

## Off-Flows Potentially to Employment destination report

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### Background and method

The Off-Flows Potentially to Employment (OPtE) measure provides a figure for the number of individuals leaving working-age benefits, but excludes those who have either moved onto other benefits, died, left the register and returned within one week, retired, or taken up New Deal options. The customers who remain after these exclusions are classed as potentially having moved into employment. This study was designed to check the accuracy of the OPtE measure as a means of defining the destinations of customers who leave out-of-work benefits.

Specifically, the study establishes the proportion of those who were classed as OPtE who actually ended their claim to enter paid work.

OPtE pilots were relaunched in three Jobcentre Plus districts in April 2009. In these areas, advisers had access to previous months' OPtE data, giving them an indication of how their office is performing in terms of helping move customers off working age benefits into paid employment. The study is based on a sample of customers who left out-of-work benefits in April and May, and were designated as OPtE at the point the sample was drawn in July 2009.

Telephone interviews were conducted with 6,542 of these customers who were classed as 'OPtE'. Eight-hundred-and-twenty interviews were also undertaken with other customers who off-flow from benefits (who were not classed as OPtE), to produce destinations data on all off flows. Interviews were conducted in August 2009, the month after the sample was drawn – and up to four months after the customers left out-of-work benefits.

Equal proportions of customers ending short-term Jobseeker's Allowance (JSA), long-term JSA, Income Support (IS) and Incapacity Benefit (IB)/Employment and Support Allowance (ESA) claims were interviewed and findings have been weighted to reflect the true proportions of customers leaving each benefit type.

Customers from the three 'pilot' districts were included, alongside those from three matched 'control' districts. A secondary aim of this research was to explore the views of Jobcentre Plus service amongst customers in pilot districts so that if OPtE data is used for targets, any changes in pressure put on customers to end claims or variation in support can be detected.

### How accurate was the OPtE measure in July 2009?

Sixty-one per cent of customers classed as potentially having moved into employment when the sample was drawn in July 2009 had entered paid work immediately after ending their claim as shown in Figure 1. This leaves 39 per cent of customers who were classed as OPtE, not actually moving into employment.

The measure does not appear to have excluded all customers who ended their claim to start a new benefit claim: 12 per cent of customers classed as OPtE said they immediately started a claim for a new benefit. Similarly, one per cent had retired, started claiming a pension or pension credit straightaway but were classed as OPtE. These are exclusions that should be made by the OPtE code.

Those that moved into education or training, took up voluntary work, went overseas, went to prison or ended their claim for an 'other' reason account for a further 26 per cent of OPtE customers. The main 'other' reason for claims ending was being no longer eligible to claim, either due to a change in circumstances or because the customer was not meeting the conditions of their claim.

To increase the accuracy of the OPtE measure, the code needs to be further refined to ensure all new benefit claims are picked up, as well as perhaps adding criteria to exclude those who have their claim ended by Jobcentre Plus rather than choosing to end it themselves.

