LEARNING AND WORK INSTITUTE

Working Capital: Final Evaluation Report

Programme Review with Lessons for Future Provision

Jubair Ahmed, Paul Bivand, Jerome Finnegan, Hazel Klenk, Trudi Martin, Duncan Melville and Lovedeep Vaid.

May 2021

Learning and Work Institute
Patron: HRH The Princess Royal | Chief Executive: Stephen Evans
A company limited by guarantee, registered in England and Wales
Registration No. 2603322 Registered Charity No. 1002775
Registered office: 4th floor, Arnhem House, 31 Waterloo Way, Leicester LE1 6LP.

Published by National Learning and Work Institute (England and Wales)

4th floor, Arnhem House, 31 Waterloo Way, Leicester LE1 6LP.

Company registration no. 2603322 | Charity registration no. 1002775

Learning and Work Institute is an independent policy and research organisation dedicated to lifelong learning, full employment and inclusion.

We research what works, develop new ways of thinking and implement new approaches. Working with partners, we transform people's experiences of learning and employment. What we do benefits individuals, families, communities and the wider economy.

Stay informed. Be involved. Keep engaged. Sign up to become a Learning and Work Institute supporter.

www.learningandwork.org.uk @LearnWorkUK @LearnWorkCymru (Wales)

Contents

Executive Summary

Working Capital was an innovative, pilot programme of integrated employment and health support for disabled people and those with health conditions. It was designed by Central London Forward (CLF). It operated in Central London for such individuals who had been out of work for more than two years. Its origins lie in the performance of the Work Programme for people with a long-term health condition or disability. The Work Programme support was seen as not having led to sufficient improvements in sustained employment outcomes for this group. Working Capital therefore was introduced to test the effectiveness of providing more intensive and specialised support for those that do not find employment via the Work Programme. To be eligible for Working Capital individuals had to be claimants of Employment Support Allowance (ESA) who had participated in the Work Programme without achieving a sustainable job outcome. ESA is a social security benefit for adults of working age who are not in work and have a long-term medical condition or a disability. Eligible individuals were randomised to be either participants or members of the control group for evaluation purposes.

Participant Characteristics and Job Outcomes

Participants in Working Capital were very disadvantaged, with most having low levels of education. A significant proportion of participants had been out of work for very lengthy periods of time: more than four fifths had been out of work for over four years, and a quarter for 20 years or more. The majority of participants reported one of two types of health conditions, mental health and neurological conditions or musculoskeletal conditions, as their primary or secondary condition. The levels of disadvantage and the barriers that participants faced to enter and sustain employment underpinned the case for intensive support, over an extended period, if participants were to make a successful transition into work.

Thirteen percent of participants entered employment, with 59 percent of these sustaining work for at least 26 out of the next 32 weeks. Age was found to be an important factor affecting whether an outcome was secured. The over 50s accounted for half of participants, and their job outcome rate was just 9 percent, which was much lower than for younger participants. Other characteristics such as location and the employment status of the household were related to job outcomes. Younger participants were found to be more likely to achieve a sustained job outcome, while jobless households with children achieved the highest degree of job sustainment with 81 percent of jobs being sustained. While the job outcome rate was similar for men and women, men were far less likely to secure sustained outcomes than

women; just 38 percent of men who entered work sustained in employment compared to 70 percent of women.

Programme Participation

The number of participants on Working Capital was significantly lower than the initial expectations. The number of referrals made to the programme up to June 2018 was 60 percent lower than had been expected. There were two principal reasons for this outcome. Firstly, over the course of the Work Programme, job outcome performance for the Employment Support Allowance (ESA) groups improved so that it rose above the level expected by CLF, and others, when Working Capital was being planned. This reduced the number of eligible individuals, as fewer left the Work Programme without finding work. Secondly, all participants in Working Capital had to be claimants of the ESA benefit and within that in the Work-Related Activity Group (WRAG). ESA WRAG individuals are required to undertake activity to facilitate their entry into work. WRAG status was determined via work capacity assessments, which were undertaken periodically. The assessments could move individuals between the WRAG and the ESA Support Group (who were not required to undertake work related activity) and into the Fit for Work group, who were no longer eligible to receive ESA. The process of work capacity reassessments resulted in only around a fifth of individuals staying in, or moving to, the ESA WRAG group. The rate of conversion from referral to attachment from going live to February 2019 was 68 percent. The significantly lower than expected referral levels had a knock-on effect reducing the number of outcomes the programme was able to achieve.

The Participant Journey

Participants were unaware of the randomisation process and some participants were also unable to recall the process of their referral. However, most participants understood why they had been referred to Working Capital and understood it would be delivered not by Jobcentre Plus, but by another organisation. Participants who were aware of the aims of the programme and understood the reasons for their referral were more positive about their participation.

Participants did not distinguish between their initial programme appointment being mandatory and that engaging in ongoing support from Working Capital was voluntary. Many believed that participation was mandatory and that there was a risk of losing financial benefits if they left the programme**.** Participants were largely positive about their engagement with their caseworkers. Some did not disclose the extent of their mental health challenges, or the extent of their drug or alcohol addictions. Participants had mixed experiences of developing their action plan. Many could not recall working on it, but those who did usually regarded it as useful. Those

individuals who did not find creating a plan helpful typically felt they were so distanced from work that planning a route to employment was difficult for them.

The frequency of support differed among participants, with the survey showing a clear difference by age: 55 percent of those aged 35 to 49 met their caseworker once a fortnight, a figure that fell to 33 percent for those aged 50 plus. The most common form of support received was one-to-one support followed by referral to a health and wellbeing adviser and CV development and interview skills. Participants viewed one to one support as the most useful form of support, followed by CV support and, where participants had been referred to it, training. Where they had received health and wellbeing support, participants gave positive feedback about their experience, and that this type of support had helped them find employment or helped with confidence levels and managing stress.

Participant outcomes

Over the lifetime of the programme, Working Capital achieved a 13 percent job outcome rate. The Cohort Analysis, which looked at groups of participants who started on the programme in separate six month periods, suggests that its ultimate long run impact could be a job outcome rate of at least 14 percent. These are outcomes for a group which was very disadvantaged and distanced from the labour market. In addition, as well as job outcomes, our survey of participants indicated other positive outcomes in terms of volunteering and participation in education or training. Thirty five percent of participants indicated that they had achieved a positive outcome on this basis. Working Capital also had positive impacts on health and softer outcomes, such as confidence and motivation. Certainly, participants take a positive view of the programme: when asked the question “Would you recommend the Working Capital programme to friends or a family member?”, 77 percent responded “yes”.

Facilitators and barriers

Regular, sequenced support delivered by an understanding, flexible and approachable caseworker, helped participants feel appreciated and confident that they could talk about their wider needs. Caseworkers recognised that building up trust with participants was vital to keeping them engaged and able to make progress. Other types of support, such as work placements and ESA permitted hours of work, were seen as important by caseworkers, as they helped participants gain work experience without having to sign off benefits. Warm handovers were also seen as key to both meeting the potentially wide-ranging needs of clients and to promoting integrated delivery.

The major barrier facing participants was health issues, followed by a lack of relevant qualifications, lack of confidence, and lack of relevant skills. Changing caseworker (occasionally multiple times) was a barrier to success for participants, with the resultant delays and need to repeat information having an adverse effect on them. The timing of their referral to the programme meant some participants were not able to consider seeking employment, or take advantage of the support on offer, because they felt at that point, they were too far away from the labour market. Delays and inability to access services were found to be a significant barrier to progress in some cases. A number of participants would have liked the length of programme to be lengthened, from 12 months, to increase the likelihood of them succeeding in finding employment.

Joint-working and local authority involvement in the delivery of the Working Capital programme benefitted participants as it gave them access to a wider range of support options. Co-location of Working Capital services with other local services facilitated communication between these services. Good communication in turn lead to the building of solid working relationships between relevant staff members. Local authorities' awareness of available provision in their localities, and their ability to help with associated referral processes, were also important facilitators of successful outcomes.

Impact and Cost Benefit Analysis

At the time of writing, we had no up to date estimate of the impact of Working Capital on job entry relative to a business as usual counterfactual. Hence, our estimates of the net impact of the programme taking into account deadweight (that is, the proportion of participants who would have found work anyway), are based on the information currently available to us. This inevitably imparts some uncertainty into our Cost Benefit Analysis calculations. DWP are currently in the process of updating their impact assessment for the programme.

The central estimate of the discounted net present value of the benefits of the programme was £2.58 million, compared to the net present value of the costs of £2.14 million. Hence the overall net present value was estimated to be around £440,000 and the benefit to cost ratio was estimated to be 1.2. These figures indicate that Working Capital was estimated to have achieved value for money as its benefits outweighed its costs.

The estimated benefits covered both economic benefits in terms of additional economic output and non-economic benefits, including reduced NHS costs from participants' improved health, reductions in pressure on the criminal justice system, and wellbeing benefits.

Key Recommendations

Our analysis suggests some key recommendations for future programmes, which are set out below.

- Employment programmes that aim to address multiple and complex needs should be designed to be flexible and responsive enough to respond to individuals' needs.
- A tailored approach to individual support, offering a range of services, is central to overcoming the barriers to entering and sustaining work.
- Support should be delivered intensively across all clients with a minimum level of service provision required for all participants to ensure all are adequately supported. There was evidence that some groups, such as those aged over 50, did not receive the same intensity of support as others, while their outcomes were also much lower.
- Low caseloads are a necessary condition for the provision of intensive support by caseworkers to disadvantaged individuals.
- Commissioners should set out not only a central projection for the volumes of referrals and attachments, but also upper and lower bound estimates. Responses from contractors should be assessed against this range of volume projections and their proposed mitigation strategy if volumes turn out to be different and in particular, lower than anticipated.
- In developing its own policies and programmes, DWP should also consider any potential competition for participants in areas where devolved programmes already exist, and the impact this may have on the volumes of referrals and attachments flowing through to programmes.
- Consideration should be given to the use of a more sophisticated payment model incorporating both PBR coupled with a service level payment to deliver activities.
- The payment model should reflect the aims of the programme. For instance, if the aim of a programme is to test a particular delivery model (which is the case for Working Capital) then a PBR system may not be appropriate. This is because the delivery model that ends up being tested is a model that is commercially viable within the PBR framework. This often requires making significant alterations to the service. These alterations, made to achieve commercial viability, mean that the implemented model becomes very different to the one intended to be tested from the outset.

1. Introduction

Working Capital was an innovative, pilot programme of integrated employment and health support for disabled people and those with health conditions who have been out of work for more than two years. It was designed by CLF, working with eight of the twelve CLF local authorities[1], the Mayor of London and central government[2]. The programme was delivered under contract by Ingeus, formerly Advanced Personnel Management UK (APM), following a competitive tendering process. The programme became operational in October 2014 and ended in 2020. The pilot programme was developed as part of the 2014 London Growth Deal between central and London government.

Its origins lie in the performance of the Work Programme for people with a long-term health condition or disability. The Work Programme support was seen as not having led to sufficient improvements in sustained employment outcomes for this group. Working Capital therefore was introduced to test the effectiveness of providing more intensive and specialised support for those that did not find sustained employment via the Work Programme. It was also intended to test the extent to which services and outcomes can be improved through local leadership, design, and implementation; increased financial investment; and more specialised support for participants. The programme was designed to include a Randomised Controlled Trial with the intention that this would be used to test the impact of the programme. The design of Working Capital built on the evidence around the benefits of integrated and intensive support.

The programme fits with the strategic priorities of CLF, notably the following set out in the CLF Skills Strategy[3]

- Deliver inclusive growth that supports the most vulnerable CLF residents into learning and work; and
- Support residents to access and progress in CLF's increasingly polarised labour market.

Overall, during the period of the operation of Working Capital, 2015-19, the labour market in Central London improved, with the employment rate increasing to a level

[1] City of London, Camden, Islington, Kensington and Chelsea, Lambeth, Southwark, Wandsworth, and Westminster.

[2] Department for Work and Pensions (DWP), HM Treasury and the Cabinet Office.

[3] Central London Forward (2019a) "Skills Strategy 2019".

higher than both the London and the national average[4]. However, not everyone benefitted from these improvements and large numbers of residents remained at risk of labour market exclusion. This includes those with a disability or long-standing health condition. The disability employment rate was less than 50 percent in most Central London boroughs, and Central London also had a higher than average rate of ESA claimants than in Outer London[5]. Most recently since the spring of 2020 and the onset of COVID-19 the labour market situation in Central London, and indeed in the whole of the UK, has deteriorated substantially due to the restrictions that have had to be placed on economic activity.

The programme was delivered during a time of significant change: firstly, in the approach to and funding of active labour market programmes from central government, and secondly in the benefits system. For example, the Work and Health Programme has been focused to target specific high need groups, with 75 percent less funding than its predecessor programme. This shift will increase the onus on Jobcentre Plus and local employment programmes to support claimants effectively. Further, the introduction of Universal Credit overhauled the way in which work related benefits were administered and managed, and in doing so this has created new procedural pressures. It has also smoothed the transition between in and out of work benefits receipt and introduced in-work conditionality for some, changing the nature of the relationship between a claimant and Jobcentre Plus.

The funding for Working Capital was significantly higher than had been the case in comparable recent programmes[6]. This allowed for much smaller caseloads (25 per adviser), and greater funding of additional, specialist provision where existing support was not available.

The programme was run as a 'Randomised Control Trial', meaning that eligible participants were referred randomly into either a 'treatment' or 'control' group, with the difference in outcomes between these groups being used to measure the impact of the intervention. Learning and Work Institute (L&W) was commissioned to evaluate the trial, comprising assessments both of its impact and how it had been implemented.

[4] Central London Forward (2019a) op cit.

[5] Central London Forward (2019a) ibid.

[6] £2,650, compared with estimated funding for ESA claimants within the Work Programme of just £700 per participant.

The first report published as part of this evaluation reviewed the commissioning and procurement strategy, and early implementation of the programme. The second and third evaluation reports built on the first report to fully understand the delivery context and operation, and to highlight learning about what has and has not worked in the delivery of the Working Capital programme. This final report extends this analysis and presents the findings of the randomised controlled evaluation. The report sets out:

- In Chapter 2, the methodology used to conduct the research;
- Chapter 3 outlines the participants' profile and outcomes;
- Chapter 4 outlines programme participation rates;
- In Chapter 5, a discussion of participants' journeys through the support;
- In Chapter 6, an overview of participant outcomes;
- In Chapter 7, the barriers, and facilitators of positive outcomes;
- In Chapter 8, the economic impact and value for money; and
- Chapter 9 provides conclusions.

The findings from this report provide lessons as to what works, which should help to inform the shape of future employment programmes. This will be especially important for the foreseeable future given the COVID-19 pandemic that has transformed the outlook for the labour market throughout the UK. Already there has been a drastic fall in job vacancies and hours worked, and unemployment is expected to rise dramatically as the Coronavirus Job Retention Scheme winds down and ends. If the experience of previous recessions is anything to go by then unemployment is likely to stay high for a number of years into the mid-2020s.

2. Methodology

This evaluation uses a mixed method, multiphase evaluation design, to address the following research questions:

1. How effective has the commissioning process for the Working Capital intervention been?
2. Has the process of delivering the Working Capital intervention achieved its intended objectives, including greater local service integration and providing specialist support for very disadvantaged groups?
3. Have the Randomised Control Trial (RCT) arrangements been set up and executed in a robust way?
4. How well has Working Capital performed in delivering employment-related outcomes?
5. How well has Working Capital performed in achieving non-employment related outcomes?
6. What is the cost/benefit case for the Working Capital intervention?

Table 2.1 below demonstrates how the research elements combine to address the research questions.

Table 2.1: Evaluation framework

Research element	Research question					
	1	2	3	4	5	6
Desk research and literature review	●					
Scoping interviews	●					
Longitudinal participant research and user focus groups		●		●	●	
Participant interviews						
Frontline staff interviews		●		●	●	
Local authority interviews		●		●	●	
Employer interviews		●		●		
Observation of randomisation and post-hoc assessment of randomisation process			●			
Analysis of provider MI			●	●		●
Survey of Participants		●		●	●	
Cost Benefit Analysis				●	●	●

Interviews with participants, frontline staff, employers, local authority staff and the survey of participants helped to address research question 2, in relation to the delivery of Working Capital and the extent to which it has achieved local service integration, as well as employment and non-employment related outcomes (research questions 4 and 5). Qualitative findings on outcomes were then compared with Management Information (MI), to explore in greater detail the profile of participants and their progress on the programme. The cost benefit analysis helped to assess the economic value of the programme, answering questions 4, 5 and 6.

Participant interviews

Twenty-seven interviews were carried out with programme participants who had joined the programme since the last round of research (completed in spring 2020). These interviews provided data on participants views and experiences of Working Capital, focussing particularly on early interaction and service delivery, to aid our assessment of the effectiveness of the delivery model.

Participants were drawn from across all the boroughs involved in Working Capital, and with varying lengths of unemployment, including people who had entered employment recently and those who had not been in work for over five years.

The age of participants interviewed ranged from 31-64 and there were of a range of ethnicities, reflecting the diversity of London. Many had varied work histories, but most were currently claiming ESA. Other benefits claimed by interviewees included Personal Independence Payments (PIP), Tax Credits and Housing Benefit (HB). Further, some participants have made the transition to Universal Credit after finding employment/ becoming self-employed. Chapter 3 analyses the characteristics of Working Capital participants from the programme management information. This indicates more generally the diversity of participants, including, for example, in terms of their age, health conditions, qualification levels, and length of prior unemployment.

Interviews were conducted using a semi-structured topic guide. This had a list of questions and probes, which could be used flexibly based on the respondent and their experiences. This gave the discussions focus whilst enabling researchers to explore areas in more detail where possible.

Local authority interviews

Staff leading on, or contributing to, the Working Capital programme at six of the eight local authorities involved were interviewed. The interviews reflected on programme delivery over the past year, from the local authority perspective; specifically, what was working well and where challenges had been encountered. Lessons learnt from involvement were also discussed, considering that the DWP Central London Works programme has been established for several years in London.

Employer interviews

Employers who had hired participants from the programme were interviewed. The interviews focused on their experience of hiring participants and their reflections from engaging with the programme. These interviews took place in spring 2020 during the outbreak of the COVID-19 virus. There was lower uptake of interviews partly as a result of the challenges employers were facing during this period, with only one employer completing a full interview. The findings are presented as a case study.

Data analysis

Quantitative data was obtained from APM, the Working Capital contracted provider. The data from APM related to the referrals and people attached to the programme. Individual level data was provided regarding 1,206 referrals and 1,076 individuals with whom initial meetings were conducted. Variables included in this dataset were agreed by CLF and satisfy ESF management information reporting requirements.

Survey of Participants

A total of 266 participants were invited to take part in an online survey and the survey achieved a 38 percent response rate, resulting in 100 valid responses. Responses to the survey were weighted, to produce a weighted sample of 256 to reduce non-response bias. Logistic regression-based weighting was used to bring the composition of the respondent sample more closely into line with the population of the programme's participants. This process is known as 'non-response weighting'. This process will have reduced, but not eliminated, any response bias - as not all observable characteristics can be used in the weighting equation, but nonetheless the weighted results should better represent the attitudes of all participants compared to using the unweighted results. All percentages presented in the report are based on the weighted sample, unless stated otherwise.

Benchmarking

For our third report, DWP undertook internally an assessment of the impact of Working Capital on job entry. We are in discussion with DWP about an update to this analysis. As this analysis has yet to be undertaken, we undertook a short

benchmarking exercise to provide us with an estimate of the net impact of Working Capital on employment. This was an essential input to the programme's Cost Benefit Analysis.

Cost Benefit Analysis

Learning and Work's approach to cost benefit analyses of labour market programmes is based on, and fully consistent with, the Treasury Green Book, the DWP Social Cost Benefit Analysis Framework, and other official guidance from government departments.

The cost of the programme was calculated based on both our estimate of the value of the payments from CLF to APM for providing Working Capital and on direct cost data from APM.

The benefits of labour market interventions such as Working Capital potentially take two forms: the economic benefits of people being in employment who otherwise would not, and the non-employment benefits that flow from these people being in work. These non-employment benefits include, for example, health improvements, or reductions in criminal activity.

With both the costs and benefits of Working Capital calculated and expressed in common monetary terms they can be compared to assess the value for money that the programme has achieved.

3. Participants and their Job Outcomes by their Characteristics

This chapter looks at participant's and their job outcomes. It compares these outcomes by the different characteristics of participants, using monitoring information data collected as part of the programme.

Eligibility

The Working Capital programme was targeted at people in the ESA Work Related Activity Group (WRAG) living within the eight CLF central London boroughs who had completed the Work Programme without going into sustained employment. Those in the ESA WRAG group had completed a Work Capability Assessment and as a result were deemed able to undertake work related activity to prepare for moving into work.

Initially, eligibility for Working Capital was limited to those who had completed the Work Programme and returned to Jobcentre Plus for the first time (flow claimants). However, due to lower than anticipated referrals to the programme coming forward, eligibility was extended to include central London ESA WRAG claimants who also had completed the Work Programme without entering sustained employment but had already re-established their relationship with Jobcentre Plus (stock claimants). The use of stock claimants provided a useful temporary boost to Working Capital referrals, but as there was only a fixed number of people in this position, after a time, this potential supply of programme participants became exhausted.

In this chapter, we use data from the programme provider APM in November 2019. This indicated that the first programme referrals occurred in October 2015 with the last referrals happening in February 2019. The first attachments to the programme occurred in January 2016 with the last attachments happening in April 2019. Figure 3.1 shows how the numbers of referrals and attachments increased over time. Overall, this shows 1,391 referrals to the programme and 949 attachments. The conversion rate from referrals to attachments was 68 percent.

A later data set from CLF indicated that there had been 1,122 participants (attachments) on the programme. We did not use this data because although it was slightly more complete it did not include information on some variables (notably referral and job start dates) which were included in the APM data and which are required for some of the analysis contained within this report[7].

