

## **Work and Pensions Longitudinal Study – List of Uses**

**December 2010**

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## Work and Pensions Longitudinal Study – Background Information

### What is it?

Introduced in January 2004, and enhanced in October 2005, the Work and Pensions Longitudinal Study (WPLS) links benefit and programme information held by DWP on its customers, with employment records from Her Majesty's Revenue & Customs (HMRC).

- New data-sharing provisions introduced in the Employment Act 2002 opened the way for DWP to receive further data on employment from HMRC and use the information for more purposes. DWP and HMRC have been working together to enable this data sharing to take place and to develop safeguards for the initiative.
- The Work and Pensions Longitudinal Study has long been discussed within Government and offers DWP the opportunity to significantly improve both the analytical evidence base and operational effectiveness of the Department.
- Its aims are focused around supporting the Department's agenda for Child Poverty, Welfare-to-Work and Retirement Income planning policy, and enabling us to find out more about what works and what does not. This will, therefore, allow us increasingly to target our resources to the appropriate people, in the appropriate way.
- The Pensions Act 2004 provides for the Secretary of State's new functions to promote and facilitate retirement planning.
- To enable the Secretary of State to carry out his function of promoting and facilitating retirement planning the Department has enhanced the WPLS by the exemption of Individual Savings Accounts (ISAs), Personal Equity Plans (PEP), Tax Exempt Special Savings Account (TESSA), private pension pots or savings accounts information from HMRC for people aged 60 or over.
- The Department has also enhanced WPLS by the addition of HMRC earnings, and Housing Benefit and Council Tax Benefit data for all people aged 60 or over.

## What is it used for?

A written statement to Parliament in December 2003 stated that WPLS would be used to perform a range of statistical and research analyses, and some limited operational purposes, to give the Department further opportunities to evaluate the effectiveness of its businesses, for example:

- provide statistics, management information and research on the success of Jobcentre Plus in helping people into work and keeping them in work;
- help to evaluate individual policies and their impact in the short, medium and long-term;
- determine the family unit for pensioners to establish overall pensioner income from benefits;
- aid in the investigation of fraud; and
- provide us with the opportunity to improve the way we target clients through marketing initiatives

A further written statement to Parliament in the autumn of DWP's intention to enable the WPLS to capitalise on the additional data provided on Housing/Council Tax Benefit and HMRC to:

- Improve data matching to support Pension Credit take-up campaigns;
- Better understand and research people who work beyond state pension age as part of our research into retirement planning and to assist the development of the pensions policy;
- Understand the links between savings held and the benefits system in retirement and how people are using or accumulating savings in retirement

## Work and Pensions Longitudinal Study – List of Uses

The Work and Pensions Longitudinal Study (WPLS) provides the opportunity for DWP to significantly improve both the analytical evidence base and operational effectiveness of the department, developments due to go live from October 2005 will help DWP to improve our policies, and better target our resources to those most in need in assistance, improving the service to our customers.

The WPLS was initially released in January 2004.

Below is a list of uses the Study has been put to at December 2010.

**Child Support**

- For research and analysis in relation to child support policy
- Analysis of data to simplify and improve the flow of child support maintenance from non-resident parents to parents with care
- Develop an evidence base to support design and development of the future child maintenance service

**Forecasting**

- To produce accurate forecasts
- To improve policy modelling and forecasting
- To understand the drivers behind flow on and off benefits, to produce robust forecasts of benefit caseload and expenditure in order to inform public expenditure planning and Departmental resource allocation
- To enhance our ability to forecast future benefit receipt and combinations of benefits by customer group
- To model the future Employment Support Allowance (ESA) caseload and determine the rate at which to the ESA is set, in turn allowing for accurate forecasts of future spending on the ESA
- To allow more accurate modelling of characteristics of forecast onflows to receipt of DWP benefits leading to more accurate predictions of benefit transitions and flows and improved forecasting
- Data used to inform forecasts of DWP future expenditure on Statutory Maternity Pay (SMP)

**Fraud and Error**

- To support work in improving the targeting and performance of DWP Programme Protection Activities
- The development of a customer centric fraud and error database, enabling customer rather than product focussed fraud referrals and OGD products
- For use in reducing uncertainty in fraud and error national statistics by improving the initial sample stratification
- An initial exploration to ascertain whether or the WPLS could be useful as a tool to better focus Local Authority detection activity for identifying overpayments of Housing Benefit

**Pensions**

- To provide research to help senior managers understand the impacts of pension reforms on The Pension Service
- To contribute to Government targets to eradicate pensioner poverty and promote independence and security in retirement through the take up of benefits and entitlements by contacting potentially eligible people
- The maintenance and development of Pensim2, the DWP dynamic micro-simulation model of pension membership and pensioner income

- Analysis that will help us gain a better understanding of our pensioner client group, which will help the directorate in its work to reduce pensioner poverty by increasing the take-up of pensioner benefits
- Secondary analysis of L2 data to develop and inform the pensions statistics evidence base
- The development and deployment of Rapid Review National Implementation and MI
- The project will implement recommendation 22 of the Office for National Statistics (ONS) Review of Pension Contribution Statistics (September 2002) which proposed that ONS and the Department for Work and Pensions (DWP) should examine the linkage of New Earnings Survey (NES) and Lifelong Labour Market Database datasets (LLMDB)
- To provide research to help senior managers, and occasionally Ministers, understand the impacts of various change initiatives and to provide insight into our business processes, our customers and their needs
- To enable detailed analysis of customers/non customers claiming benefits in order to broaden insight into this customer group and support critical PDCS business objectives
- To better analyse the effects of hypothetical changes to the State Pension system
- To undertake research and analysis in support of PDCS objectives
- To develop analysis of behavioural drivers that can be used to support PDCS deliver efficient and effective services

