Department for Work & Pensions

Research Summary

GOVERNMENT SOCIAL RESEARCH
Social Science in Government

Greater Manchester Working Well: Early Impact Assessment

By Duncan Melville, Paul Bivand, Carmen Hoya Quecedo, Lovedeep Vaid and Alex McCallum of the Learning and Work Institute

Background and aims

The purpose of this research project was to undertake an early stage impact assessment of the Working Well (WW) pilot programme. WW is a two-year pilot operating in Greater Manchester with the aim of helping long-term claimants with health conditions into work. All participants in WW are claimants of Employment and Support Allowance (ESA) in the Work Related Activity Group (WRAG). ESA is a benefit for people who are unable to work due to illness or disability. Individuals in the ESA WRAG group are required to undertake work-related activities. This is because they are expected to be capable of work at some point in the future. These work-related activities do not include looking or applying for work. All WW participants have spent two years on the Work Programme and failed to sustain an employment outcome.

Each pilot participant is assigned to a key worker, who acts as a point of contact and coordinator for the support they need. Clients typically face multiple barriers (health, debt problems, housing, skills needs). The WW approach seeks to address these problems before moving on to help the client focus on employment. Once a participant has moved into work, key workers provide in-work support to help them sustain employment for at least 12 months.

This evaluation investigates whether the WW pilot programme is more effective at helping those it supports to move off benefits and into work compared to the alternative Jobcentre Plus business as usual provision. This business as usual provision consists of 88 minutes of work coach support time per year.

WW commenced in March 2014 and took referrals up to March 2016. Since clients can receive up to two years of support in finding a job and up to one year of in-work support, the 'final' cohort of starters will not all complete the programme until April 2019. This impact assessment only covers participants who joined the programme up until August 2015. Thus, this evaluation can only provide an impact assessment of the early stages of the programme. Outcomes observed over a longer period might show a different picture to the ones observed in this early assessment.

Up to the end of the referral period in March 2016, 4,985 claimants had been referred to WW and 4,548 had attached and started the programme. This report, as an early impact assessment, covers 2,658 claimants referred to the pilot up to August 2015, 53 per cent of known referrals.

Two providers, Ingeus and Big Life, delivered WW in Greater Manchester. Big Life in three local authorities: Manchester, Salford and Trafford, and Ingeus in the other seven local

authorities within Greater Manchester: Bolton, Bury, Oldham, Rochdale, Stockport, Tameside, and Wigan.

Methodology

WW was not designed as a randomised controlled trial. Hence, in order to evaluate its effectiveness, we needed to compare outcomes for its participants, the treated group, against a comparison group. This comparison group needed to have as similar as possible personal characteristics and prior labour market histories (time in work and on out-of-work benefits) to that of the pilot programme participants. Then the differences in outcomes for participants compared to this comparison group can be taken as an indication of the impact of participation in WW rather than possibly being due to differences in characteristics, or experiences of the two groups.

This process of matching a comparison group with WW participants was done using Propensity Score Matching (PSM). This approach matches each participant against a similar individual or set of individuals from an initial wider group of potential comparators. A statistical measure of distance between each participant and potential comparators is calculated. Distance here is an overall measure of how dissimilar two individuals are on the range of relevant personal characteristics and prior labour market history. Participants are then matched with the individual or individuals from the potential comparison group who are closest in distance to them, i.e. are most similar to them.

One limitation of the PSM approach is variables on which data is not available that might be expected to influence an individual's chances of moving into work/moving off out-of-work benefits or sustaining employment/sustaining their time off out-of-work benefits. No information was available on the qualifications held or previous occupations of participants or potential comparators. These are variables that might well influence an individual's ability to obtain and retain employment/move off and stay off out-of-work benefits. This problem was addressed by our matching of participants and comparators on their previous employment and benefit histories. This ensures that participants and those they are compared with have similar prior labour market experiences, which reduces the chances of there being systematic differences between them. If there were such differences between the two groups, which impacted on labour market outcomes, then we would expect to see these differences also in their prior labour market history.