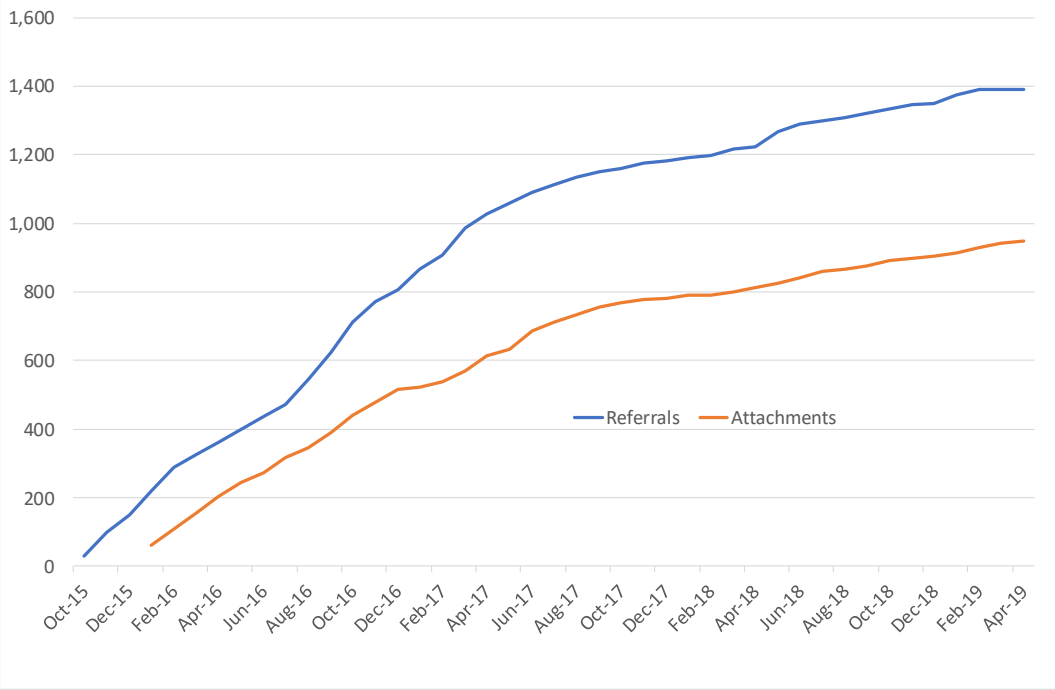
[7] A comparison of the APM and CLF data was undertaken comparing their composition in terms of date of birth, gender, and ethnicity. This showed that the composition of the two datasets across

In addition to paid job outcomes, our interviews revealed that many participants were working, or had worked, in a voluntary capacity. This is supported by the findings from our survey of participants which found that 12 percent of participants had undertaken voluntary work. In terms of the types of jobs entered, some had secured paid employment on a part-time basis, which enabled them to continue to claim ESA. Part-time work, either paid of voluntary, was seen as appropriate for the majority of participants by Working Capital staff (and medical doctors) since their health conditions (often mental health problems) prevented them from working full-time, at least in the short-term. Several respondents had secured work (paid and voluntary) only to have their contracts terminated after a short space of time. Interviewees believed this was owing to their mental health conditions.

Referrals and Attachments

One hundred and twenty two of the 949 participants achieved a job start outcome, a job outcome rate of 13 percent. Of these job entrants, 72 achieved a job sustainment of being in work for at least 26 out of the next 32 weeks. Hence, 59 percent of job entrants sustained their employment.

Figure 3.1: Working Capital: Cumulative Referrals and Attachments



these three variables were very similar. Hence, conclusions based on the APM dataset are very unlikely to be biased against the analysis that could have been undertaken using the CLF data.

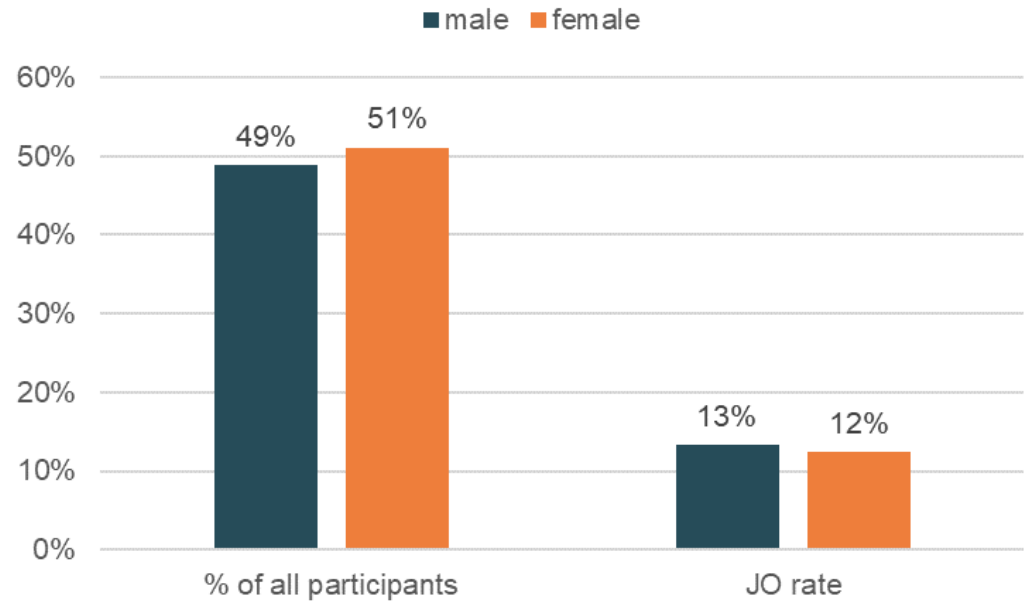
Participant Job Outcomes and their Characteristics

The management information (MI) from Working Capital is very rich and contains a wide range of information on the personal characteristics of participants which allows an extensive analysis here.

Gender

There were almost equal numbers of men and women participating in Working Capital and the job outcome rate of men and women were almost identical (Figure 3.2).

Figure 3.2: Participant proportions and job outcome rates by gender



Age

Working Capital had very few young participants aged under 25 with just over half of its participants being aged 50 and over. Those aged 25-49 had the highest job outcome rate (JO rate) at 17 percent. The job outcome rate for the over 50s at just 9 percent was much lower than for the two younger age groups. This low success rate for older participants was echoed by both the results from our survey of participants and the qualitative research we have undertaken over the course of our evaluation.

Figure 3.3: Participant proportions and job outcome rates by age

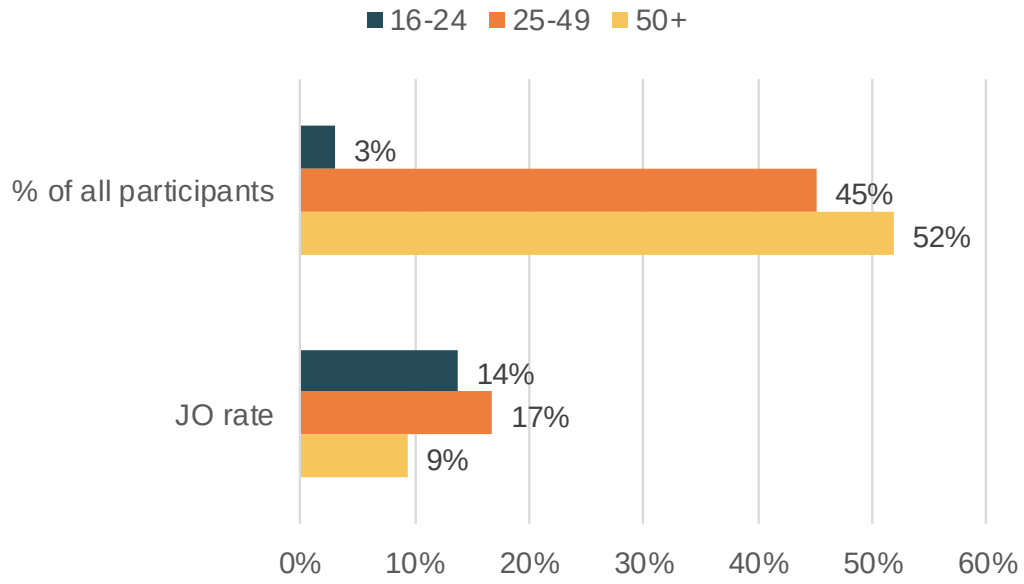


Table 3.1 groups outcomes (found employment, found voluntary role, started education/training) and combines them into a single “positive outcome”. We see that the 50+ age group were least likely to achieve a positive outcome (29 percent) mirror the job outcome results.

Table 3.1: Positive Outcomes, by age group

Age group	Percentage who achieved a positive outcome
20-35	42%
35-50	42%
50+	29%

Base: all respondents. Total unweighted base = 100

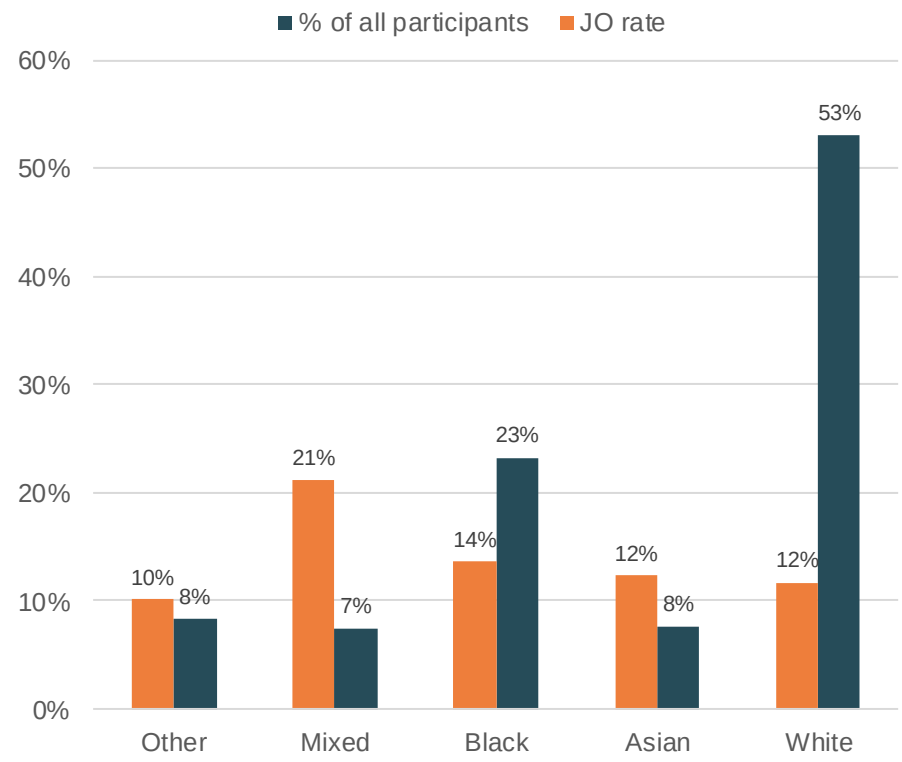
In earlier waves of our qualitative research, older participants’ low confidence regarding their chances in the labour market was in part related to their age, which they felt made them unattractive to employers. Respondents who were interviewed more than once throughout the programme continued to refer to age as the biggest factor (alongside health issues) preventing them from moving into work. Such respondents believed that there was a lot of competition for jobs from younger candidates, who they believed employers preferred to hire.

Ethnicity

Just over half of participants were white (53 percent), and just under a quarter (23 percent) were black, the next largest ethnic group represented. Individuals of mixed ethnicity achieved a much higher job outcome rate than any other ethnicity, apart

from this there was little variation in job outcome rates across the different ethnic groups.

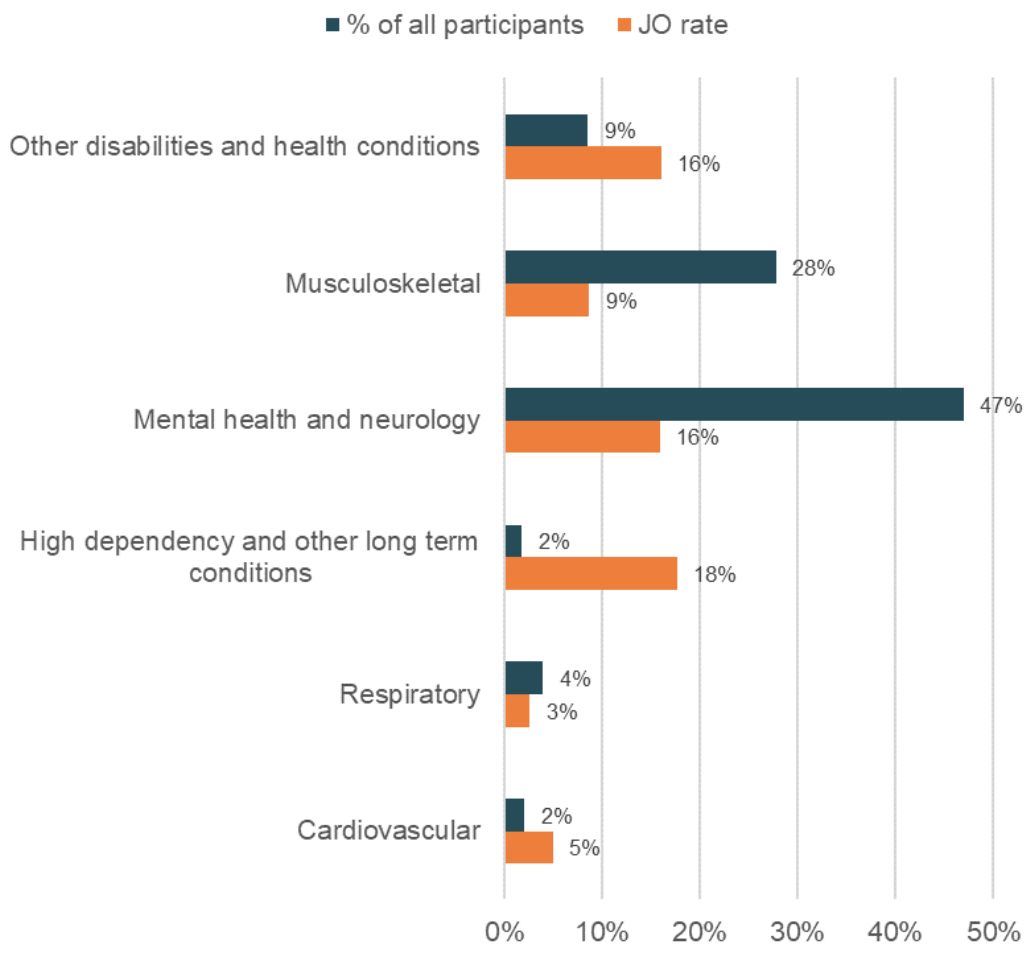
Figure 3.4: Participant proportions and job outcome rates by ethnic group



Health condition

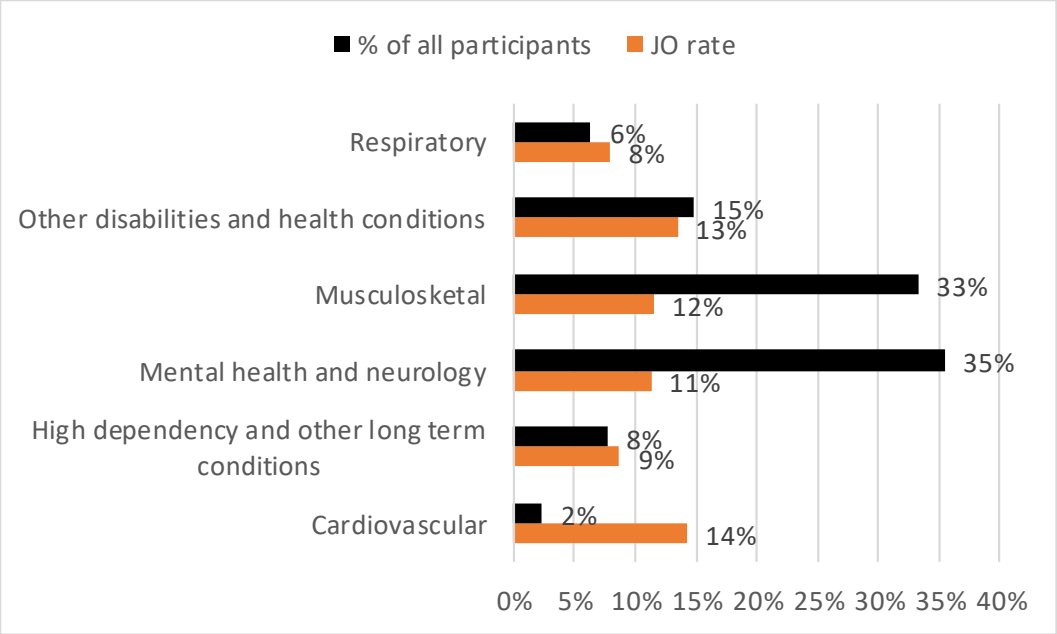
Data on 22 different types of primary health conditions have been grouped into six groups as shown in Figure 3.5. These groupings were set out in Appendix 1. Mental health and neurological conditions accounted for just under half (47 percent) of participants primary health conditions. Musculoskeletal conditions were the next most common primary health condition accounting for more than a quarter (28 percent) of participants. These two conditions together account for three quarters of participants. Job outcome rates varied considerably according to participants' primary health condition: just 3 percent of those with respiratory conditions entered work while those with high dependency and other long-term health conditions achieved the highest job outcome rate at 18 percent.

Figure 3.5: Participant proportions and job outcome rates by primary health condition (grouped)



Similar analysis was undertaken for participants with secondary health conditions. Close to two thirds of participants (63 percent) reported a secondary health condition in addition to their primary one. Again, mental health and neurological conditions and musculoskeletal conditions were the most frequent health conditions together accounting for just over two thirds of all secondary health conditions. Job outcome rates varied according to participants' secondary health condition, but by less than for primary health conditions.

Figure 3.6: Participant proportions and job outcome rates by primary health condition (grouped)



Our interviews over the course of our evaluation research have also identified challenges to securing work for those with health issues. For some, the prospect of work appeared distant due to physical health issues. Participants recalled struggling with limited mobility, constant or regular pain and/or having a fluctuating condition, which inhibited their ability to enter stable employment.

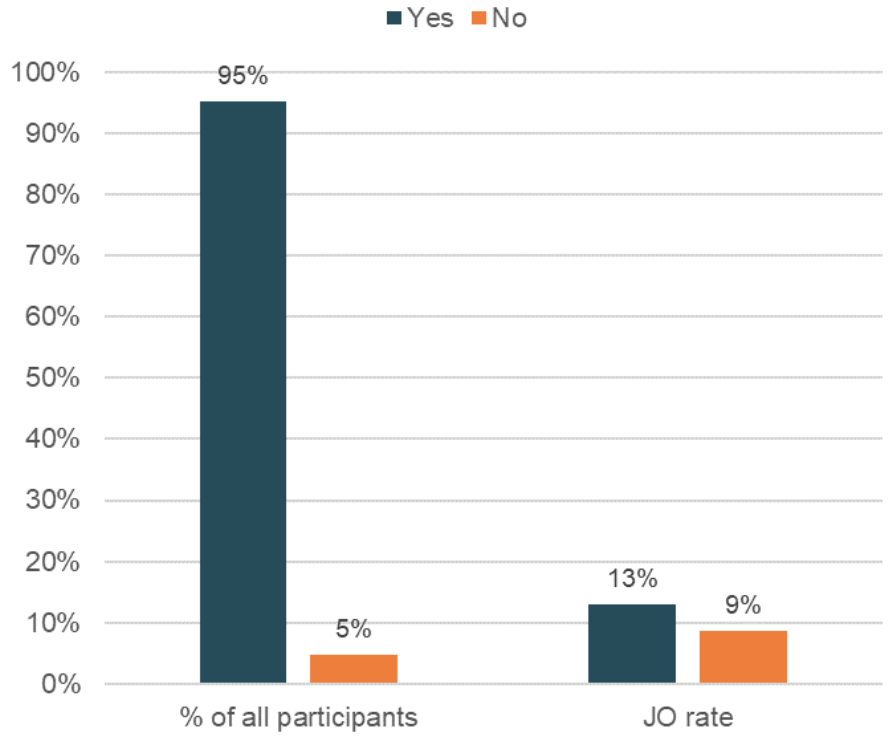
'I can't tell you from one day to the next how I'm going to be, so some days I can't even get up so I can't exactly go and say, "Hey, I'm going to work today," if I can't move…So, that's the biggest problem...I can't guarantee that I can turn up for work five days a week, continuously.' (Female, 37)

As per the MI, mental health issues such as depression and anxiety were very frequent. For some, this had prevented them from working in the past, which made them worry about their ability to enter work in the future. Additionally, some respondents explained that their health had deteriorated over time. For example, one individual who previously felt that their mental health was under control, was now suffering from depression again. Another participant, who found work on the programme, had been signed off work for the past month due to a kidney infection. Another interviewee had started to receive support from carers on a daily basis for an undiagnosed issue that was causing dizziness, weight loss and mobility issues.

Disability

Nearly all participants were registered as having a disability, which is not surprising given Working Capital was only open to ESA recipients. Disabled participants achieved higher job outcome rates (13 percent) compared to the small number of participants who were not registered as disabled (9 percent).

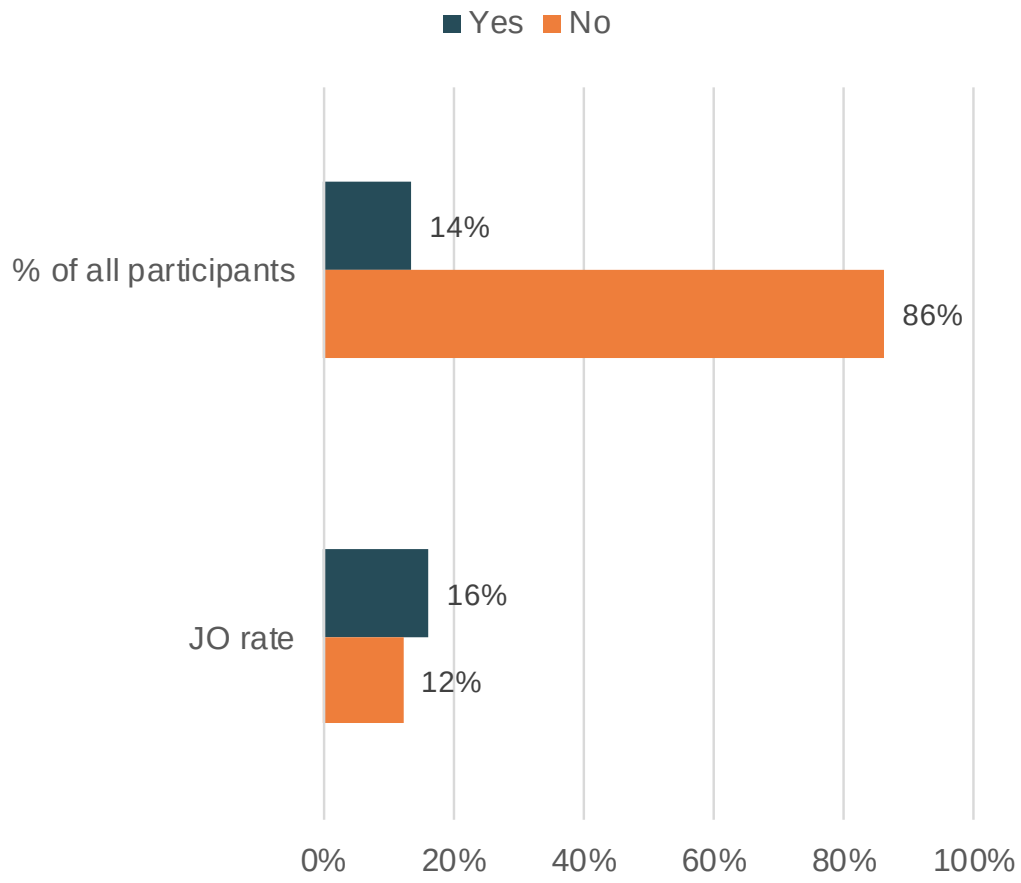
Figure 3.7: Participant proportions and job outcome rates if Disabled



Family status

Around one in seven participants (13 percent) were single parents. Single parent participants achieved higher job outcome rates (16 percent) compared to other participants (12 percent).