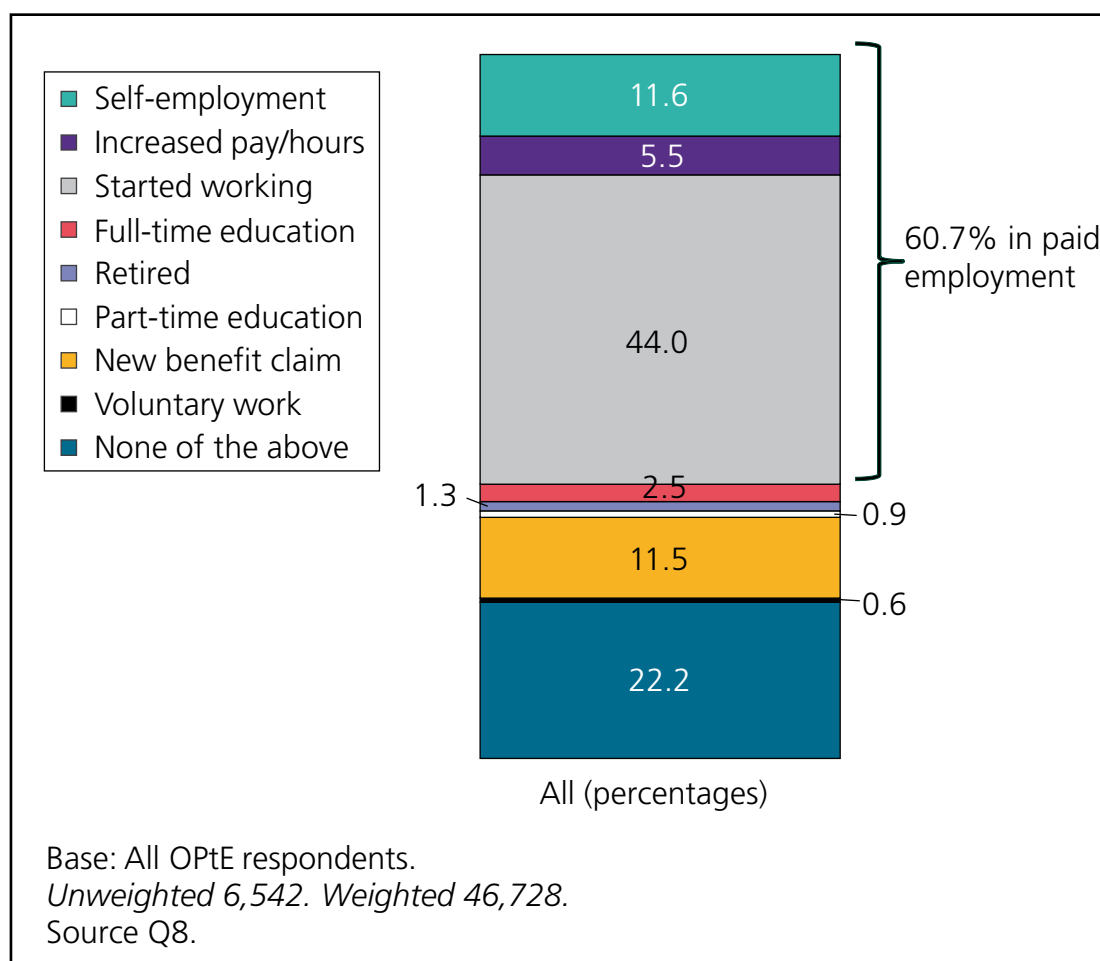
The majority of those ending claims in these six pilot and control districts in April – May 2009 were short-term JSA customers. As this is the

group most likely to enter paid work and least likely to start a new claim, the overall accuracy measure is considerably higher than it would be if long-term JSA, IS or IB/ESA customers were examined separately.

### How do the proportions of OPtE customers entering work compare with previous OPtE outcome studies?

In the destinations study conducted in 2008 (customers who had ended claims in February – April 2008), 63 per cent of OPtE customers had entered work straight after ending their claim compared to 61 per cent of OPtE customers in this recent study. As the sample sizes are substantial this difference is statistically significant at the 95 per cent confidence level.<sup>1</sup>

**Figure 1 Initial destination on ending benefit claim – main destinations**



<sup>1</sup> Some differences in sample included in the study (and in data weighting) should be taken into account, as detailed in Appendix B.

In 2009 more OPtE customers started new benefit claims than had done so in 2008 (12 per cent compared to seven per cent). This confirms that the measure has not increased in accuracy in excluding new claims for benefit. However, fewer 2009 customers had ended their claims for 'other' reasons (i.e. not employment, education or a new claim) so it seems the measure is being successful in screening out some of these.

### Views on Jobcentre Plus service and pressure amongst customers classed as OPtE in pilot districts

At the point customers included in this study ended their claims (April-May 2009) OPtE data was not available to advisers in pilot districts. Findings here are essentially a benchmark for future studies that may be conducted once targets are set based on OPtE figures.

Views on the suitability of outcome (whether a new claim or a job) varied by customer type. Those who moved onto JSA were less likely to feel their new benefit was more appropriate for their circumstances than those moving onto other benefits. The majority of customers **ending** claims for JSA to enter paid work agreed the new job was a good match for their experience, skills and interests. However, customers ending claims for other benefits and entering paid work were almost twice as likely as JSA customers to disagree that the job was a good match.

Customers in pilot districts were reasonably positive about the service they received from Jobcentre Plus staff. Those who had ended a claim to move benefits were most positive and fewer than one in six of those who had ended claims because they did not like the service, had their claim ended or were told they were no longer eligible reported a poor relationship with advisers.

Some customers classed as OPtE did feel under pressure to end their claim but customers in pilot areas were less likely to do so than those in control areas. Over half of those entering work in pilot areas thought the pressure they were under was reasonable.

The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 84712 776 1. Research Report 658. July 2010).

You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

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