



# Evaluation of the Work Choice Specialist Disability Employment Programme – Findings from the 2011 Early Implementation and 2012 Steady State Waves of the research

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## Background

Work Choice is a Department for Work and Pensions' (DWP) commissioned specialist disability employment programme. It provides employment support to disabled people who cannot be supported through mainstream employment programmes and their employers. It was introduced in October 2010 and replaced two previous programmes, WORKSTEP and Work Preparation. Work Choice aims to have a greater focus on those who need specialist support, including those with learning disabilities and mental health conditions. It was the first specialist disability employment programme to be commissioned under the terms of the 2008 DWP Commissioning Strategy, although it is also delivered through non-contracted provision by Remploy, a non-departmental government body.

## Evaluation methodology

Evaluation of the Work Choice programme involved two strands of research. A programme strand explored the success of Work Choice against programme aims and critical success factors. This strand included an examination of factors which influence access to the programme

and participant profile. It also involved a broader exploration of 'what works' in specialist disability employment provision, a review of the Work Choice wage incentive for young people and a comparison of Work Choice and Work Programme delivery. The commissioning strand of the evaluation aimed to examine the effect of the DWP commissioning approach on specialist disability employment provision. It examined the provider market structure and how this was affected by the commissioning of Work Choice, and explored views on the relationship between the provider market and programme delivery. It also explored the effect of other features of the DWP commissioning model, including performance management and outcome-based funding.

Two waves of research were carried out, one six months after implementation and another 14 months later. Qualitative interviews were carried out with a range of stakeholders, including programme participants, their employers, provider staff, Statutory Referral Organisations (SRO) and staff from Jobcentre Plus and DWP. In total, 633 interviews and three focus groups were carried out. The Commissioning strand also involved an online survey with providers which obtained information from 98 organisations.

## Access to Work Choice

Participants can be referred to Work Choice by Jobcentre Plus Disability Employment Advisers (DEAs) and SROs, with DEAs acting as the principal referral route. A combination of factors were found to influence access to the programme, including many that may potentially reduce access for those with the highest support needs. These factors included DEA and provider assessment of the probability that a disabled person would be able to work at least 16 hours a week within six months (the standard length of the pre-work support module). While DWP has made changes to guidance aiming to address this issue, this did not appear to have significantly altered practice. The use of the SRO referral route, which was designed to enable programme access for disabled people who would not normally come into contact with Jobcentre Plus, was also found to be limited.

The potential impact of these factors was, to some extent, reflected within data on referrals and participants, and overall there appeared to be a need for greater clarity on who the programme aims to support.

In addition to this, the decision to refer some Employment and Support Allowance claimants placed into the Work Related Activity Group straight to the Work Programme once the outcome of their Work Capability Assessment was known, may effectively block their access to Work Choice. While there is DWP guidance in place to facilitate transfers from the Work Programme to Work Choice where appropriate, there was very little evidence of this occurring in practice.

## Work Choice delivery

Overall, both participants and employers involved with Work Choice were positive about the support they received from the programme. Participants and providers all reported that the programme had a positive impact in terms of participants' ability to secure and maintain employment.

During the later research wave delivery was examined with a particular focus on 'what works' within specialist disability employment provision. This involved some providers identified as the best or most improving performers and this identified examples of service delivery that aligned with recognised models of best practice in supported employment. These included personalised pre- and in-work participant support, the use of the 'place and train' model and appropriate support to employers. It is recommended all Work Choice providers should consider the adoption of such best practice in their Work Choice delivery, with appropriate support from prime providers and DWP.

Wider employer engagement was also regarded as a key success factor by providers, in terms of their ability to find and secure job opportunities for participants. There were benefits and limitations of the two approaches to employer engagement that were identified (individually based and employment agency models) so it is recommended a combined use of both should be considered.

While the majority of Work Choice in-work support for participants takes place within mainstream employment, some provision is delivered through supported businesses. These are workplaces that have historically been set up specifically to offer employment to disabled people. There did appear to be good evidence of the benefits of integrating supported businesses with wider programme delivery via an intermediate labour market approach.

There did not appear to be clear evidence on the benefits of financial support for employers within Work Choice, with some reports that long-term subsidies may block progression to open employment. Findings from a review of the Work Choice wage incentive for young people were also mixed.