Figure 3.8: Participant proportions and job outcome rates by if single parent

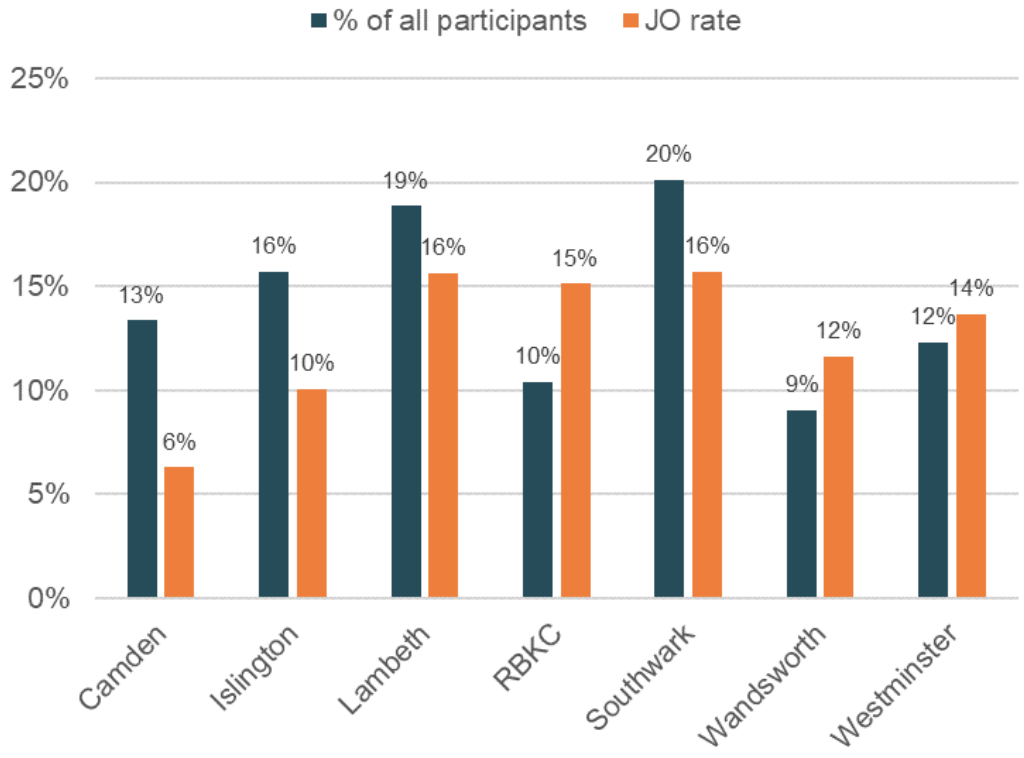


Location

Working capital participants were well distributed across the eight central London boroughs[8]. Lambeth and Southwark had the highest shares of participants at 19 and 20 percent respectively. While Wandsworth and Kensington and Chelsea (RBKC) had the lowest shares of participants at 9 and 10 percent respectively. Job outcome rates varied quite considerably across boroughs from 6 percent in Camden to 16 percent in both Lambeth and Southwark.

[8] The City of London data is included in within Westminster data in Figure 4.4.

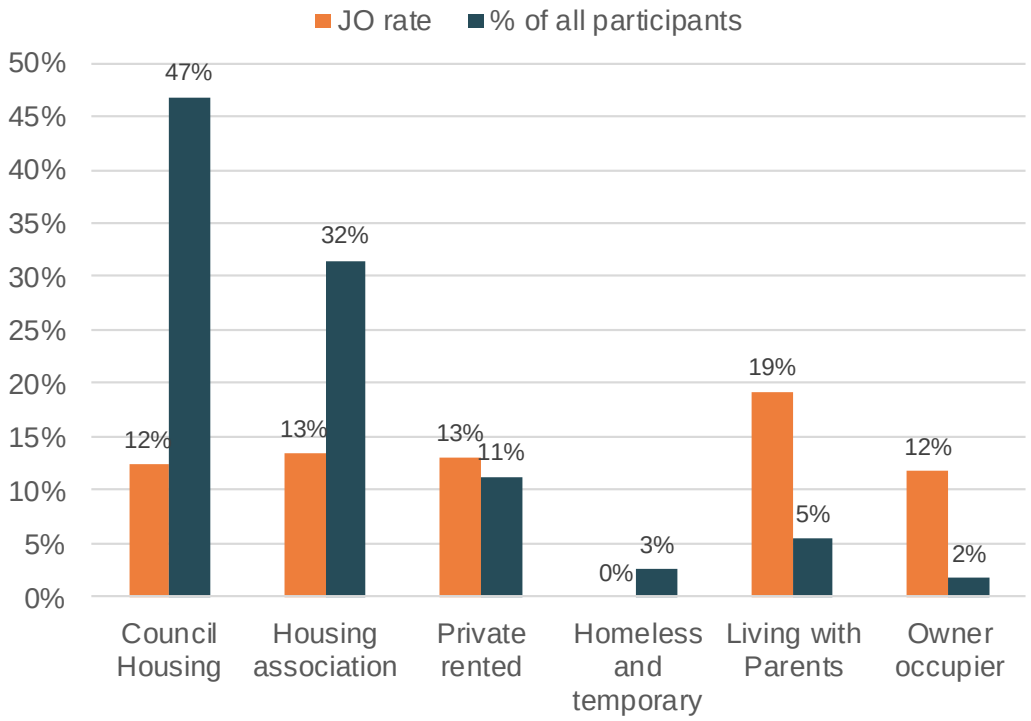
Figure 3.9: Participant proportions and job outcome rates by London borough



Housing

Nearly eight in ten participants resided in social housing: 47 percent in council housing and 32 percent in housing association properties. There was little variation in job outcome rates across most different housing tenures: in the range 12 to 13 percent for both types of social housing, private renters, and owner occupiers. The only exceptions were the small percentages of participants who were either living with their parents or were homeless or in temporary accommodation. The former group achieved a high job outcome rate at 19 percent while no homeless people or people in temporary accommodation achieved a job outcome.

Figure 3.10: Participant proportions and job outcome rates by tenure



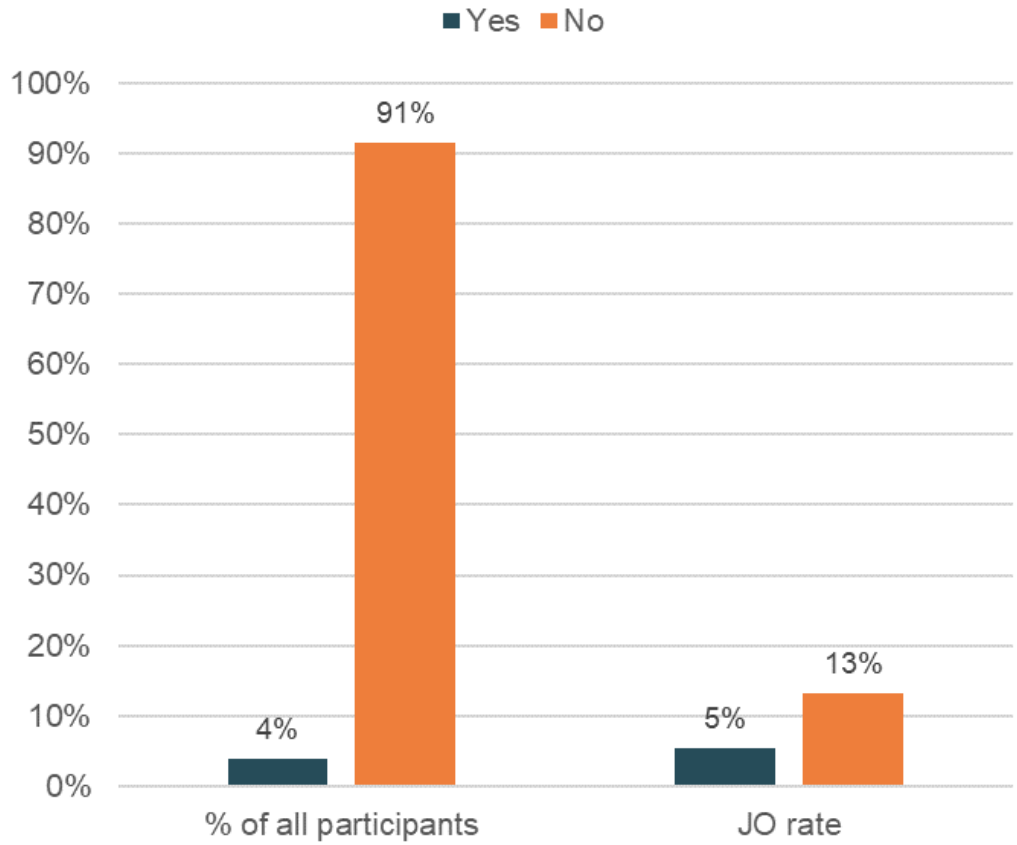
In our latest round of interviews, some respondents were not prepared to discuss their personal circumstances, and others struggled to recall information, therefore information on their housing circumstances from these interviews is rather sparse. Some participants had recently been moved from hostels to single occupancy flats. Two respondents had been rehoused following interventions from the health and wellbeing adviser.

Many interviewees reported housing problems, such as residing in unsuitable or poor-quality housing and/ or being at risk of eviction or homelessness. Housing related financial issues and debt were causing some participants considerable concern. For example, one participant was worried about being evicted after their housing benefit had been reduced, which meant that they could no longer afford to pay the rent. Such concerns took precedence and meant that finding work was not a priority.

Homelessness

Participants were asked directly if they were homeless. This was in addition to the wider information collected on housing tenure reported above. Consistent with this earlier information very few participants reported being homeless (4 percent) and those that did, had a low job outcome rate (5 percent).

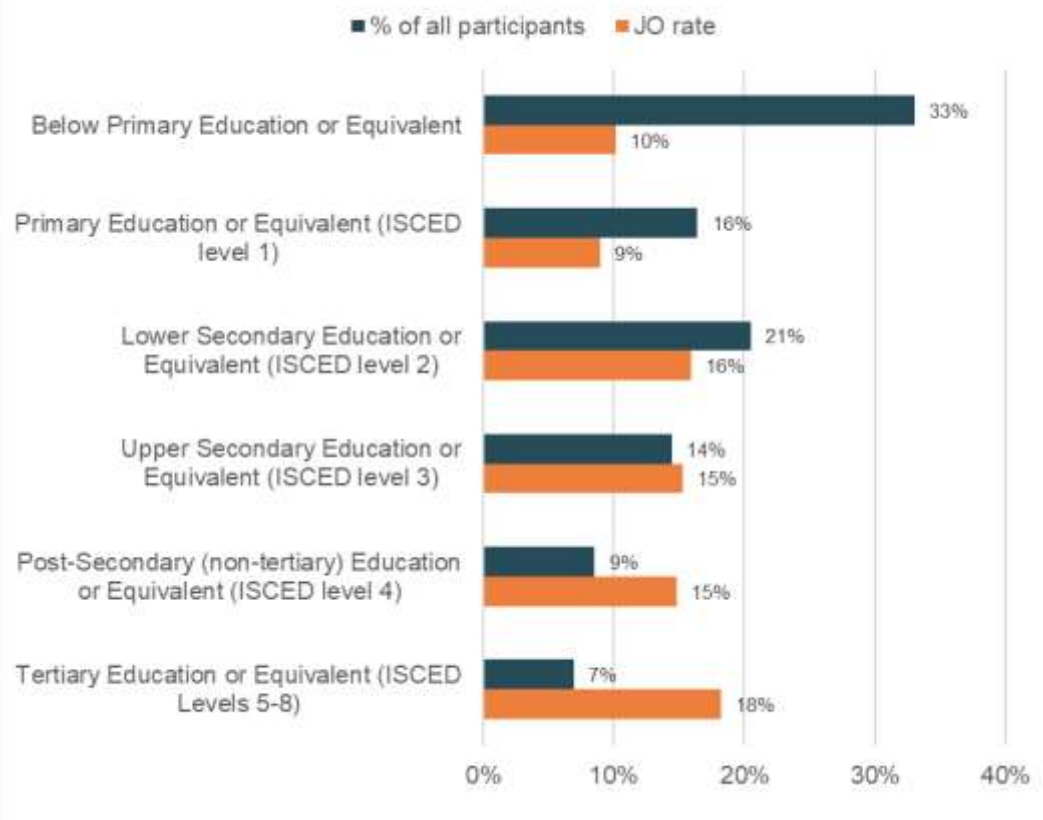
Figure 3.11: Participant proportions and job outcome rates by if Homeless (Broad Definition)



Education

Many participants have very low levels of education: around half of participants were educated to either below primary level or just primary level, meaning qualification levels were far lower among participants than in the wider population. Job outcome rates were lower for these two groups compared to those who were educated to a higher level. There was not much variation in job outcome rates for participants who were educated to at least the lower level of secondary education.

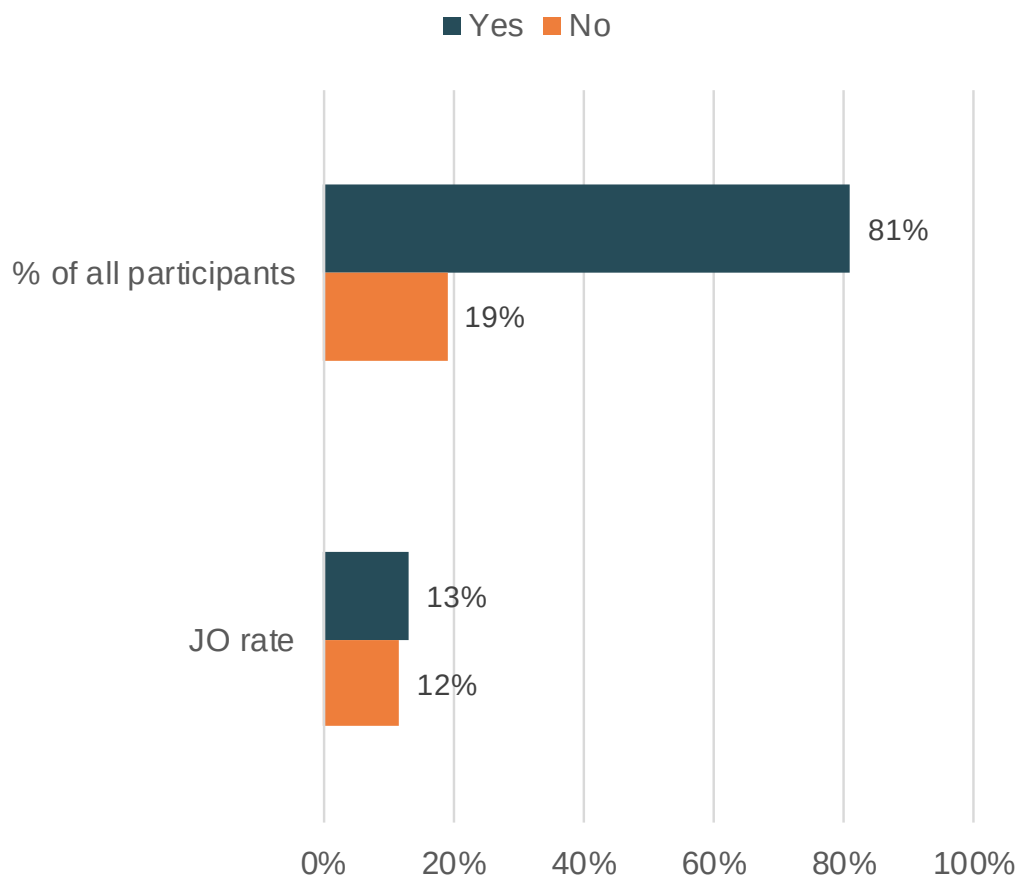
Figure 3.12: Participant proportions and job outcome rates by highest qualification



Basic skills

Around one in five participants lacked basic skills. Somewhat surprisingly, participants' chances of entering work were similar for those with basic skills (13 percent) to those without basic skills (12 percent).

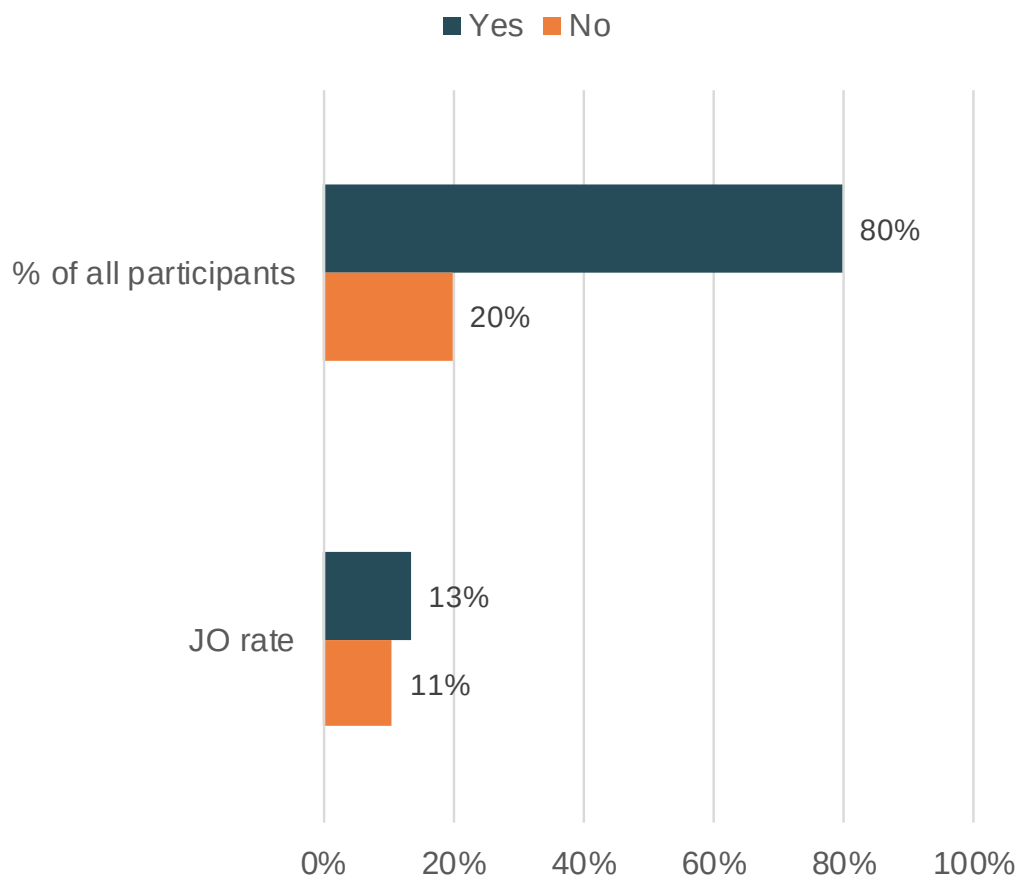
Figure 3.13: Participant proportions and job outcome rates by possession of Basic Skills



Household employment status

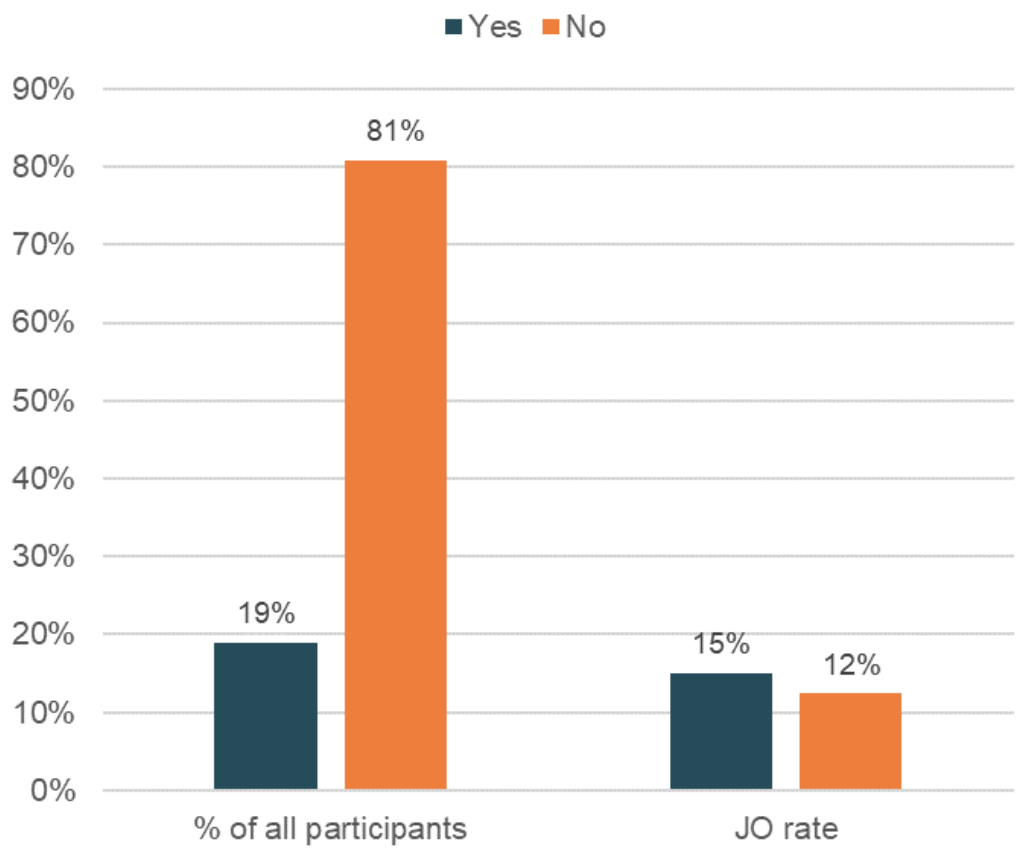
Four fifths of participants lived in a jobless household; perhaps surprisingly these participants were slightly more likely to achieve a job outcome than those who did not live in a jobless household.