Having created a matched comparison group for the group of WW participants we merged these two datasets together and ran a number of regressions analyses of the early impact of participation in WW (or being treated) on various measures of job and off out-of-work benefit outcomes. We undertook this regression analysis in addition to the above matching for two reasons:

- Including a range of potential explanatory variables, in addition to a dummy variable to pick up the influence of being treated, or participation in WW, provided a further check that the estimated treatment effects were not biased by the influence of other factors.
- As we had not sought to match participants with the comparison group on the basis of the comparison group being in similar local labour markets or local neighbourhoods we included two local variables as explanatory variables in our regression: the relevant lower level local authority employment rate and the local median hourly earnings for full-time workers.

Findings

Our regression analyses estimated the early impact of participation in WW on job entry/out-of-work benefit exit and various durations in work or off out-of-work benefits. The comparison being assessed here is between participants in WW and our matched comparison group,

with account being taken of local labour market/neighbourhood effects. Only one of our estimated impacts of participation in WW was found to be statistically significant: 26-week job sustainment, where the impact was positive.

We undertook similar regression analysis separately for the two providers, Big Life and Ingeus. However, we do not separately identify the two providers in this summary – they are simply denoted as Provider A and Provider B. For Provider A, these showed similar results to those for WW overall, with participation in the pilot programme not having a significant impact on job or off-benefit outcomes. For Provider B participation in WW was found to have a positive and statistically significant impact for job entry (at 10 per cent level), 13-week job sustainment (at 5 per cent level) and for at least one week off out-of-work benefits (at the 10 per cent level).

We also undertook analyses of the impact of WW on weeks in work and weeks off out-of-work benefits. Our analysis suggested that WW increased the amount of time each individual who entered work spent in work by 4.57 weeks compared to an identical individual in the matched comparison group. As WW participants spent on average 20.53 weeks in work this implies that the counterfactual experience if WW had not existed would have been 15.96 weeks in work. However, we found no statistically significant impact from WW on the amount of time an individual spent off out-of-work benefits.

Conclusions

Overall, our analysis of different job outcomes suggests that WW has not increased the chances of individuals moving into work, but has lengthened the time in work for those participants who do enter work when compared against our matched comparison group. We found that the programme increased weeks in work for those who entered work by an additional 4.57 weeks. Consistent with the result above, WW was also found to have a statistically significant, and positive, early impact on being in work for 26 weeks or more. The pilot programme was not found to have a statistically significant impact on any periods spent off out-of-work benefits.

The research we have undertaken is an impact assessment rather than a more comprehensive mixed methods evaluation including a process evaluation. Our impact assessment is able to estimate the impacts of WW, but does not explore why these results are as they are. That is the role of process evaluation, combining qualitative and quantitative research methods.

This means that any explanations that we offer are to a degree speculative. WW participants often have a range of problems such as health issues, substance abuse problems and housing needs. WW seeks to address these problems before moving on to focus on employment[1]. This approach may delay entry into work in the short run but, hopefully, increases individual's chances of sustaining this entry into work.

We found no statistically significant impact from the pilot programme on the amount of time spent off out-of-work benefits. Part of the difference between these results for job and off-benefit outcomes may be down to permitted work rules whereby ESA claimants can continue to be eligible for ESA while in paid work[2]. The Department for Work and Pensions (DWP) have advised that the markers for permitted work have not been quality assured to allow for an analysis of whether periods in work are covered by these rules. Therefore, an increase in permitted work while continuing to claim ESA is a possibility rather than a finding of this research.

---

[1] Page 91 of the 2016 Working Well Annual Report produced for GMCA by SQW notes that support for participants is sequenced and that 'Working Well addresses wider barriers to work faced by each client which need to be dealt with in order to ensure clients are confident and employable, with the aim of generating more sustainable work outcomes in the longer term.'

[2] For more details on permitted work rules see: https://www.gov.uk/employment-support-allowance/eligibility

The mixed results as to whether Working Well had a significant early stage impact on employment or off benefit outcomes are not unexpected given:

- the composition of its participants who were distanced from the labour market (and, to us, the unexpectedly high rate at which the matched comparison group left out-of-work benefits);
- the bespoke support offered, with potentially learning by doing over time leading to greater effectiveness of this support; and
- the early point of assessment given the programme was intended to tackle deep seated barriers to employment amongst participants.

The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 911003 72 4. Research Report 946. January 2018).

You can download the full report free from: https://www.gov.uk/government/organisations/department-for-work-pensions/about/research#research-publications

Other report summaries in the research series are also available from the website above.

If you would like to know more about DWP research, please email: Socialresearch@dwp.gsi.gov.uk