## Future specialist disability employment support

In the comparison of Work Choice and Work Programme delivery, providers reported that

there was less contact time on the Work Programme, and overall the support delivered was less personalised. Work Choice was reported to offer proactive, intensive and tailored in-work support to participants and their employers, with Work Programme in-work support reported to consist mainly of telephone support to participants.

Providers articulated a strong view that mainstream provision was not able to offer adequate support for some disabled people, particularly within the current funding model. The vast majority of providers and all of the Jobcentre Plus DEAs interviewed identified a definite need for a specialist disability programme alongside mainstream provision. It is therefore recommended that DWP continue to fund and develop specialist disability employment support as a separate specialist area of provision.

## **Work Choice provider market structure**

Limitations in supply chain data held by DWP led to some difficulties in exploring the changes in the provider market. This issue is not unique to Work Choice and further consideration is required of how DWP can accurately capture and maintain records on providers involved in its contracted employment programmes.

Despite its limitations, the available data did appear to indicate that the new commissioning approach had led to significant shifts in the provider market at the point at which the programme went live. One of the most notable changes to the market was the exit of a large number of local authority providers. This shift was reported to be due, in part, to geographical and organisational constraints on bidding, with some suggestion that DWP requirements effectively blocked local authorities from the prime provider role.

Subsequent to the start of the programme, supply chains appeared to have been relatively stable. Where there had been leavers, replacements were typically restricted to providers already holding contracts.

## **Specialist provision within Work Choice**

Work Choice supply chains generally consisted of end-to-end providers of pan-disability services. Referrals were most commonly, although not always, allocated on the basis of geography. Some specialist providers (i.e. those offering a specific service for participants with particular support needs such as those with a brain injury) had left the market entirely. Other specialists were generally utilised on a call-on, call-off basis and many reported receiving few, if any, referrals. Some providers suggested that the limited use of specialists related to the cost involved, rather than the needs of participants.

A range of providers and some Jobcentre Plus staff raised a concern that pan-disability providers might not always be able to offer the specialist skills required to support some participants. They suggested that the limited use of specialists might therefore have a negative effect on service delivery and participant experience.

There were reports that some outgoing providers had made specialist staff redundant or faced closure. Over the long term this might result in the existence of fewer staff and organisations offering this type of support.

Overall, this indicates that the DWP commissioning approach may have had a negative impact on the delivery of specialist services, which also has implications for service diversity and future supply chain competition. Future development of the commissioning approach for specialist provision should consider the position of specialist organisations that support people with specific needs.

## **Work Choice performance management**

There was some suggestion from some providers and DWP performance managers that performance estimates submitted by providers as part of the tendering process were not subject to sufficient critical review within the contract

award process. The award of contracts which include unrealistic performance estimates has been identified as an issue within previous DWP programmes, and may therefore potentially require further consideration.

The mechanisms used by DWP and prime providers to manage performance generally appeared to focus primarily on monitoring and managing outcomes rather than service quality. DWP and Jobcentre Plus staff also described having moved away from overseeing service delivery and participant experience. A lack of external inspection may have compounded this limited focus on service quality. Experience from the WORKSTEP programme demonstrated the positive influence that external inspection had on developing service quality. Consideration may want to be given to the development of a quality framework along with the reintroduction of external quality inspection.

## **Work Choice financial model**

The Work Choice funding model includes a 70 per cent service fee with a 30 per cent outcome-based element, and this balance was welcomed by providers. The service fee element was felt to be important for a specialist programme because of the support requirements of the participant group. The inclusion of an element of outcome-based funding was also felt to support a focus on achieving job outcomes.

Findings from the comparison of Work Choice and Work Programme delivery suggest that the different payment models appeared to drive different levels of resourcing. For example Work Programme adviser caseloads were reported to be several times higher than those on Work Choice, even within a single provider organisation. There was also some evidence of more target-driven behaviour on the Work Programme, including some reports of 'parking' and 'creaming' of participants. Any future funding model for specialist disability employment services should therefore consider the use of services fees for provision aimed at this participant group.

## **Future commissioning of specialist disability employment support**

There appeared to be some tensions between elements of the DWP commissioning approach and its use within a specialist disability employment programme. These include the use of outcome-based funding, which may drive undesirable provider behaviour such as rejecting participants considered unlikely to achieve employment. DWP does appear to have considered some of these factors within the approach it used to commission Work Choice, although some of the issues identified by the evaluation continue to be potentially problematic. This suggests a need to further review the commissioning approach used for specialist disability provision.

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