Figure 3.14: Participant proportions and job outcome rates by if Jobless Household



Around a fifth of participants (19 percent) lived in a jobless household that also contained dependent children. Combining this information together with that for participants living in all types of jobless household implies that around three quarters of participants who lived in jobless households did so without any dependent children being present. Participants who lived in a jobless household with dependent children were somewhat more likely to achieve a job outcome than those who did not live in such a household.

Figure 3.15: Participant proportions and job outcome rates by if Jobless Household with Dependent Children

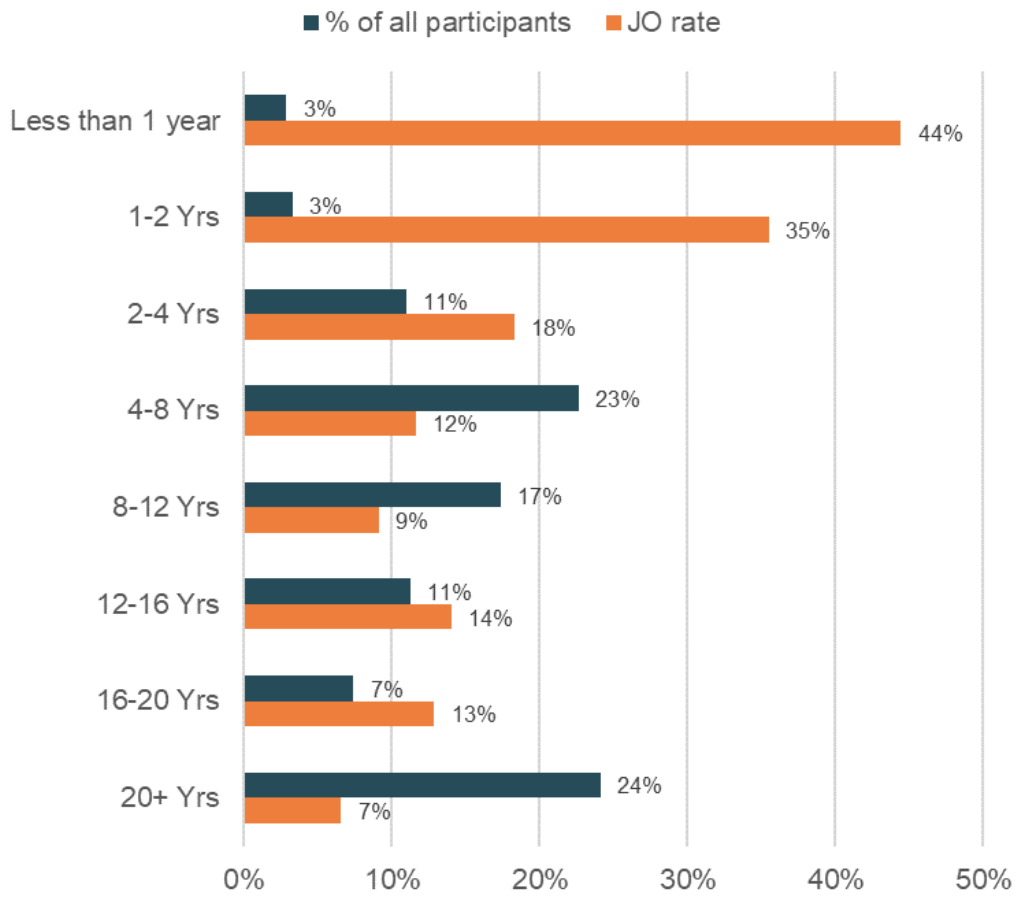


Length of unemployment

Many participants had been unemployed for a very long time. Around a quarter (24 percent) had been unemployed for 20 years or more. At the other end of the spectrum, six percent of participants had been unemployed for less than two years. The very long amount of time that the vast majority of Working Capital participants had spent unemployed demonstrates that in general participants were very distanced from the labour market.

Job outcome rates were significantly lower for participants had been unemployed for longer periods of time. Those who had been unemployed for less than two years prior to participation in Working Capital had very high job outcome rates. Those who had been unemployed for 20 years or more had the lowest job outcome rate (7 percent).

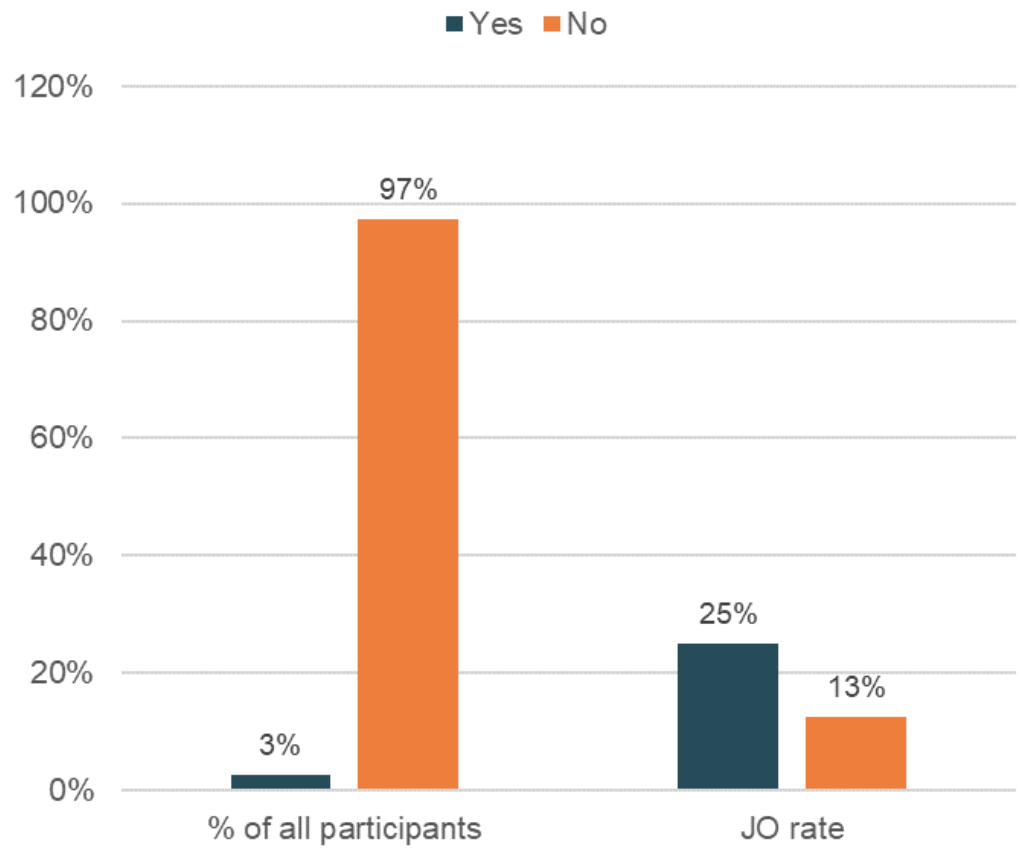
Figure 3.16: Participant proportions and job outcome rates by length of unemployment



Engaged in education or training

Very few participants were engaged in education or training but those that were achieved a job outcome rate almost double that of those who were not (25 percent as against 13 percent).

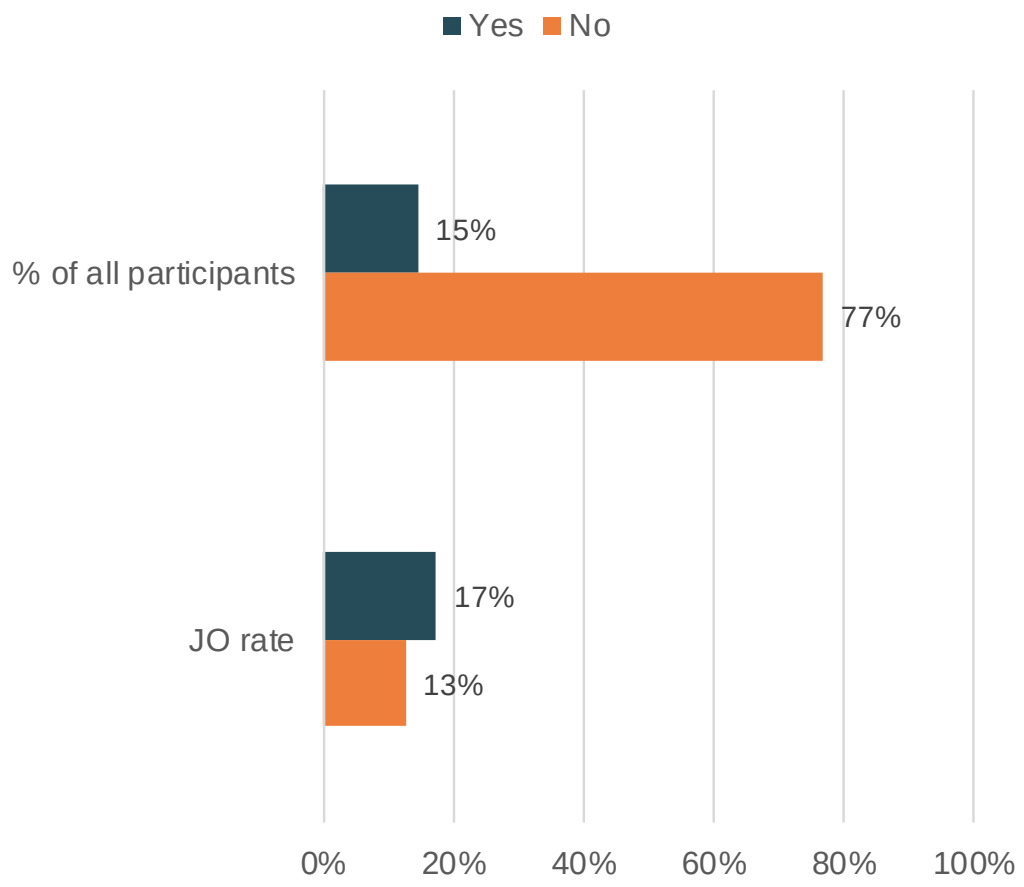
Figure 3.17: Participant proportions and job outcome rates by if Engaged in Education or Training



Record of offending

Fifteen percent of participants had a past record of offending. These ex-offender participants achieved a higher job outcome rate (17 percent) compared to participants with no history of offending (13 percent).

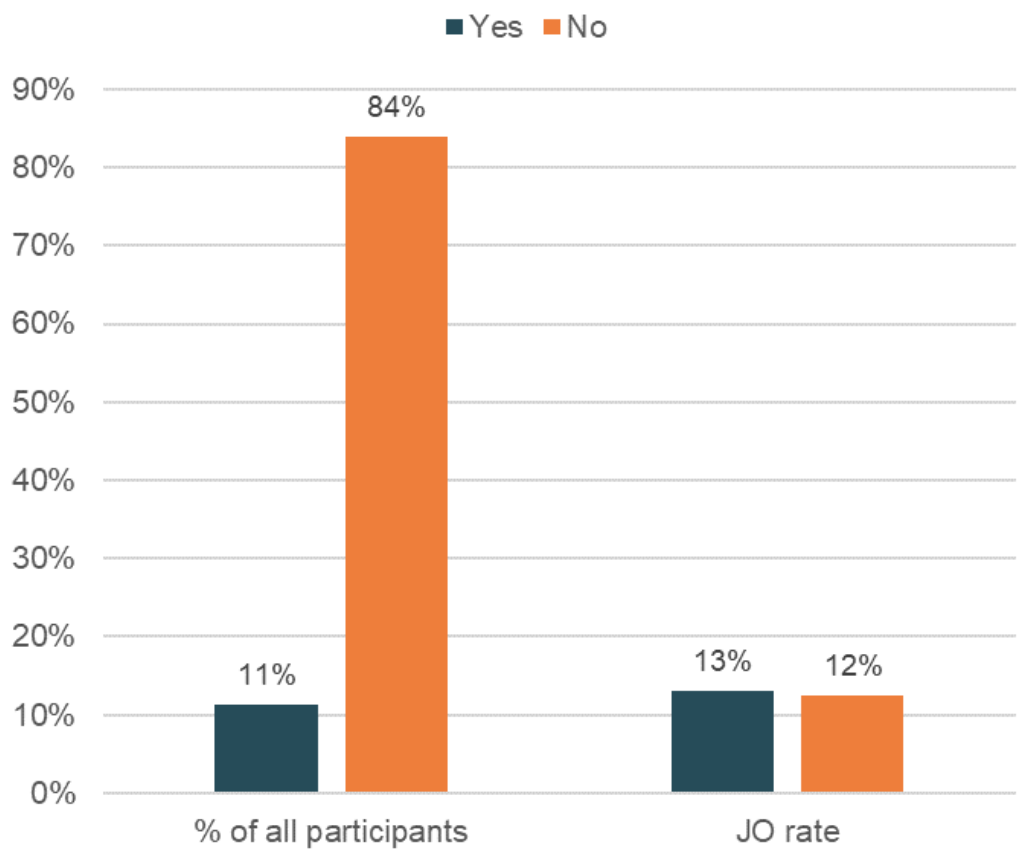
Figure 3.18: Participant proportions and job outcome rates by record of offending



Alcohol or substance misuse

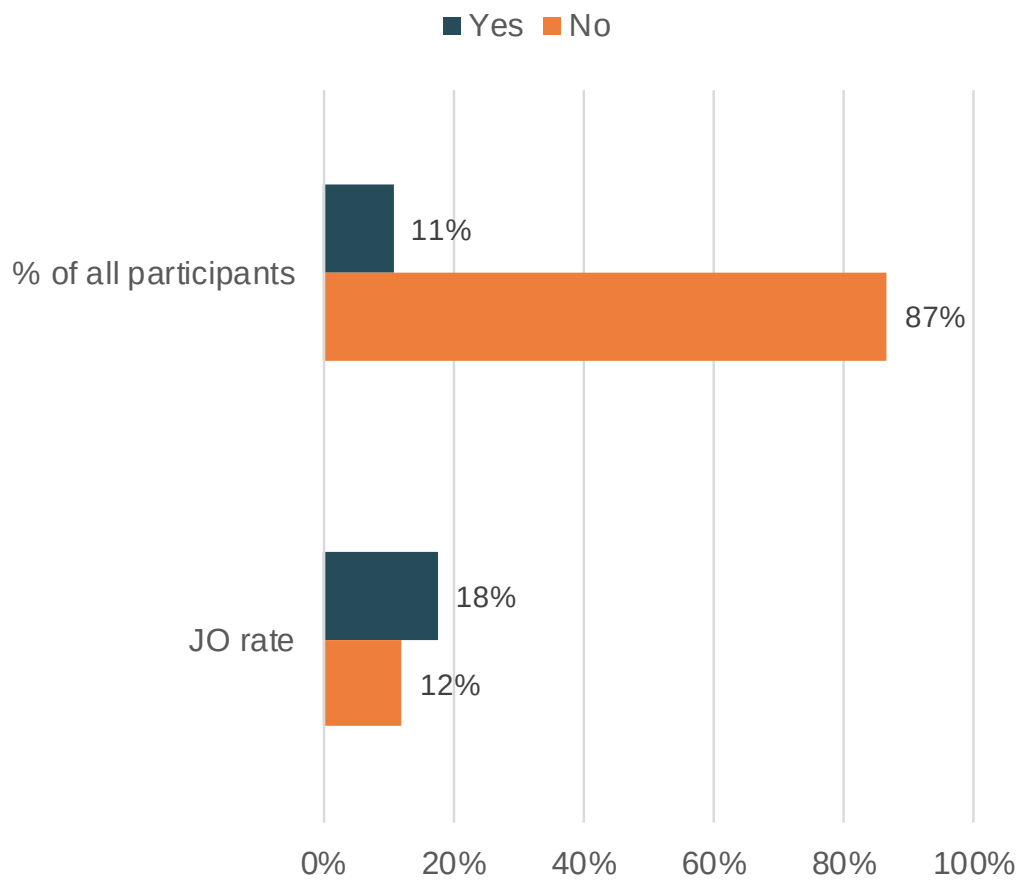
Around one in nine (11 percent) of participants had an alcohol misuse problem. However, this did not appear to adversely impact on their ability to enter work as the job outcome rate for people with alcohol misuse problems was very slightly higher than the job outcome rate for people without such problems.

Figure 3.19: Participant proportions and job outcome rates by whether they Misused Alcohol



Similarly, around one in nine (11 percent) of participants had a drug abuse problem. However, this did not appear to adversely impact on their ability to enter work as the job outcome rate for people with drug abuse problems (18 percent) was one and a half times higher than the job outcome rate for people without such problems.

Figure 3.20: Participant proportions and job outcome rates by whether they Abused Drugs



Isolation

The programme MI did not contain any measures of how isolated participants felt, but this theme emerged from our interviews with participants and others. Many interviewees lived alone, which increased their feelings of isolation and social exclusion. The majority of these individuals welcomed the opportunity to go out and meet their Working Capital caseworker or health and wellbeing adviser. There were a number of respondents who struggled to keep appointments because of mental health issues, but with support from Working Capital staff most of these participants overcame this barrier and discussed how this helped them feel less isolated.

The prevalence of social isolation was a significant issue identified by caseworkers and local authority leads in previous rounds of our research, and this was felt to impact participants' resilience to cope with setbacks.

'People who are very isolated really, people who kind of have just come to rely on family, have come to rely on like a fairly narrow circle of friends and they tend not to almost… it's like a cut off life I would say.' (Local authority lead)

Job sustainment rates and participant characteristics

Finally, as well as job outcome rates, an analysis was undertaken of how job sustainment rates (in work for at least 26 out of 32 weeks) varied across individual characteristics.

This is shown in Table 3.2. Only where the number of job sustainment's was at least 20 are cases included, so that the calculations shown do not depend on very low numbers. Characteristics are ranked according to the proportion of jobs that were sustained. Overall, 59 percent of job starts were sustained. Participants from jobless households with dependent children within them achieved by far the highest degree of job sustainment with 81 percent of jobs being sustained. At the other end of the scale, male participants achieved the lowest degree of job sustainment with just 38 percent of jobs being sustained. This also revealed a large gender gap in job sustainment as female participants sustained 70 percent of their job starts. There was also a large gap in the degree of job sustainment within social housing as 65 percent of participants living in housing association properties sustained their job starts compared to just 51 percent of participants who were council tenants.

Table 3.2: Sustainment rates (job outcome to sustainment conversion rates)

Characteristics		Count	% of all participants	Job Start	JO rate	Sustained Employment	% of jobs sustained
Total Participants		**949**		**122**	**13%**	**72**	**59%**
Jobless Household with Dependent Children	Yes	179	19%	27	15%	22	81%
Gender	female	485	51%	60	12%	42	70%
Housing	Housing association	299	32%	40	13%	26	65%
Other Disadvantaged - Offender/Ex-Offender	No	729	77%	92	13%	58	63%
Substance Misuse - Drug Misuse	No	823	87%	100	12%	63	63%
Employment Type	16 hours +	105	11%	105	100%	66	63%
Age at Attachment	25-49	428	45%	72	17%	45	63%
Other Disadvantaged – Homeless (Broad Definition)	No	868	91%	114	13%	69	61%
Ethnic	White	503	53%	59	12%	35	59%
Age at Attachment	50+	492	52%	46	9%	27	59%
Substance Misuse - Alcohol	No	796	84%	99	12%	58	59%
Participant Has Basic Skills	Yes	769	81%	101	13%	59	58%
Disability Status	Yes	903	95%	118	13%	68	58%
Engaged in Education or Training	No	924	97%	116	13%	66	57%
Jobless Household	Yes	757	80%	102	13%	57	56%
Lone Parent	No	819	86%	101	12%	55	54%
Primary condition	Mental health and neurology	446	47%	71	16%	38	54%
Jobless Household with Dependent Children	No	767	81%	95	12%	50	53%
Housing	Council Housing	444	47%	55	12%	28	51%
Gender	male	464	49%	62	13%	30	48%

Sustainment numbers that are 20 or below have been suppressed.

Summary

The analysis presented above shows that 13 percent of participants achieved a job outcome with 59 percent of these securing a sustained outcome of being in work at least 26 out of the next 32 weeks. Age was found to be an important factor influencing whether or not an outcome was secured; while the over 50s accounted for half of participants, the job outcome rate for this age group at just 9 percent was much lower than for the two younger age groups. The older age profile was reflected in the finding that a quarter of participants had been out of work for 20 years or more, while the greater length of time a participant had been out of work reduced their job outcome rate. Job outcomes rates also varied by location, ranging from 6 percent in Camden to 16 percent in Lambeth and Southwark, and by household employment status with jobless households, and within this group jobless households with children, having higher job outcome rates than their counterparts.

Younger participants were found to be more likely to achieve a sustained job outcome, while jobless households with children achieved the highest degree of job sustainment with 81 percent of jobs being sustained. While participants were evenly split between men and women, and while job outcomes were similar by gender, men were far less likely to sustain work than women.

Overall, the findings confirm that participants were very disadvantaged, with low levels of qualifications, and significant proportions of participants were out of work for lengthy periods of time. This probably reflects the targeting of Working Capital on those who had already been on the Work Programme but had not moved into sustained employment, a group that, in the absence of support, is likely to be a long way from employment. The majority of participants reported one of two types of conditions (mental health and neurological conditions or musculoskeletal conditions) as their primary or secondary condition. Local authority staff spoken to as part of the evaluation stated that participant characteristics were broadly in line with their expectations. However, in one local authority Working Capital participants were thought to be noticeably older on average and much further away from the labour market than their overall ESA WRAG population, due to the length of time they had spent out of work. Likewise, in another local authority it was recognised that Working Capital participants in the borough had often been unemployed for over 20 years, and that these were the claimants that they had previously struggled to engage with their local employment provision. The levels of disadvantage and challenges that participants faced to enter and maintain employment support the case for intensive support, over an extended period, to enable them to try to overcome their barriers to finding employment.

