district; and
- DWP's unpublished management information on the number of work coaches in post, by jobcentre.

<sup>14</sup> Comptroller and Auditor General, *Financial modelling in government*, Session 2021-22, HC 1015, National Audit Office, January 2022.

**11** We assessed the proportion of jobcentres that used DWP's local flexibility framework to manage their workload by reducing their support to UC claimants from September 2023 to November 2024. For this analysis, we used DWP's unpublished management information on the extent to which each jobcentre had used the measures set out in the framework in any given month.

#### **Data on jobcentre performance**

**12** We analysed UK employment rates by age using seasonally adjusted data from the Labour Force Survey published by the Office for National Statistics for the period May 2018 to October 2024. We note in paragraph 3.4 that the quality of data derived from the survey has been affected by low response rates. We have presented the employment rates in Figure 9 overall for people of working age (aged 16 to 64) and for people aged 16 to 24, 25 to 34, 35 to 49, and 50 to 64.

**13** We analysed DWP's unpublished management information on the operational performance of jobcentres. In November 2023, DWP introduced a new performance framework to monitor the operation of its jobcentres. The framework comprises 13 key performance indicators and a range of supporting administrative data. It includes six key performance indicators of particular relevance to jobcentres' role in supporting people to work. At the time of our work, two of these indicators were in development and DWP did not have data to report performance.

**14** We analysed data for the four key performance indicators for which data are available.

- The only one of the four indicators with data held before November 2023 is the into-work rate. DWP has national into-work rate data available from April 2016. We analysed these data for the period 2018-19 to 2023-24.
- To present information about national performance and geographic variation, for all four indicators we analysed data at DWP region level for the most recent 12 months for which data were available, from December 2023 to November 2024. All data are calculated as averages over the year to exclude the impact of seasonal variability. For the into-work rate, the averages are calculated from monthly reporting data (that is, data for the month when DWP reports them) from December 2023 to November 2024. For the three other indicators, the averages are calculated from weekly reporting data for 52 weeks from 4 December 2023 to 25 November 2024.
- In addition, to present information about performance and variation at a more granular level, we analysed into-work rate data at DWP district level. The averages are calculated from monthly reporting data from December 2023 to November 2024.





This report has been printed on Pro Digital Silk and contains material sourced from responsibly managed and sustainable forests certified in accordance with the FSC (Forest Stewardship Council).

The wood pulp is totally recyclable and acid-free. Our printers also have full ISO 14001 environmental accreditation, which ensures that they have effective procedures in place to manage waste and practices that may affect the environment.



National Audit Office

Design and Production by NAO Communications Team  
DP Ref:013903-001

£10.00

ISBN: 978-1-78604-607-9