### **Working Age**

- To use for the Job Outcome Target to measure how many people Jobcentre Plus have helped into work. The Job Outcome Target is used to measure Jobcentre Plus performance
- For setting and analysing performance against Job Outcome and other Jobcentre Plus targets
- To monitor and understand Jobcentre Plus performance against its Job Outcome Target
- To determine the number of people gaining a job whilst participating on a New Deal programme and the immediate destination of a participant leaving the New Deal programme
- To conduct an evaluation of Pathways to Work pilots to examine their on-off flows, employment, wages and health for existing customers
- To undertake analysis of the Progress 2 Work and Freshstart client groups
- To assess the impact on economic outcomes of the Employment Retention Advancement Project (ERA)
- To assess the impact of a series of Lone Parent pilots, including the work search premium and in work credits
- To conduct analysis of programme data, benefits and employment information to analyse the effectiveness of Working Age programmes and initiatives for lone parents, partners and the sick and disabled into work
- Assessment of Jobcentre Plus and provider performance

- To establish how effective mainstream labour market policies are at getting people off benefits and back to work
- To enable research into employment/benefit trends over time and the effect of policy changes and economic factors on the labour force
- Analysis of benefit receipt and employment programme participation and outcomes in different age groups
- To provide analysis supporting greater benefit simplification and improved work incentives
- To answer parliamentary questions and briefing requests for Disability Living Allowance/Attendance Allowance
- To provide destination details of early service leavers from the armed forces and to ascertain the effectiveness, or otherwise, of the sign-posting service provided to these personnel to assist them in making the transition back to civilian life
- To generate modelling of migrant workers activity by tracking cohorts over time
- Need to sample and identify the characteristics of those who receive Basic Skills and ALO provision
- To link data from the Family Resources Survey (FRS) to administration records held by DWP to enhance the use of the survey data. Only for FRS respondents who consent to having their data linked
- DWP have commissioned an economic evaluation of the introduction of Jobcentre Plus, which will involve analysis of benefit flows, job starts, Jobcentre Plus activity and roll-out information to identify the impact of the changes
- To conduct analysis to feed into the evaluation of the work-focused services in children's centres pilot
- To allow analysis of the Department's interaction with disadvantaged client groups
- The Analysis and Evaluation Team in ESA Division is responsible for analysis of issues relating to medical assessment of disabled people on benefit. We require access to data relating to medical assessment which determines entitlement to benefit and data which relates to disabled people on benefits and their movement into work
- Ongoing loading of data received into the Department and production of the WPLS for the purposes of the JOT project
- To assess the impact of the European Social Fund (ESF)
- Access is required to WPLS in order to select a sample of clients to be invited to participate in the evaluation of IWRP
- Analysis of the data will provide evidence to support incapacity benefits policy development
- Access is required to carry out the Team's routine and ad-hoc analysis on the Lone Parent and Partner agenda
- The project will provide a longitudinal study of ex-offenders to help build an evidence base to better understand the needs of one of the hardest to help groups

- In order to assess Jobseekers Regime, Flexible New Deal (JRFND) compared to previous New Deals we need accurate information about employment and earnings which WPLS can provide
- Access is required to build up the evidence base of benefit recipients identified as drug misusers. This can help inform policy development and gain a deeper understanding of this group
- Access is required to Quality Assure and produce official statistics on the Six Month Offer
- Access is required to carry out the Team's routine and ad-hoc analysis on the Lone Parent and Partner agenda
- Access required to assess the impact of BWC on benefit off flows, employment entry rates and take up of other in work benefits and analysis of characteristics of BWC claimants
- Work to develop new National Statistics on employment programmes
- The ESA and Conditionality Economic Analysis Team is responsible for undertaking Economic analysis of national programmes and pathfinders for IB/ESA conditionality, cost benefit analysis and analytical input to cross cutting areas
- Proof of concept matching between LSC data on learners and WPLS data on benefit claimants and employment histories
- To analyse the employment programmes according to different client groups
- Analysis of employment trends, off-flows and retention for reporting and to inform policy thinking
- To monitor and evaluate the impact of the Delegated Flexibility Pilots on job outcomes and the sustainability of those outcomes

### **Other Uses**

- To create the tables which can be viewed on the DWP tabulation tool available on the internet
- For developing information about who are DWP's customers and what products and services they require from us
- We wish to combine the wealth of quantitative data (internal and third party) and qualitative information in order to create a joined-up big picture of our customers
- Production of National Statistics on benefit flows
- Analysis of the destination of benefit leavers
- Production of datasets for use by interested parties across the DWP analytical community
- The data will be used to investigate and improve understanding of the key contributors to eligibility for certain benefits
- Analysis to support policy development on a Universal Credit
- Analysis to improve design of the benefits system.
- To understand the experiences of offenders in work and on benefits.



Any new uses of the data will be added to the above list, and posted on the DWP website at [http://www.dwp.gov.uk/asd/longitudinal\\_study/ic\\_longitudinal\\_study.asp](http://www.dwp.gov.uk/asd/longitudinal_study/ic_longitudinal_study.asp) every three months.

As detailed within the safeguards document, an Ethics Committee has been established. Any new uses of the data, which the Head of Data Matching Services in DWP considers should be referred to the Ethics Committee, will not be taken forward until the committee has discussed and voted upon them.

**Contact points for further information:**

Email [WPLS@dwp.gsi.gov.uk](mailto:WPLS@dwp.gsi.gov.uk)

Telephone DWP Information Directorate Information Centre 0114 209 8562