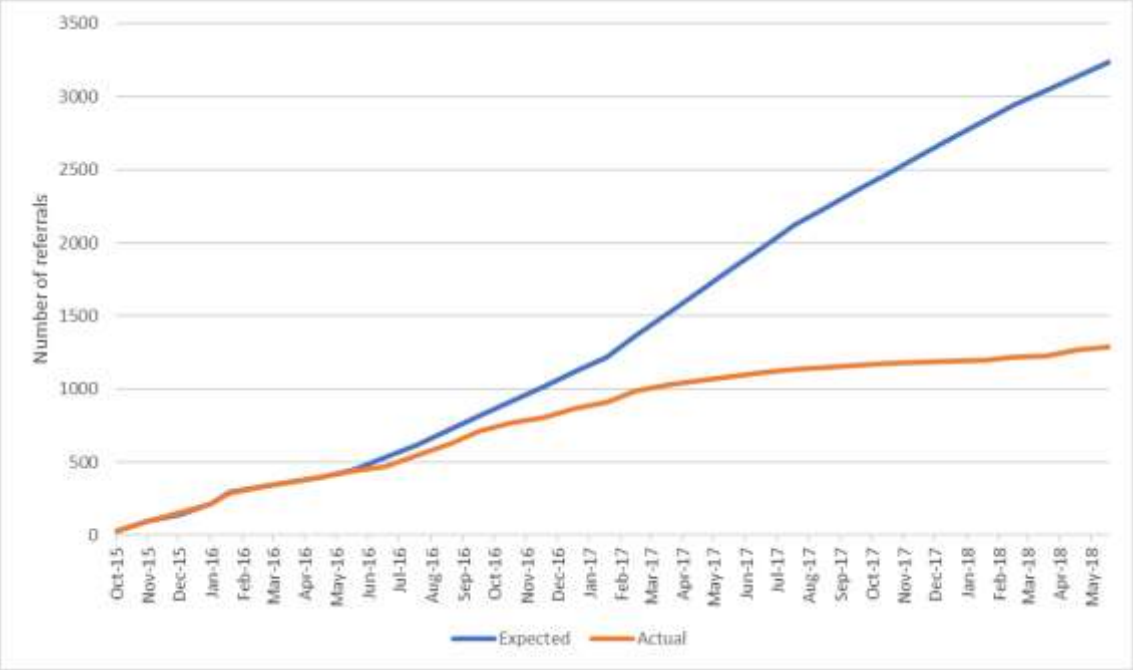
4. Participation Rates

This chapter looks at participation rates for Working Capital. It shows that actual rates of participation were below the expected rates of participation but explains this through examining changes to Work Programme and to Employment and Support Allowance processes.

Participation rates

Participation on the Working Capital programme was significantly lower compared to the initial expectations. This had knock on effects on the outcomes the programme was able to achieve. As can be seen from Figure 4.1, which compares the expected and actual number of cumulative referrals made to the programme up to June 2018, the actual number of referrals was 60 percent lower than had been expected, despite action being taken to increase volumes. Since June 2018, there have been a further 103 referrals to Working Capital to a total of 1,391.

Figure 4.1: Cumulative expected and actual Working Capital referral volumes



Explaining the divergence between expected and actual participation rates

Two principal factors help to explain the gap between expected and actual referral volumes:

- Work Programme processes and statistics.
- Employment and Support Allowance processes.

Work programme processes and statistics

Working Capital was established to provide employment support to ESA claimants who completed the Work Programme without moving into a job.

The Work Programme was a DWP-commissioned employment programme for long-term unemployed Jobseeker's Allowance claimants (and later Universal Credit claimants) and ESA claimants. The Work Programme received its starters in nine payment groups, of which three were for Employment and Support Allowance claimants. Two of these were for mandatory referrals, and one for voluntary starts. The mandatory referrals were for ESA new claimants and the second group was for ESA claimants who had been moved to ESA from the previous Incapacity Benefit. ESA claimants who were not mandated to the Work Programme could volunteer for it. The mandatory referrals were from people who had originally been assessed (in the initial ESA Work Capability Assessment) into the Work-Related Activity Group, where claimants were required to undertake activity to help them progress towards moving into work.

The payment structure for the ESA groups in the Work Programme provided incentives for providers to work with participants throughout their two-year service period, and, through a two-year in-work support period after their job started. There was a 'deadline' effect where if a participant was in work at the end of the two-year service period, then further in-work payments (up to the maximum allowed for that group) could be paid. This meant that Work Programme providers had a strong financial incentive to ensure that relevant participants did not become eligible for Working Capital. Over the course of the Work Programme, job outcome performance for the ESA groups improved to above that which was expected by CLF and others when Working Capital was being planned.

These Work Programme processes meant that, while in the year prior to Working Capital going live, Work Programme completions without a job had been averaging 343 a month in the CLF Boroughs, equivalent to 230 referrals under the randomisation proportion, in the following year, Work Programme completions

without a job fell to 150 (equivalent to 100 Working Capital referrals), and subsequently fell further.

Employment and Support Allowance processes

ESA is a benefit for people with health-related barriers to working. It was introduced in October 2008. Since the full roll-out of Universal Credit, it is only available in National Insurance contribution-related form, but at the relevant period for Working Capital referrals, it applied to all claimants for income replacement benefits on health grounds. New claimants for ESA initially entered an 'Assessment Phase' when they were not required to look for work or undertake work-related activity. At this stage, eligibility relied on a doctor's 'Fit Note'. Claimants in this phase were referred for a Work Capability Assessment to be conducted by an assessment provider under contract to DWP.

The Work Capability Assessment was introduced in 2008, along with ESA. In the assessment, claimants were divided into three groups. The three groups were 'Fit for Work' and therefore ineligible for ESA, the 'Work-Related Activity Group' (WRAG) who were required to undertake some work-related activity to help them progress towards being able to start work, and the 'Support Group', who faced more significant barriers to work, and so were not required to undertake such activity. Both the Work Programme and Working Capital came under the category of work-related activity. When ESA was introduced, one of the changes from previous benefits was that the assessment process became a repeated one. A criticism of previous benefits was that once people were on it, they could remain on it even if their health condition improved. Therefore, the initial Work Capability Assessment, for those found not currently fit for work, included an assessment of when the claimant might become fit for work, and for WRAG claimants had a maximum of two years. Support Group claimants could also be reassessed via a Work Capability Assessment.

For Working Capital, this means that potential referrals (who had been in the WRAG group) should have been reassessed well before the point at which they became eligible to enter Working Capital. If the 'prognoses' from the initial Work Capability Assessment was correct, then claimants would have been fit for work at or before the two-year period, and therefore ineligible for Working Capital. On the other hand, if the health condition of the claimant had either not improved or worsened, they may have become eligible for the ESA Support Group, and therefore also ineligible for Working Capital. In these ways, many anticipated referrals for Working Capital effectively disappeared.

The Work Capability Assessment became the subject of significant controversy. DWP commissioned a series of independent reviews from two eminent medical

academics[9],[10],[11],[12],[13]. As a result of this process, the Work Capability assessment changed over time. In addition, there were a series of appeal cases that resulted in new caselaw affecting processes. Changes in the assessment processes, together with the decision to reassess for ESA all the claimants on the earlier Incapacity Benefit, led DWP to become increasingly concerned that their original contractor (ATOS) was unable to meet expectations. The termination of this contract was announced in 2014, and Maximus was appointed and took over the contract from 1st March 2015. This process resulted in major changes to the pattern of repeat assessments. DWP prioritised initial assessments for ESA eligibility over repeat assessments, so claimants retained their group status until reassessed. This applied after the appointment of Maximus in 2015, and also earlier for a few months in 2013. DWP themselves handled some reassessments as a paper exercise over this period. Together, this resulted in a substantial increase in the proportion of those assessments that resulted in individuals being allocated to the Support Group – outside the eligibility for Working Capital. Hence, these changes to repeat assessments meant that some of those who should have flowed on to Working Capital were assessed as not eligible.

Figure 4.2 (below) illustrates the scale of the second of these factors. It shows Work Capacity reassessments (WCA) for the area covered by Working Capital. It includes, but is not limited to Work Programme participants, according to individuals' 'destination' after reassessment to either the ESA Support Group, ESA WRAG, or Fit for Work (JSA). At any one point in time the proportions ending up in these three

---

9 First Independent Review of the Work Capability Assessment; Professor Michael Harrington, November 2010, https://www.gov.uk/government/publications/work-capability-assessment-independent-review-year-1.

10 Second Independent Review of the Work Capability Assessment; Professor Michael Harrington, November 2011, https://www.gov.uk/government/publications/work-capability-assessment-independent-review-year-2.

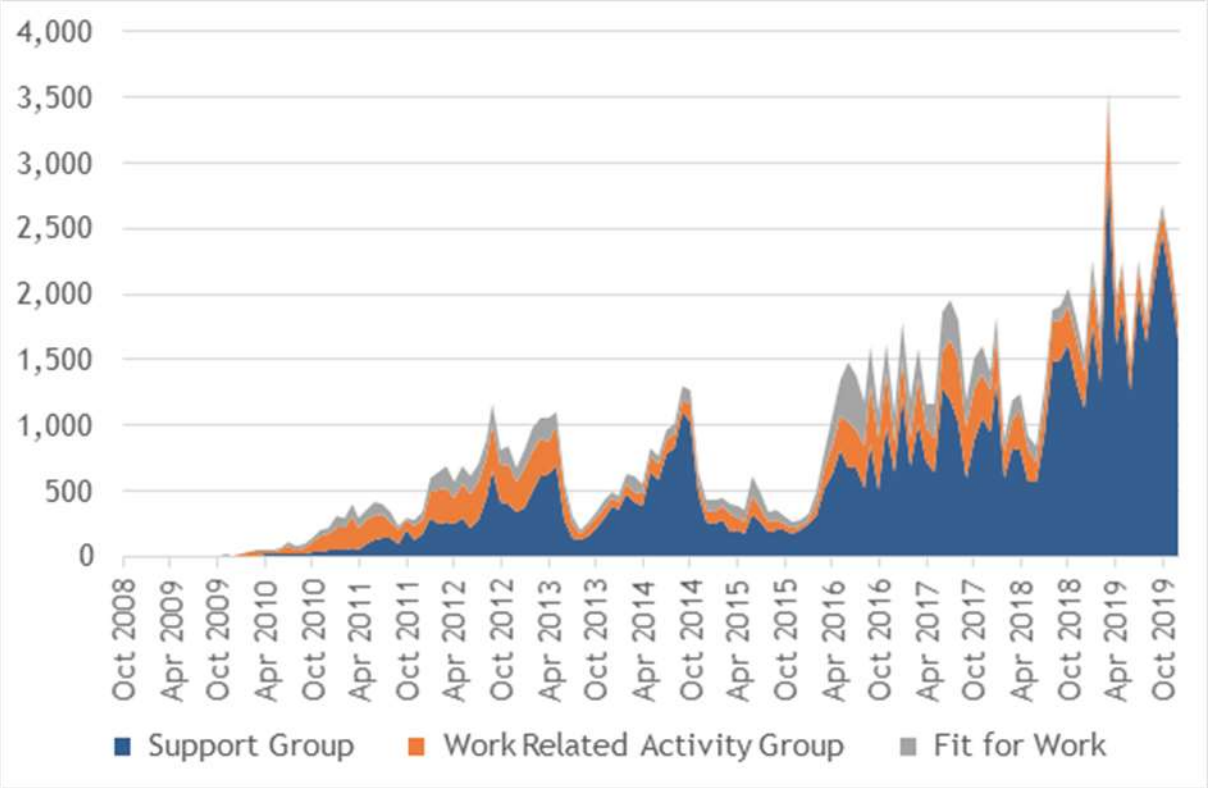
11 Third Independent Review of the Work Capability Assessment; Professor Michael Harrington, November 2012, https://www.gov.uk/government/publications/work-capability-assessment-independent-review-year-3.

12 Fourth Independent Review of the Work Capability Assessment; Dr Paul Litchfield, December 2013, https://www.gov.uk/government/publications/work-capability-assessment-independent-review-year-4.

13 Fifth Independent Review of the Work Capability Assessment; Dr Paul Litchfield, November 2014, https://www.gov.uk/government/publications/work-capability-assessment-independent-review-year-5.

groups varied considerably. However, it is evident that for the period that Working Capital was in operation, a significant majority of reassessed individuals ended up outside the ESA WRAG group. Overall, for the period October 2015 to February 2019; 65 percent of reassessments resulted in people being in the Support Group, 21 percent in the WRAG group, and 14 percent as Fit for Work. Hence, only around a fifth of reassessments resulted in individuals staying in or moving to the ESA WRAG group, the group from which individuals eligible for participation in Working Capital were drawn.

Figure 4.2: Work Capacity Reassessments by Destination, Working Capital area



Based on the most recent Work Programme data, Figure 4.3 below shows actual ESA WRAG Work Programme completers without a job on completion (the blue line) and our estimate for the number of completers based on data for current Work Programme participants. This assumes a 7 percent rate of 'missing' claimants (average for the entire Work Programme to date), and a 9 percent job outcome rate (weighted average for the entire Work Programme period) (the orange line). As can be seen, the number of individuals in this group, and therefore eligible for Working

Capital reached a peak around the time Working Capital was being commissioned and then fell significantly from summer 2015 through to 2017.

Figure 4.3: ESA WRAG Work Programme completions in Working Capital boroughs without a job on completion, by completion date

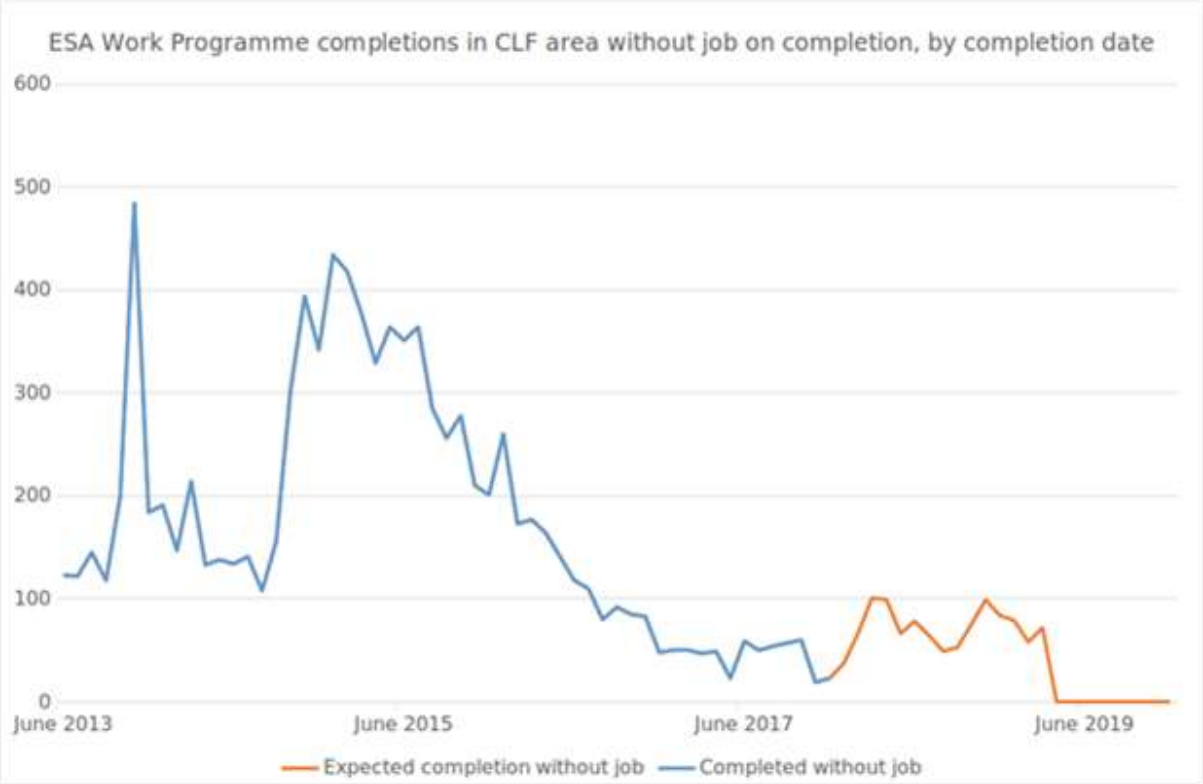
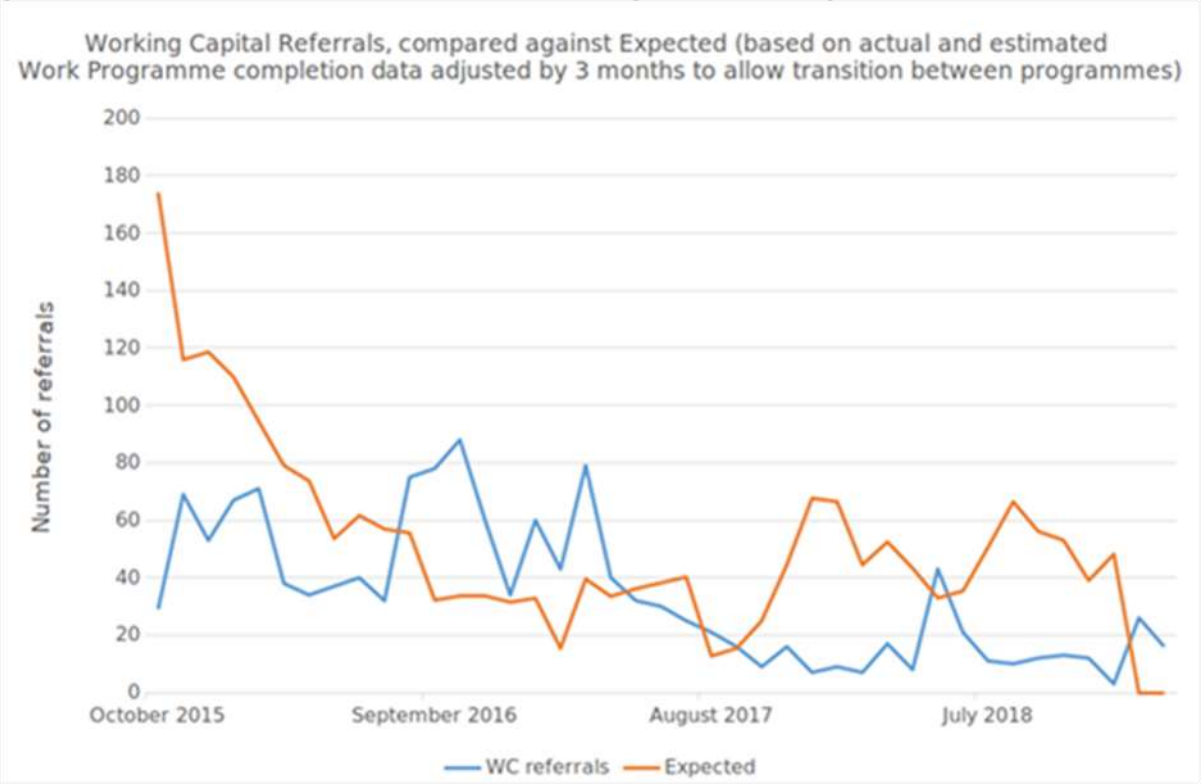


Figure 4.4 (below) takes the Work Programme completers data presented in Figure 4.3 and uses it to calculate an expected number of Working Capital referrals. This is done by multiplying the Figure 4.3 numbers by 0.67 to replicate the randomisation process and then lagging the data by three months to allow for a transition period from the Work Programme to Working Capital. These estimates are then compared against the actual number of referrals to Working Capital. As can be seen, there is a more reasonable match between this expected number of referrals based on the latest Work Programme data and the actual number of referrals to Working Capital.

Figure 4.4: Working Capital referrals compared against expected referrals (based on actual and estimated Work Programme completion data[14]



There are two factors to note:

- The 'orange' line in Figure 4.3 is a projection based on completion data for the Work Programme[15]. The whole period since January 2018 (where the numbers of 'expected' were significantly above actual Working Capital referrals) are estimated rather than actuals.

- The increase shown in actual referrals to Working Capital shown in Figure 4.4 between May 2016 and March 2017 probably reflected the 'stock clients' that were bought into the programme.

Referral conversion rates

Between the Working Capital programme going live and February 2019, the programme has received 1,391 referrals from Jobcentre Plus, and achieved 949 attachments – a conversion ratio of 68 percent.

[14] Adjusted by three months to allow for transition between programmes.

[15] Work Programme completion data has not been published for this period due to statistical issues with the data. Publication has been deferred and is not currently scheduled (July 2020).

Figure 4.5 shows how the conversion rate from cumulative referrals to cumulative attachments over time. In the early stages of delivery, the conversation rate rose rapidly to close to 70 percent by the middle of 2016. There then followed a period until early 2017, when the conversation rate fell to under 60 percent before recovering back to close to 70 percent by late 2017, a rate that was then maintained thereafter.

Figure 4.5: Working Capital conversion rate from referrals to attachments

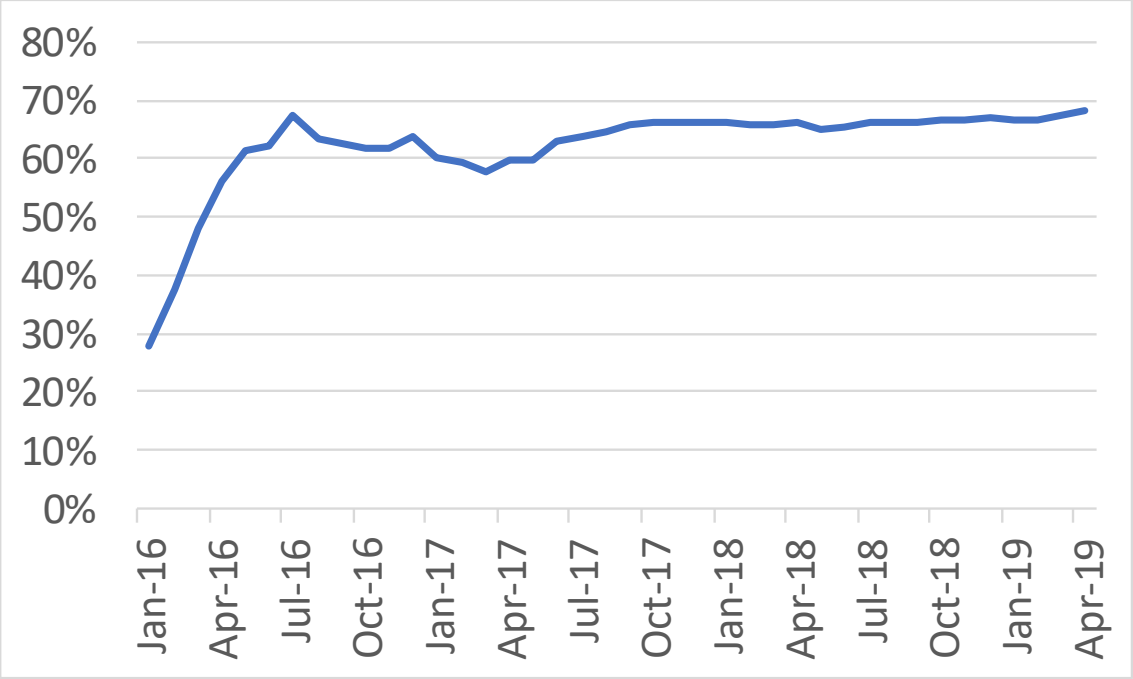


Table 4.1 shows the pattern of referrals, attachments, and the conversion ratio from referrals to attachments by borough. Camden achieved a markedly higher conversion rate with close to nine in ten referrals being converted into attachments. All the other boroughs managed to convert around two in three of referrals into attachments to Working Capital.

Table 4.1: Conversion rates from referrals to attachments by borough

	Referrals	Attachments	Conversion Ratio
Camden	145	126	87%
Islington	225	150	67%
Lambeth	273	179	66%
RBKC	147	97	66%
Southwark	292	191	65%
Wandsworth	130	87	67%
Westminster	179	119	66%
Total	1391	949	68%

Summary

Participation on the Working Capital programme was significantly lower compared to the initial expectations. The number of referrals made to the programme up to June 2018 was 60 percent lower than had been expected. There were two principal reasons for this: changes to the performance of the Work Programme for the eligible group; and Employment and Support Allowance processes which reduced numbers in the Work-Related Activity Group. The rate of conversion from referral to attachment from going live and February 2019 was 68 percent. The significantly lower than expected referral rates had knock on effects reducing the number of outcomes the programme was able to achieve.

5. Participant journey

This section looks at the 'journey' of participants through the Working Capital programme. It draws on findings from the final wave of interviews that consisted of 27 clients, who were interviewed between December 2019 and June 2020. In addition, a survey of 100 participants, and a focus group of local authority representatives and employers. Past participants' programme 'journeys' can be found in the previous interim evaluation reports[16],[17].

Referral

Individuals were referred to the programme during an appointment with a Jobcentre Plus (JCP) work coach. As with previous participants, the randomisation process did not make an impression on participants and none of the final wave of interviewees remembered this process.

When a participant was assigned to the treatment group – who would receive employment support through the programme – their work coach contacted the APM[18] central booking team to arrange an initial appointment by telephone. Whilst this contact was intended to happen while the participant was present, none of the latest wave of participants recalled the conversation between their JCP work coach and APM. A number of participants were unable to recall the process of their referral; some commented that they received a letter from JCP informing them they had been referred to the programme, others recollected that they were told about programme at the job centre and that they should expect contact from the APM caseworker. Contact between the APM caseworker and client was usually via telephone between the point of referral and the initial meeting. This first contact was used by the caseworker to introduce themselves and confirm the appointment, the meeting location and to ensure the participant brought any necessary paperwork to complete

[16]https://niace340.sharepoint.com/sites/learningandwork/RD/proj/drprojects/Shared%20Documents/DR139A%20Central%20London%20Forward%20-%20Working%20Capital/Reporting/Second%20Interim/Working%20Capital%20Report%20FINAL.pdf)

[17]https://niace340.sharepoint.com/sites/learningandwork/RD/proj/drprojects/Shared%20Documents/DR139A%20Central%20London%20Forward%20-%20Working%20Capital/Reporting/Third%20report/Submitted/Working%20Capital%20third%20report%20updated%201806.pdf)

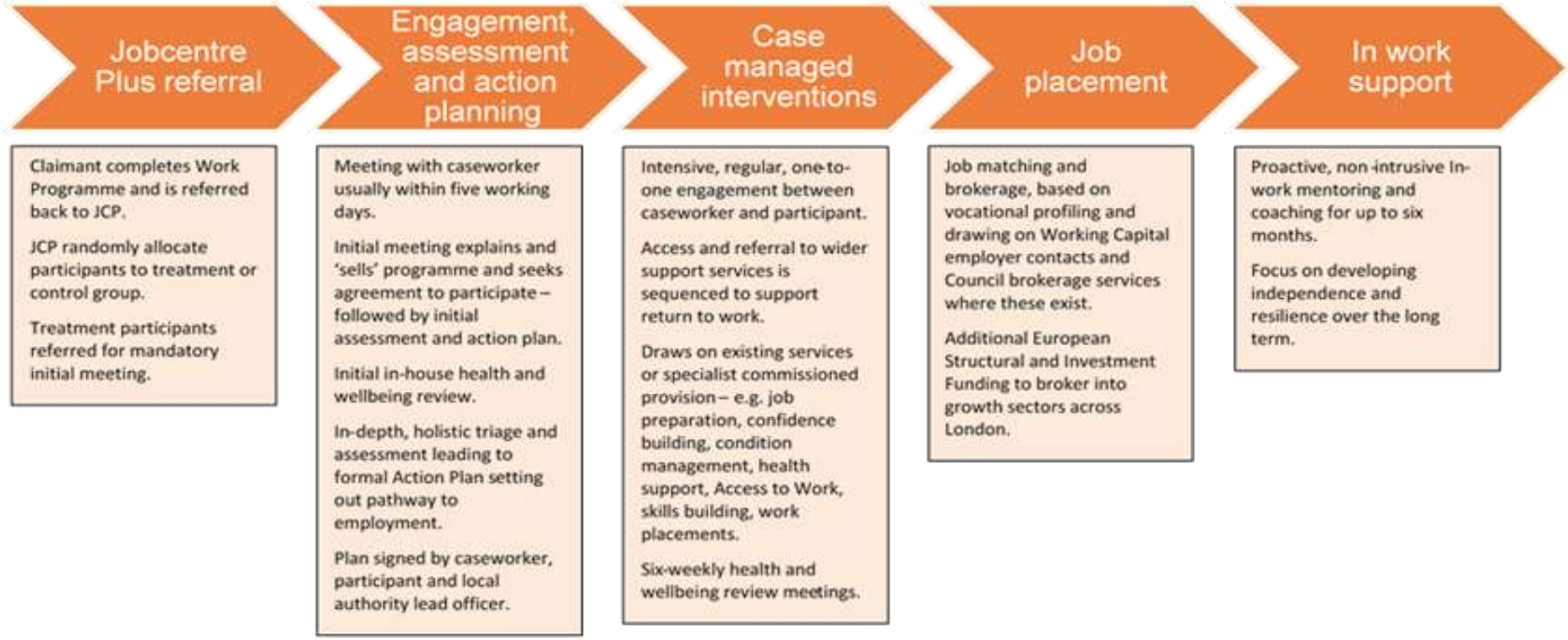
[18] Advanced Personnel Management (APM) went through restructuring during the Working Capital programme and the organisation is now called Ingeus.

the enrolment process (for example identification). Whilst this happened in the majority of cases, a number of participants commented that their first contact from the APM caseworker was by letter and not by phone.

As with interviewees in the previous report, most participants understood why they had been referred to Working Capital, although many could not recall the specifics of the information, they were given at the time they were referred by JCP.

Most participants understood that the support programme would be delivered by a separate organisation to JCP. There were different views on the amount of referral information participants were given, some individuals remembered being told that the programme could help them with *"other issues"* that were acting as a barrier to them gaining employment. While some participants were positive about the referrals, others were unsure what participating in the programme involved; for example, a male interviewee said, *"I think they just said that they'll give me someone that I can meet with and that they'll try and help you"*, another said his expectations from the programme was *"hopefully just a job, or something".* Those who did not have a positive relationship with JCP were sceptical about what the programme would entail and the type of support on offer. Some interviewees, who had mental health problems at the time of referral, commented that they were unable to take in the information they were given by their JCP work coach. Whilst the majority of interviewees were unclear about the amount of information JCP provided at referral, most of them were not concerned about this because they expected to be given more details when they met their Working Capital caseworker. Participants who were aware of the aims of the programme and understood the reasons for their referral were more positive about their participation. For example, a female participant who suffered from depression hoped the programme's more holistic approach would facilitate her return to work. From the outset some interviewees said they did not see the point of their referral and this had an impact on how they engaged with the programme. For example, one interviewee commented "*they* [WC staff] *were lovely people and they had a mission and only that"*. Other participants did not disclose personal information to their caseworkers, such as current addictions to alcohol and/or drugs, or the extent of their mental health challenges. One respondent saw a health and wellbeing advisor but did not *"tell her private things* [because she was] *more comfortable speaking to* [her] *hospital counsellor*". Other participants were more open about their enrolment in the programme, since they hoped the help the programme provided would be of use in the future, even if they were unable to return to work during the programme because of physical or mental ill health.

Working Capital participant journey



Initial meeting with participants

The initial appointment with an APM caseworker – at which potential participants were provided with information on the programme – was mandatory. As noted by participants in previous evaluations, this recent group of interviewees did not distinguish between the mandatory nature of the initial appointment and the voluntary nature of engaging in ongoing support. Furthermore - and similar to previous report findings - many individuals believed participation was mandatory and that there was a risk of losing financial benefits if they left the programme. For example, one respondent commented there was *"not much of a choice"* and she believed the programme was compulsory. Another interviewee, who had also participated in another employment support programme (he was unable to recall the name), said *"the picture for me was that I went to the medical and then I was placed on these programmes"*.

Case study one: Joseph

Joseph (a pseudonym) is 37 years and lives alone. Joseph has mental health issues, which means he can be anxious and withdrawn; the medication he needs to take restricts the type of work he is able to do. He started on the Working Capital Programme at the end of 2018 and was very keen to *"be off benefits and working"*. When he joined the programme, Joseph was on ESA.

Joseph was impressed with his caseworker *"he's got to know me and my needs so well; he's really nice, we can have a laugh and I like that man".* Joseph and his caseworker developed an action plan together, which met his needs as it covered both his work-related actions and his mental health challenges. Joseph received support to revise his CV, which is now *"brilliant"*. He was encouraged by his caseworker to be more ambitious in his job goals and together they looked at job sites on the internet. His caseworker also did background research for Joseph in between their meetings, so he had job search information for him when they met. The caseworker helped Joseph find a job four months after he joined the programme, working full-time in a kitchen at a restaurant. Unfortunately, he was let go by his employer after six weeks, without an explanation; Joseph believes it was his employer's concerns over his mental health *"I liked it* [the job] *except I think my mental health got in the way, because he* [had] *said he was concerned about my health".*

The loss of his job in the restaurant kitchen caused his mental health to deteriorate and the health and wellbeing adviser was a source of support and recognised the stress working full-time caused Joseph; *"they don't want me to go into full time* [work] *and then I will get ill and lose the job again"*. The adviser contacted Joseph's doctor who confirmed he should initially work part-time hours in his next job. Joseph was also referred to a counsellor who provided him with ten counselling sessions.
Since Joseph enjoyed his work in the kitchen his caseworker helped him to secure a place on a relevant Health and Safety course and another course related to kitchen work; both of these were funded through Joseph's participation in Working Capital. Since his last job Joseph has been claiming Universal Credit.
Joseph has found the support from his caseworker and health and wellbeing adviser extremely helpful *"they've been like a rock to me".* He has appreciated not only the help with preparing him for work, but also the encouragement he received to take care of himself and his health, *"I need to look after myself a bit more … and think about me and not get so stressed out … My health, sometimes I don't bother with it and I should"*. He now has a lot more confidence and appreciated that his caseworker *"pushed me to push myself a bit more".*

Assessment process and support meetings

An initial assessment of participants' needs was discussed and assessed during a face-to-face meeting, including participants' health and wellbeing, their personal situation, employment, and personal goals.

Some interviewees commented that they did not disclose the extent of their mental health challenges, or the extent of their drug or alcohol addictions, for example one male interviewee said, *"at that time I wasn't forthcoming about my addiction"*. The choice by some participants to limit the information they gave to their caseworkers meant Working Capital staff only had a partial picture of the extent of some of the participants' barriers to finding employment.

As with previous participants, the majority of interviewees had their first appointment at JCP offices, whilst a few met their caseworkers in more informal locations, such as cafes.

Some participants liked having appointments with their caseworker at the job centre, since it was convenient and familiar; one male interviewee noted "[we met] *at the Job Centre, that was really helpful.* [Caseworker] *knows a couple of people in there, he asked if they got any other jobs. Made it much easier"*. Some disliked the lack of privacy at the Job Centre and found the noise around them distracting. Although coffee shops were used as an alternative, one participant said, *"I was a little*

concerned there was no private space for discussions … it was just a meeting in a local coffee shop and I was wondering why that was occurring, having to discuss all my private, personal issues in a public space".

Views of the first meeting were largely positive. However, two interviewees said their initial meetings had been unimpressive. One participant commented that his caseworker was *"late and flustered"* and *"a lot of it* [discussion*] felt very formal … something she had to go through"*; another interviewee said her first caseworker had been rude and unhelpful, when she reported this her Job Centre work coach assigned her to a different person. One female participant said that her male caseworker was very nice, but she did not *"open up"* to him about her problems because she was uncomfortable speaking to a man about her current and previous difficulties. However, the majority of feedback on APM's caseworkers was very positive, for example:

- *"he got to know me and my needs so well"* (male participant);
- *"when I was very overwhelmed, he just made it seem a lot less scary"* (female participant); "[Caseworker] *wouldn't give up, so he was keeping track of what I was doing, how I'm feeling and always stayed in touch"* (female participant).

Action plan and deciding on support

The caseworkers and participants were expected to work together to create an action plan to decide and agree on ongoing support. Many interviewees could not recall working on an action plan specifically, for example *"Action plan? No, I can't remember"* (male respondent); *"Not that I can recollect, an action plan. There was no real definite goal*" (male respondent); *"sometimes she has a form, and information was on it, and she will read to me* [sic] *and sometimes I have to answer"* (female respondent). Where participants remembered discussing their action plan it was usually regarded as a helpful activity. The reasons given for this included that it gave participants *"actions to achieve goals"*, which incorporated activities that would help them on their journey towards employment. For example, for one interviewee this was help to be *"motivated to manage to leave the house"* because her mental health challenges had limited her ability - for a number of years - to be away from her house for any length of time.

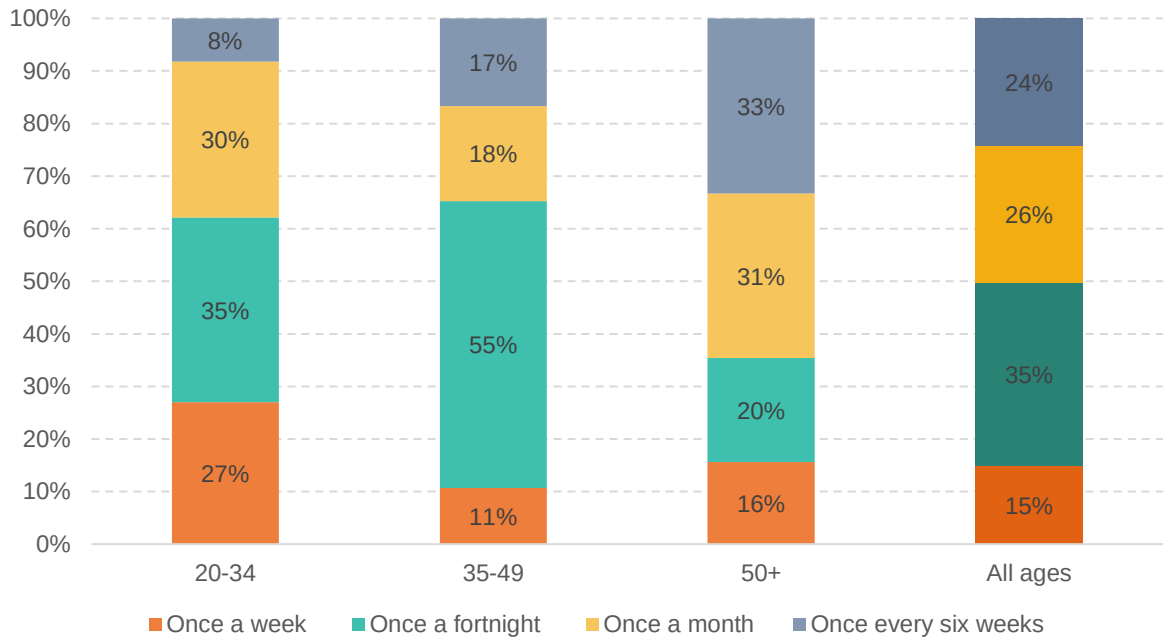
As has been noted in previous evaluations, some participants felt the action plans were of limited help. This was usually because they were not able to consider employment at that time. For example, one female respondent, who suffered from severe panic attacks said, "*They were helpful, but it just wasn't something that I could do at that time"*; another respondent said *"They were absolutely lovely. I wish I*

hadn't been in the state I was at the time because maybe I would have benefitted from it more" (female participant with depression, anxiety and stress).

Frequency of support

Figure 5.1 shows the regularity at which respondents met with their caseworker by age of participant, drawing on data from the survey of participants. Due to the varied nature of responses between age groups, the analysis looks at each age group separately. The most reported response for the 20 to 34 age group was once a fortnight (at 35 percent). The most reported response for the 35 to 49 age group was also once a fortnight (at 55 percent). The most reported response for the 50+ age group was found to be less regular, with 33 percent reporting support only once every six weeks.

Figure 5.1: Frequency of caseworker meetings, by age group



The latest group of programme interviewees reported a similarly diverse experience of the frequency of support (face-to-face and by telephone). This ranged from weekly to monthly, with most of them meeting their caseworker monthly. The frequency of the support was seen to be appropriate by most respondents. The structure such meetings provided was seen as beneficial to a number of participants; for example, one participant commented that meeting her caseworker made her *"go out and about in society … that purpose and structure was very important".*

Participants also provided examples of their caseworker 'phoning, texting, or emailing them in-between appointments to ask how interviews had gone, or to pass

on information if their caseworker had chased up information from organisations when the participants themselves had not heard from them (for example, about potential work placements). One of the interviewees talked of her caseworker accompanying her to a taster day arranged at a farm, as they were hoping to secure a volunteering job there. Some participants commented positively on the initial support they received, only to be frustrated because their APM caseworker changed, resulting in an interruption to their progress on the programme, *"every time you have to go back and give your story, your statement"* (female participant); *"by the time I was emailing her she left the work* [sic] *… then I had to see some other person and I was doing a CV, I was talking about work and after that he left, so it all went downhill".*

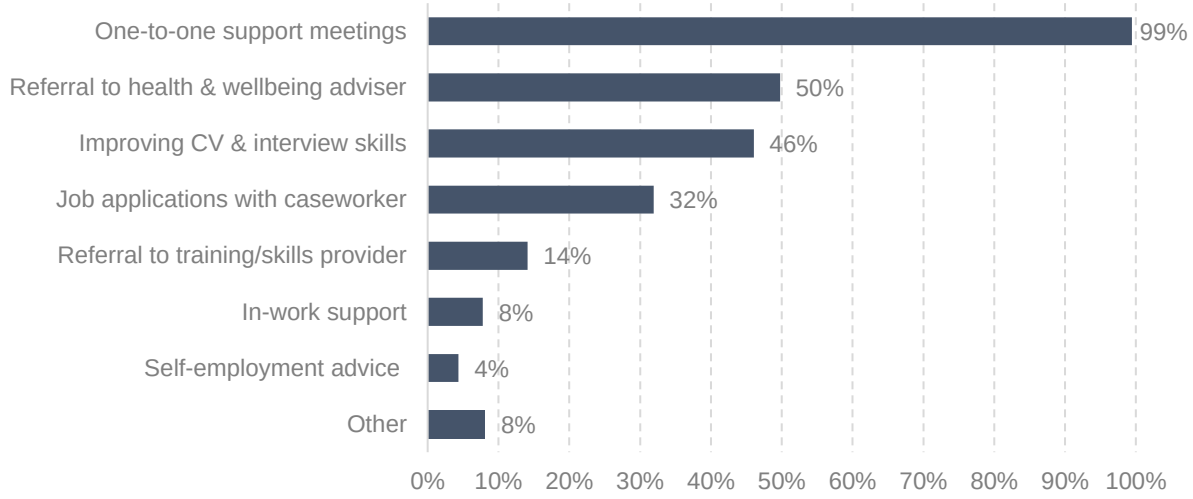
There was a lack of clarity for some participants about when - or if - their involvement in the programme has ended. For example, one respondent was still involved with a service that she thought was part of Working Capital, another respondent had not heard anything from a caseworker since before the Coronavirus pandemic caused lockdown but believed they would contact her at some point. One interviewee was not clear when the programme began or finished, but believed it ended two months before the interview after about one year of support.

Types of support

Caseworkers were responsible for providing support based on their clients' individual needs and circumstances, this included referrals to other internal or external services (this is discussed in the subsequent section). One participant had previously worked in a kitchen and wanted to find employment in the same area. His caseworker identified a Health and Safety course for the interviewee to attend and another course related to kitchen work. Working Capital funded, or identified funding, for these courses and therefore the participant did not need to pay for attending.

Figure 5.2 (below) shows the types of support that were given to respondents. The most common form of support was one-to-one support, with almost every respondent (99 percent) receiving this form of support. The second and third most frequently received forms of support were referral to a health and wellbeing supervisor and improving CV and interview skills (reported at 50 percent and 46 percent respectively).

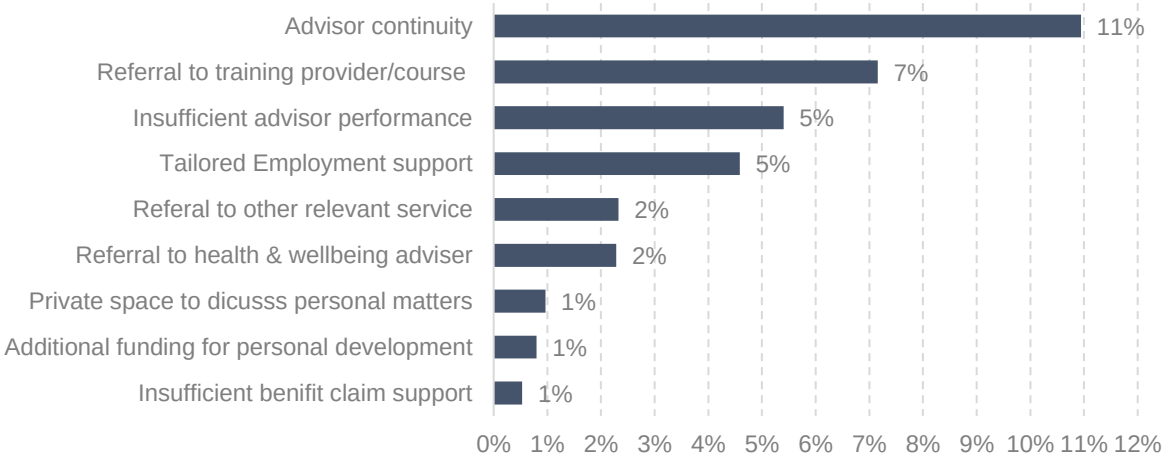
Figure 5.2: Types of support gained from caseworker



Base: all respondents. Total unweighted base = 100. Respondents were able to select multiple categories

Figure 5.3 looks at the types of support that were requested by participants, but not received. We can see that the most prominent aspect of support deemed lacking was “advisor continuity”. This category was aggregated from responses that spoke of frequent changes in advisors and support ending too soon.

Figure 5.3: Types of support that participants would have liked to receive



Participants interviewed as part of the fieldwork described working with their caseworkers on a number of activities, such as:

- Writing or updating their CV.
- Looking for job opportunities, including advice on self-employment.

- Getting support with applications for paid and voluntary roles.
- Discussing interview techniques and having mock interviews.
- Identifying relevant adult learning opportunities.
- Help with college applications.
- Advice on benefits.

The help participants received with writing CVs was particularly valuable, for example one interviewee said, *"now I've got a brilliant CV"*. Another participant received *"brilliant help"* with their CV after being encouraged to draft a copy *"which I was capable of doing and* [it was] *manageable"*; although this respondent was not ready to look for work at that time, she was very pleased to have a good CV prepared for when they were in better health and able to seek employment. Another participant, who was reluctant to go on the programme, had received help with writing a CV and helped in building his confidence. The participant commented that the support given was *"a lot more preferable to the job centre, because it was a nicer bunch of people".* At the end of the interview the interviewee reflected on his experience of the programme and said if he was offered the chance to participant again, he would take it as *"it certainly gave me food for thought".* Another participant had been at college studying medical science for two and a half years but had left because of her mental health difficulties. She was also reluctant to participate in the programme, *"I was really opposed to going at first, I thought it was something I was kind of being forced to do and I was very, very upset about it … I expected to have to jump through hoops … looking for work all the time, despite not really feeling ok".* However, following the first meeting with her caseworker the participant was reassured *"when I was very overwhelmed, he just made it feel a lot less scary"*. The gradual development of an action plan helped the respondent to think about and make plans towards her future goals, *"I'm not where I should be yet, but it's a huge improvement"*. The participant had also seen the health and wellbeing adviser every two weeks and had been referred to a mental health support service. She felt participating in Working Capital had helped her progress towards being able to work, *"it's really helped a lot; it's still a long way to go, but I'm doing a lot better than I was".*

Employer case study

Background

This employer was a property management company with three employees based in South London. They were first introduced to the programme by a caseworker who explained that the purpose of the programme was to encourage people with health conditions to get back into work. The employer was keen to engage because of personal experience of similar situations with family members and saw it as a mutually beneficial learning experience.

"I like being involved in things like this as well, because it feels like you're doing something as well, and you're getting help from it as well. You're learning. It's opening your doors as well as opening their doors."

Effective practice

1. **Understanding participants' background**

This employer found that in order to put in place appropriate adjustments for programme participants, it was important that they understand their new employees' health conditions and circumstances.

"I'm an employer at the end of the day, and I'm expecting a lot out of somebody, and if there's an underlying issue that I don't understand, it makes it difficult for both of us. Whereas, when I understand what's going on, I realise, 'Okay, that's a bit too much. You can do it in your own time. There's no urgency.''

2. **Offering flexible employment**

Having employed a number of programme participants, this employer had found that offering part-time work initially works well as an adjustment period for those who have been out of work for an extended length of time.

"what I've learned in the past, especially if they've been out of work a long time, don't throw them in at the deep end. Start on a part-time or flexi hour basis, so that then you could learn about each other. Then you could find out if it works, and if they want to work a little bit more which is what you want ultimately, then you encourage them to work a bit more."

They had found that offering flexible working arrangements to suit participants' wider needs was beneficial. For example, being flexible to childcare responsibilities or adjusting workloads based on mental health needs.

Challenges

- **Lack of follow-up support:** The employer found the APM caseworker supportive at recruitment stage. They would have found follow-up support useful to check participant progress. The employer also felt that follow-up support could have strengthened APM's brand awareness.
- **High turnover:** This employer found that many participants used this employment opportunity as a stepping-stone to gain skills and experience before moving onto other opportunities. They support this progression but wanted to balance this with growing their business. They suggested better job-matching with participants' interest areas would help to overcome this.

Suggestions for future programmes

- **Employer incentives** would encourage more employers to engage with similar programmes.

Referrals to other services and provision of support

Caseworkers had the ability to refer participants to a range of other internal and external services, so that participants could receive specialist support to address their specific barriers to employment. Caseload reviews were a key mechanism for understanding individual client need and being able to make evidence-based referrals.

Local Authority representatives highlighted the key role that caseworkers play in supporting clients to access relevant wider provision. They felt this was most effective when the caseworker had good knowledge of the local landscape and took a proactive approach to signposting. Caseworker knowledge in this regard was assisted by the involvement of local authorities with Working Capital, as local authority staff had existing awareness of the available provision in their localities and could assist with the referral process.

Interviewees had also been referred to courses to support with confidence, basic skills, and IT; some participants had been offered these support interventions but did not make use of them.

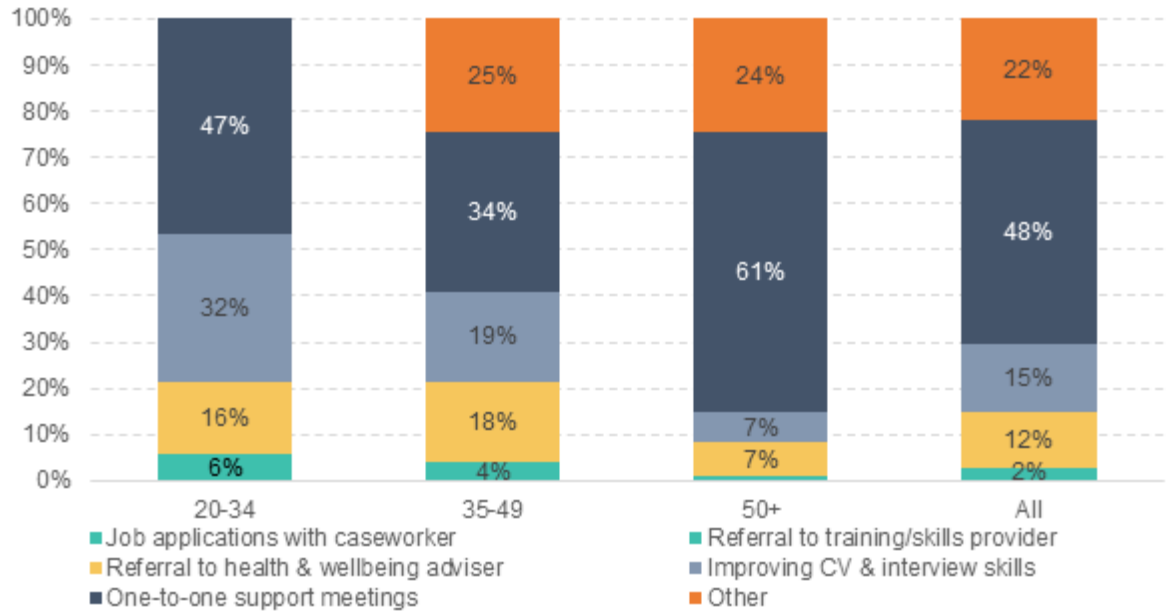
One interviewee commented that he did not attend a computer course *"but I didn't do it for myself"* acknowledging that he could have been more motivated to help himself, and he recognised that his caseworker had correctly pointed this out to him.

Health and wellbeing support

In addition to the support from their caseworker, participants were able to take part in sessions with APM health and wellbeing advisers, who were health professionals. These sessions provided opportunities to discuss participants' physical and mental health needs, including referral to external agencies, such as counselling services.

Respondents were asked which form of support they deemed most useful. Some responses varied significantly between age groups, so Figure 5.4 analyses each age group separately. Support with interview/CV skills were perceived as less useful as the age of respondents increased, with a reduction from 32 percent in the 20 to 34 age group, to 7 percent in the 50+ group. One-to-one support meetings were seen as the most useful form of support by all three age groups but were found to be most useful for the 50+ category (at 61 percent).

Figure 5.4: Most useful form of support, by age group



Base: all respondents. Total unweighted base = 97, due to 3 non-responses

Not all interviewees in the qualitative fieldwork had been offered this support and, since it was voluntary, some who were offered the support declined it (as also reported in the previous evaluation). For example, a male respondent with mental health problems, who felt that they were doing the programme *"under duress"*, did not take up the offer of counselling because he did not think it would help. As noted

earlier, some individuals did not disclose or discuss personal health issues with their caseworker or health and wellbeing adviser, preferring to limit the support they were given to their GP, hospital consultants or counsellors, whose ongoing support they had been receiving prior to enrolment on the programme. Occasionally Working Capital staff would contact participants' doctors if they were concerned about their physical or mental health. One respondent noted that his health and wellbeing adviser had spoken to his GP because anticipating a return to full-time work was causing his depression to worsen; the doctor agreed that the programme should prioritise part-time work initially *"because they don't want me to go in there full time and then, literally, I get ill and lose the job again".*

Participants who had taken up the health and wellbeing support gave positive feedback about their experience. One interviewee discussed the stress she had been experiencing because she needed somewhere to live and that her health and wellbeing adviser had provided a reference so she could secure occupation of a flat. She moved into the property and being rehoused made a significant difference to her mental health; this participant has since become a self-employed dog walker. Another interviewee, who had also participated in the Work Programme, commented that the Working Capital programme was more beneficial for him because it prioritised and supported his significant health needs. Another participant, who had speech and cognitive difficulties (loss of concentration, difficulties with his memory) spoke highly of his health and wellbeing adviser who found him a place on a gardening group for several hours every week, *"which was brilliant, I enjoyed it".* The group helped improve his confidence *"because they gave you time, no one was pushing you".* Some respondents had been given food and clothing vouchers, which made a positive difference to their personal circumstances.

Whilst the majority of participants found this type of support very constructive in helping them move forward in their goal to finding employment, or helping with confidence and managing stress, some questioned the reasoning behind some of their referrals. One respondent had been referred to *"this weird art thing and I didn't feel it was very helpful"*; she did not accept the opportunity to attend it again. This interviewee was also unnerved because the person running the course stood and watched while she completed the feedback form and she felt unable to provide honest comments.

Local authority representatives agreed that having health and wellbeing advisers was a really valuable concept. However, in reality, provision was mixed across boroughs. One representative reported having a highly effective and responsive lead adviser, others found the provision patchy which resulted in clients not getting appointments. High staff turnover was also a key challenge. One representative felt

the health and wellbeing support offer was too vague which hindered access. They suggested a more clearly defined offer would encourage take up.

Case study two: Ruby

Ruby (a pseudonym) is 54 years and lives alone. Ruby has severe depression and anxiety. She was referred to Working Capital by JCP and felt she had no choice about her participation *"we're putting you on this"*. Ruby did not understand what the programme was. Ruby had reservations about being on the programme as she had recently been prescribed different medication and it made her feel very unwell.
Ruby saw a caseworker and the health and wellbeing adviser. She was unsure how well the caseworker got to know her needs as she was reluctant to *"open up"* in conversations because he was male. Ruby commented that she was not comfortable meeting the health and wellbeing advisor at the job centre since *"there were always people walking past, nearby, or sitting on a chair just across from you"*, Ruby did not want to raise this with the adviser. Ruby saw the health and wellbeing adviser for four months, but did not disclose personal issues from her past, as she was more comfortable speaking to her (long standing) hospital counsellor.
She received help with her CV from her caseworker, which she said was useful. Prior to the Coronavirus lockdown her caseworker was in the process of arranging voluntary work for her on a farm. Ruby commented that the value of the support she received from her caseworker was limited because she was *"really at my lowest … anything he did or said went in one ear and straight out the other"*. Ruby would like to have the opportunity to participate in a programme like Working Capital again, when her mental health has improved, *"they were absolutely lovely. I wish I hadn't been in the state I was in at the time because maybe I would have benefitted from it more".*

Usefulness of support

Finally, participants in the survey were asked whether they found the support they had been given useful. Strong correlations between "support used" and "support found most useful" would suggest that the program was successfully allocating the correct type of support to those who would value it the most. The rows of Table 5.1 refer to the support that was obtained and the columns to the support that was found to be most useful. The percentage figures shown are row percentages that sum to 100 percent for each row. One to one support was found to be the most useful form of support across the board regardless of the support participants received. The only exception being those receiving other support that was not captured by the specified support types where this other support was deemed the most useful. For those that used CV related support or were referred to a health and wellbeing adviser, this form

of support was the second most cited most useful form of support (at 31 percent and 25 percent respectively). In addition, those referred to a training provider were the only group that deemed this form of support the most useful in significant numbers (14 percent). This close fit between support received and support deemed to be most useful suggests that in general Working Capital was providing participants with support appropriate to their needs.

Table 5.1: Most useful form of support, by form of support used

	One-to-one	CV /application/ interview improvement	Assisted job application	Referral to H & W adviser	Referral to training provider	Other
One-to-one	49%	14%	1%	12%	2%	22%
CV improvement	42%	31%	1%	11%	1%	13%
Assisted job application	49%	29%	2%	16%	2%	2%
Referral to H & W adviser	49%	12%	0%	24%	2%	13%
Referral to training provider	51%	6%	0%	25%	14%	3%
Other	40%	0%	0%	9%	0%	51%

Base: all respondents. Total unweighted base = 97, due to 3 non-responses to the question on most useful form of support.

Case study three: Eden

Eden, a 23-year-old care leaver living within the London Borough of Wandsworth enrolled onto the Working Capital programme in October 2018. Although Eden had no physical health conditions, she did suffer with depression and anxiety. She was also low in confidence and self-esteem and very isolated. Eden was placed into care from a young age. Both her parents were addicted to drugs and this impacted heavily on her childhood and into adulthood. Eden was initially very uncomfortable with meeting her caseworker at the Jobcentre as she hated being around new people and crowds. She was reserved, shy and found it difficult to discuss her feelings, background, and her current situation.

However, over time, Eden and her caseworker built up a trust with regular fortnightly meetings. She was referred to the Working Capital Health and Wellbeing Adviser and the sessions she had with her were beneficial to her mental health. Eden engaged well on the programme and she showed commitment to progressing her life but needed guidance and direction from both her caseworker and the Health and Wellbeing Adviser. When joining the programme, Eden expressed an interest in the arts as she participated in various youth projects at the Battersea Arts Centre. She applied for an administrative role at the Battersea Arts Centre, but unfortunately was unsuccessful due to a lack of work experience. Eden's Caseworker ensured that she

kept positive, and they practiced interview skills and her CV was updated ready to apply for other positions.

During a conversation with her caseworker, Eden mentioned that she liked the company of young children. Her caseworker discussed this further and suggested looking at jobs caring for children. Eden was keen to pursue this, and they commenced job searching and found a Nanny agency called Koru Kids. The agency offers a service to parents where a Nanny collects their children from school and escorts them home until the parents arrive back from work. The role was working Monday to Thursday and eight hours per week, but Eden felt that this would be a good start for her, and she was keen to apply. Her caseworker supported her application, and she was successful gaining a telephone interview. The telephone interview went very well, and she was invited to complete on-line assessments which she passed. Koru Kids found a family living very close to her and she was invited to meet the family and the children. The next day she received a call from the agency confirming that the family wanted her to work for them; she commenced working on a self-employed basis in January 2020. Her caseworker helped her to register as self-employed via the HMRC website.

Eden sustained six months in employment, and she continues to work for the same family. She enjoys her role as a Nanny and Eden is now planning to look into childcare courses where she can increase her skills and knowledge within the childcare sector.

Summary

The randomisation process did not make an impression on participants, and some participants were also unable to recall the process of their referral. However, most participants understood why they had been referred to Working Capital and understood it would be delivered by a separate organisation to JCP. Participants' awareness and understanding was found to be important, with participants who were aware of the aims of the programme and understood the reasons for their referral being more positive about their participation.

Participants did not distinguish between the mandatory nature of the initial appointment and the voluntary nature of engaging in ongoing support. Many believed that participation was mandatory and that there was a risk of losing financial benefits if they left the programme. They were largely positive about their engagement with their caseworkers; while some did not disclose the extent of their mental health challenges, or the extent of their drug or alcohol addictions, participants generally had good experiences of their meetings with case workers. Formal venues for

appointments, such as at the job centre, were generally favoured over informal environments such as cafés. Participants had mixed experiences of developing their action plan. Many could not recall working on it, but where they could, they usually regarded it as a helpful activity. Where they did not find it helpful, this was typically because they felt they were so far from the labour market that considering a route to employment was difficult for them.

The frequency of support differed among participants, with the survey showing a clear difference by age: 55 percent of those aged 35 to 49 age group met their caseworker once a fortnight, a figure that fell to 33 percent of those 50+. The most common form of support was found to be one-to-one support followed by referral to a health and wellbeing advisor and improving CV and interview skills. Participants viewed one to one support as the most useful form of support, followed by CV support and, where participants had been referred to it, training. Where they had received health and wellbeing support, participants gave positive feedback about their experience, finding this type of support had helped them find employment, or helped with confidence and managing stress. The most frequently mentioned issue with support under the programme was where participants had different advisors which undermined the continuity of support.

6. Participant outcomes

This chapter presents an analysis of the outcomes achieved through the Working Capital programme, focusing in particular on job outcomes.

Job outcomes

In this chapter we use MI data from the programme provider APM sent to us in November 2019. We could not use a later set of data from CLF to assess job outcomes as it did not include information on job start dates which were included in the APM data. One hundred and twenty two of the 949 participants in the APM data achieved a job start outcome, a job outcome rate of 13 percent.

Of these job entrants, 72 achieved a job sustainment of being in work for at least 26 out of the next 32 weeks. Hence, 59 percent of job entrants sustained their employment. The job outcome rate achieved has increased since our last (third) interim report which noted that between October 2015 and April 2018, Working Capital had achieved an 11 percent job outcome rate.

Case study 3: Jane, her journey into employment

Jane (a pseudonym) has mental health problems and for nearly three years she was unable to leave her house for more than a short period of time. Jane had participated in another employment programme prior to her referral to Working Capital; her view of the previous programme was unfavourable, *"I still don't know what it was all about and why I had to attend … it was absolutely useless"*. Jane did not realise Working Capital was a voluntary programme but understood why she was referred by JCP. Her caseworker was very flexible about appointments because on some days Jane was unable to leave the house. She worked with her caseworker on an action plan, which included activities that would motivate Jane to leave home. The caseworker researched information in advance of their meetings, so they could discuss potential job applications; Jane appreciated his proactive approach to her support. Jane received help with her CV, and he accompanied her when she had an initial meeting about volunteering at a farm. With her caseworker's encouragement Jane sent her CV to a dog walking company, but when she did not receive a response her caseworker contacted them. When Jane felt demotivated - *"I wouldn't bother"* - in her job searching her caseworker sent out her CVs to potential employers.
Jane met the health and wellbeing adviser several times and the adviser sent a letter to Jane's GP so she could be referred for counselling. The adviser also provided references so that Jane was able to find a new place to live.
Gradually through the support of the caseworker and health and wellbeing adviser Jane built up the confidence to start work. With guidance from the caseworker, in

August 2019 Jane became a self-employed dog walker, working for two companies; this has built up her confidence a great deal, particularly given the severity of her difficulty in leaving her house. She works a maximum of 16 hours per week and is on ESA. Jane is now considering returning to full-time work in her original career in the hotel sector. Jane was very positive about her experience of Working Capital, *"they're very unexpectedly helpful in other aspects, not only looking for the job, but helping me with any issues I had"*.

Our survey of participants asked them further questions regarding their employment. These findings are all based on small sample numbers and so should be seen as only indicative:

- 47 percent were working 0-9 hours per week,14 percent were working 10-29 hours per week, and 39 percent were working 30-40 hours per week. On average those entering work were working 16.8 hours per week.
- Sector of employment was varied, with roles secured in Arts and Leisure, Food and Catering, Health services, Retail, and the Security and Armed forces sectors.
- 63 percent were earning at least £10 an hour. The overall average (mean) hourly pay was £10.96. When the variation in hours worked across individuals was taken into account then the average pay per person hour was £10.55.
- 46 percent of respondents had maintained their employment for at least 6 months and 73 percent had maintained their employment for at least three months.
- 50 percent of respondents who had found employment while in the program were still in employment.

A participant interviewee, who was supported to find work as a part-time school transport escort, praised the support of her caseworker who had encouraged her to apply for work, which she would not have previously considered. Another interviewee had been referred by his caseworker to an English and maths course and the Security Industry Authority standard (SIA) course, which he was required to pass to become a steward at large events (such as football matches). This interviewee was currently on furlough following the Coronavirus lockdown but was expecting to return to work once events took place again. Of the five participants interviewed who found work themselves, one found a short-term contract job through a friend. This interviewee commented that, although his time on the programme ended while he was working, *"it would have been helpful to go back* [to his caseworker] *to have*

some more guidance, especially having something to write on your CV". A second participant found a temporary job herself but was supported by her caseworker throughout and he continued to support her once the contract had ended. The interviewee commented that support from her caseworker had increased her confidence, so she felt able to look for work.

Table 6.1 (below) shows respondent's job, education and training, and voluntary outcomes achieved during participation in Working Capital, as well as responses to supplementary questions that related to these roles. The proportions of respondents who had achieved a voluntary or job role were similar (at 12 percent and 11 percent respectively). The supplementary questions gauged whether the role was relevant to respondents and whether they considered the Working Capital support to be a factor in securing the role, and findings proved positive. When asked if support from Working Capital had helped secure the role, 63 percent of those who achieved a voluntary role agreed. When the same question was asked of those who achieved a job role, 74 percent agreed. Another positive note was the extent to which respondents found these roles suitable. When asked, 83 percent of those who secured a voluntary outcome said that the role was suitable for them. Eighty-seven percent of those who secured a job role echoed the same sentiment.

Table 6.1: Positive Outcomes

Outcome	Percentage who achieved	Supplementary questions	Percentage who agreed
Voluntary role	12%	Support helped you secure the role	63%
		Role fits with future career plans	65%
Job role	11%	Role is / was suitable for you	83%
		Support helped you secure the role	74%
		Role fits with future career plans	88%
		Role is / was suitable for you	87%
Education/ Training	15%	Support helped you secure the training	64%
		Training fits with future career plans	89%

Several participants interviewed had moved closer to the labour market after gaining employability skills or qualifications through Working Capital. For example, one man

had passed tests to obtain his SIA badge and work as a steward at large events. The opportunity to write and improve CVs was beneficial for many, as was undertaking mock interviews. Participants had also been supported to address training needs. For example, one interviewee was doing a maths courses at a local centre, another was doing a Health and Safety course so he could apply for work in the catering sector, and another did a computer course.

Cohort Analysis

To gain more insight into the performance of the programme, we compared job outcome rates from different cohorts who joined Working Capital at different times. This cohort analysis controls for the amount of time these different cohorts have spent on the programme. Earlier cohorts will have spent longer on the programme and so, all other factors equal, will have a greater likelihood of obtaining a job.

Figure 6.1 (below) shows the cumulative job outcome rates for the those joining the programme between October 2015 and March 2016 (Cohort 1), April 2016 to September 2016 (Cohort 2), October 2016 to March 2017 (Cohort 3), April 2017 to September 2017 (Cohort 4), October 2017 to March 2018 (Cohort 5), April 2018 to September 2018 (Cohort 6), and October 2018 to March 2019 (Cohort 7) by the length of time since their attachment on Working Capital.

There were some substantial differences in performance across the seven cohorts. Overall, Cohorts 1 to 3 performed similarly and better than Cohorts 4 to 6. Cohort 7 participants over the 10 months since attachment appear to have performed very similarly to Cohort 1. Cohorts 1 to 3 achieved job outcome rates at or above 14 percent. In contrast, for Cohorts 4 to 6 job outcome rates appeared to have stabilised at around 9 to 10 percent. The job outcome rates for these three cohorts also appeared to have stabilised earlier than for the better performing Cohorts 1 to 3.

For Cohorts 1 and 3, there was a noticeable slowdown in the increase in their cumulative job outcome rates after the 12 months out of work support period ends. This was not apparent for Cohort 2, which over the first twelve months performs less well than Cohorts 1 and 3, but which then caught up with the performance of these two cohorts by adding considerable job outcomes subsequently. Part of the slowdown for Cohorts 1 and 3 most likely reflected the fact that participants closer to the labour market were likely to move into work earlier than those who are further away, but it is unclear why this effect does not pertain to Cohort 2 as well.

This slowdown for Cohorts 1 and 3 also raises a question of whether a longer out of work support period would have resulted in higher post-12-month job outcome rates. This was the view of some participants and staff interviewed over the course of our

evaluation research, who felt that 12 months was not long enough to address the complexity of barriers to work that many participants faced. Regardless, the benefits of a longer support period would need to be weighed against the extra costs this would create.

Figure 6.1: Cumulative Job Outcome Rates by Cohort

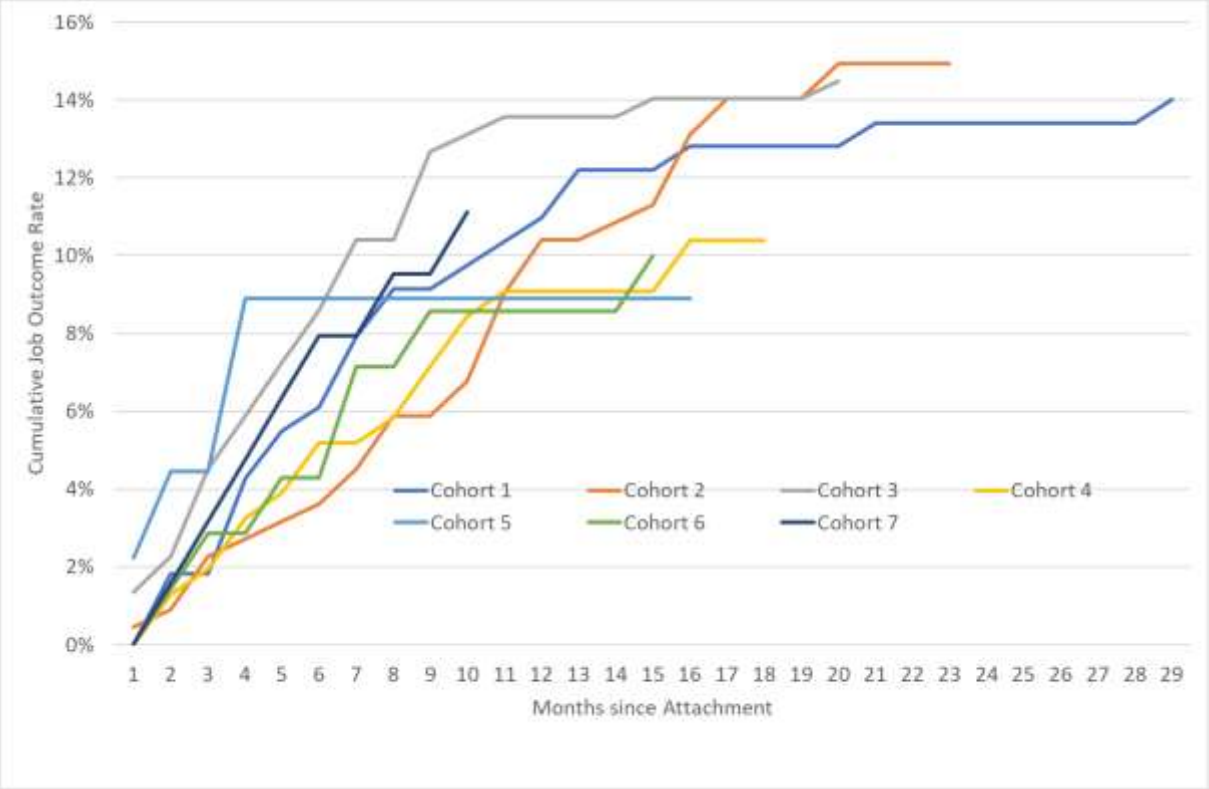
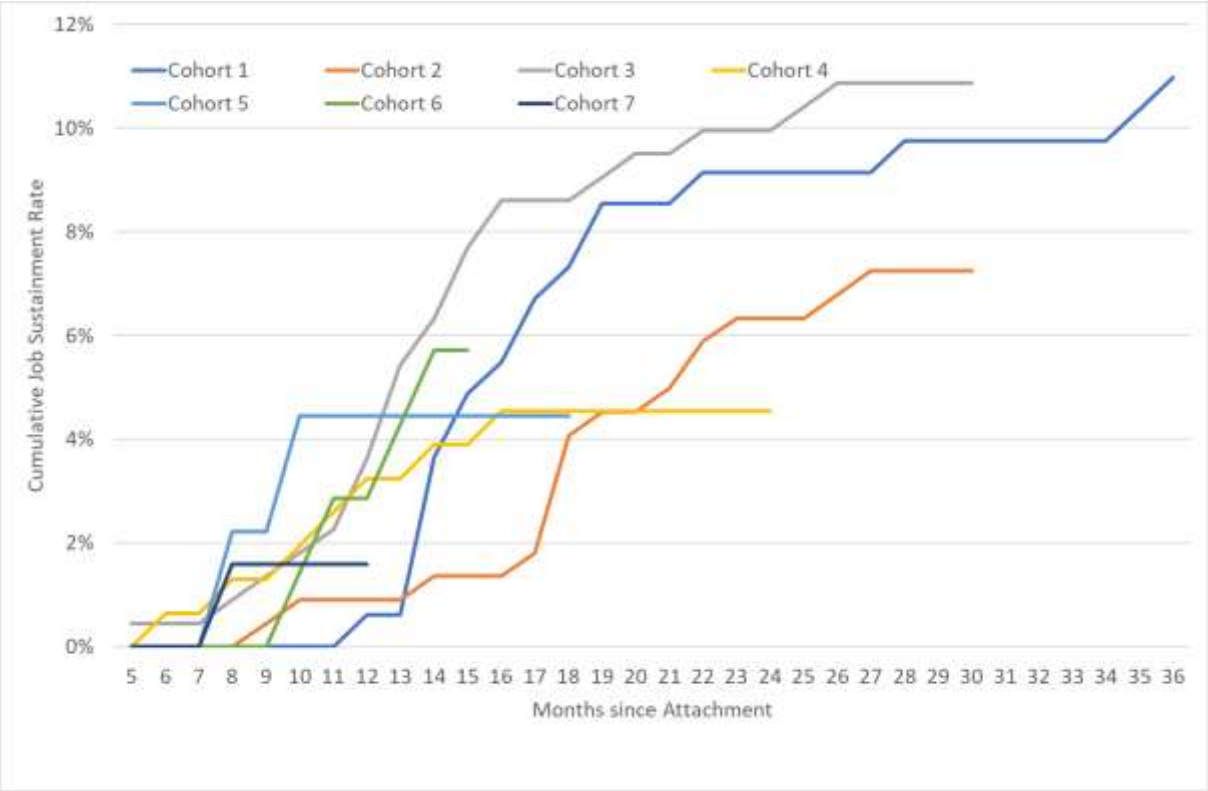


Figure 6.2 shows the same analysis as in Figure 6.1, but for job sustainment rates[19]. Cohorts 1 and 3 achieved the highest job sustainment rates with around 11 percent of participants in the cohorts having achieved a job sustainment. Whilst Cohort 2 achieved a similar level of performance on job outcomes as these two cohorts it did much less well on job sustainment. For Cohorts 4 and 5, their job sustainment rates appeared to stabilise much earlier and at much lower levels (around 4 to 5 percent) compared to Cohorts 1 to 3. The profile for Cohort 6 participants over 15 months was similar to that for Cohort 3 over the same time period.

[19] The job sustainment rate here is defined as the proportion of all participants who secure and sustain work.

Figure 6.2: Cumulative Job Sustainment Rates by Cohort



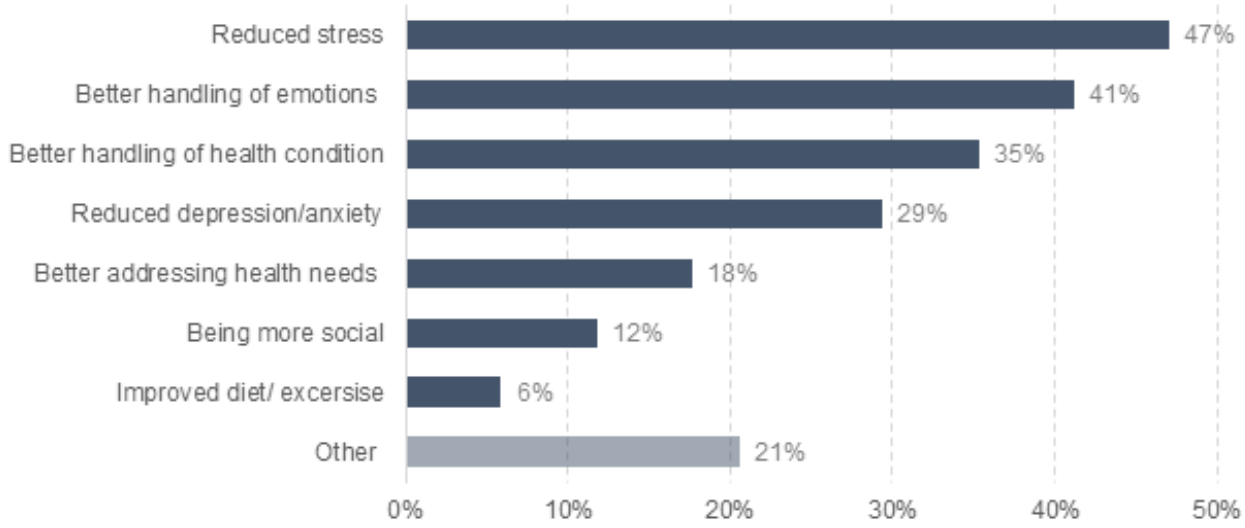
Of those interviewed who had found paid work with support from the programme, one had not been able to sustain their job outcome as they had been *"let go"* after six weeks with no explanation from their employer, although the interviewee believed it was owing to his mental health problems. One participant who had been encouraged and motivated by her caseworker to try voluntary work went to a local centre for the elderly to ask if she could volunteer. Unfortunately, having started work there she suffered from panic attacks and was unable to sustain this: *"I did try, like what they suggested, but that didn't work out. They asked if I'd would like to do it again and I said 'I don't think so at this stage'"*; however, the participant intended to try volunteering in the future.

Health and wellbeing outcomes

For a number of the participants, the health and wellbeing support – from both their caseworker and health and wellbeing adviser – resulted in softer outcomes, such as improvements in confidence levels, which were perceived as having a significant impact.

When our survey of participants asked if taking part in Working Capital support had led to improvements in their health and wellbeing, 45 percent of all respondents agreed. These respondents were then asked to provide further detail, as shown in

Figure 6.3. The most frequently reported wellbeing outcome was reduced stress levels, at 47 percent, followed by better handling of emptions at 41 percent and better handling of health condition at 35 percent. Figure 6.3: How WC support had affected health and wellbeing.



Whilst many participants with mental health conditions did not choose to seek support specifically for these conditions, some found their mental health benefitted from their participation in the programme. For example, the meetings with their caseworker and health and wellbeing adviser provided structure to their day and gave participants the motivation to go out. This also improved their sense of optimism. As one participant explained *"[it] makes you feel more part of life, that I was going forward"*.

For others it was the realisation that they needed to be more proactive in managing their health if they were to move forward in their journey towards employment; for example, a male respondent commented *"I need to look after myself a bit more, with my health and not get so stressed out … My health, sometimes I don't bother with it and I should".*

Confidence and motivation

Participants felt that increased confidence and motivation was a key outcome which resulted from engaging in Working Capital. Entering employment or gaining work experience was extremely valuable because participants could build on previous skills, learn new ones and, importantly, acknowledge capabilities they had not recognised in themselves previously. The meetings with caseworkers also provided a structure for participants to reflect on the steps they needed to take to move towards employment. The following quote from a male participant echoes the views

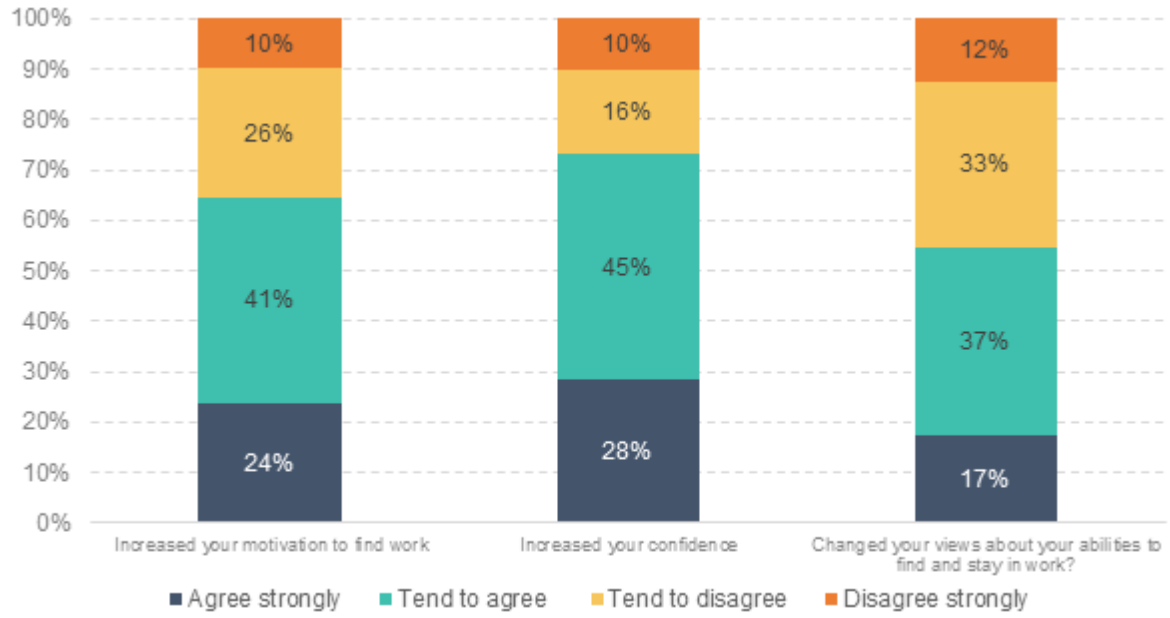
of many; *"I think the most useful thing for me was it encouraged the structure and moving forward … it's very easy when you're on your own and you've had these vague ideas about what you want to do, it's very easy to get lost in the day-to-day stuff … seeing an adviser on a regular basis who is reasonably sympathetic and putting pressure on you, it encouraged a target structure for me in saying 'What can I do before the next meeting? Do I need to do something with the voluntary work so that I can come back and report to them…"*

Taking part in training courses or entering work, be that paid or voluntary, also enabled participants to meet and work alongside new people, which helped to reduce social isolation and build confidence. One participant spoke of the praise she received from colleagues at the charity shop where she was doing voluntary work, their comments gave her encouragement and made her feel valued.

Our survey of participants also asked about impacts from Working Capital on softer outcomes which are visualized in Figure 6.4 below:

- 65 percent agreed that Working Capital had increased their motivation to find work;
- 73 percent agreed that the programme had increased their confidence; and
- 54 percent agreed that it had changed their views about their ability to find or remain in work.

Figure 6.4: Extent to which WC support has affected the following:



Summary

Over the lifetime of the programme, Working Capital achieved a job outcome rate of 13 percent. The Cohort Analysis undertaken suggests that its ultimate long run impact could be a job outcome rate of at least 14 percent. These are outcomes for a group which had already been through the Work Programme without securing sustained employment and who were very disadvantaged and distanced from the labour market. In addition, as well as job outcomes our survey of participants indicated other positive outcomes in terms of volunteering and participation in education or training. Working Capital also had positive impacts on health and softer outcomes, such as confidence and motivation. Certainly, participants take a positive view of the programme: when asked the question “Would you recommend the Working Capital program to friends or a family member?”, 77 percent responded “yes”.

7. Facilitators and barriers to outcomes

This section looks at the facilitators and barriers to the outcomes presented in the previous section, drawing on data from the participant survey and interviews with participants to elicit the factors that they felt facilitated or presented barriers to achieving outcomes.

Facilitators

Having regular and sequenced support, delivered by an understanding and approachable caseworker were factors identified as key to outcomes being achieved. Participants appreciated having a caseworker who was flexible, who listened to their concerns and who they could talk to about their wider needs. A number of respondents commented that, in contrast to JCP staff, they did not feel judged or pressurised to find a job.

Participants especially liked that they did not feel 'forced' to complete activities or look for jobs, when they had more pressing concerns. The importance of sequenced support was also recognised by caseworkers and local authority leads alike as enabling sustainable outcomes to be achieved.

"I think where the case workers have had success, you can see that it's because they've worked through X, Y, Z problems with a client before gearing them up for employment…and it kind of helps, hopefully, into sustainable employment and not just getting someone to the point of work and then realising, you know, the financial issues that I had are still hanging about and therefore work isn't as appealing." (Local authority lead)

Caseworkers recognised that building up trust with participants was vital to keeping them engaged and them making progress.

Other factors highlighted by caseworkers were work placements and ESA permitted hours of work because these allowed participants to get an experience of work, without having to sign off benefits. They often wanted to increase their hours once they had gained this experience.

"Permitted hours is very good, working a few hours a week…They're not going to go into a full-time job, sign off. They're not going to do it. This is a perfect way to get them into it slowly." (Caseworker)

Whilst a few participants said they thought the programme was mandatory and were less engaged, the majority appreciated that they were not made to seek employment

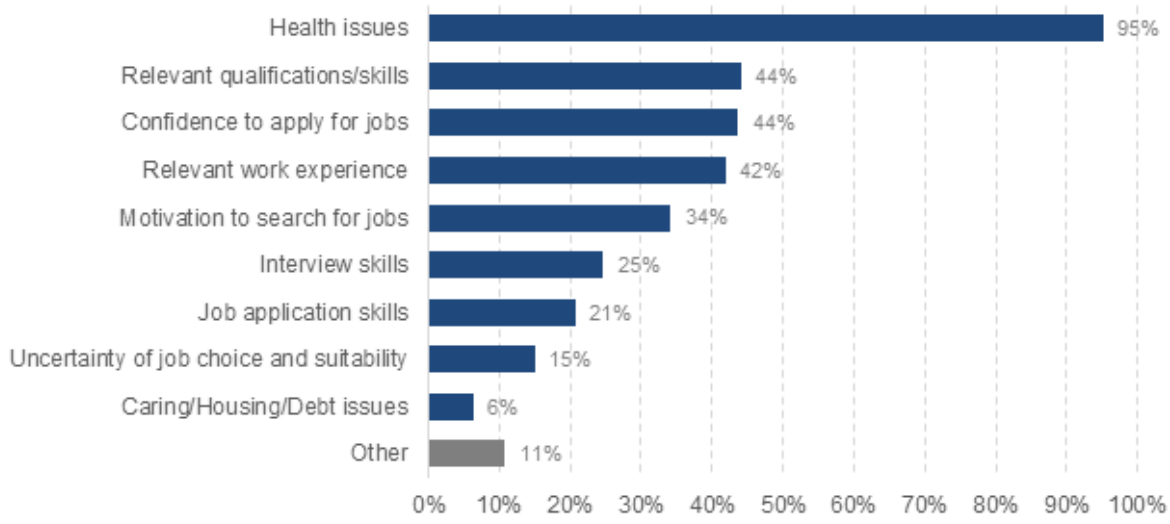
or undertake activities when they were tackling other issues in their lives, which were more of a priority (for example, finding a home, obtaining food and clothes).

Warm handovers were key to both meeting the potentially wide-ranging needs of clients and to promoting integrated delivery. These were a key focus for APM.

Barriers

Figure 7.1 shows what our survey respondents considered as barriers to entering learning or work. Health issues were overwhelmingly the most reported barrier (at 95 percent). Lack of relevant qualifications, lack of confidence, and lack of relevant skills were the second, third and fourth most frequently reported barrier (at 44, 44, and 42 percent respectively). The least reported barrier was a presence of housing/debt/carer issues, cited by only 6 percent of respondents.

Figure 7.1: Barriers to work or study



Base: all respondents. Total unweighted base = 100. Respondents were able to select multiple categories

Our qualitative interviewing also revealed a number of significant barriers as noted subsequently. Regarding information on referral, most participants felt they had been provided with sufficient information initially, although a number did not realise Working Capital was not a compulsory programme. As mentioned in the previous evaluation report, a few participants would have liked to have been given more written information, because their ability to retain details was impaired owing to health conditions; another suggestion was to have the information available on the internet.

As noted in Chapter 5, changing caseworker or advisor (occasionally multiple times) was perceived as a shortcoming of the Working Capital programme for those participants affected. Whilst participants acknowledged that staff changes were sometimes inevitable, they commented that the resultant delays and need to repeat information they had previously given had an adverse effect on them. These findings mirrored findings from earlier stages of our research, for example, that one participant disengaged after their caseworker changed for the third time.

For a number of participants, the timing of their referral to the programme meant they were not able to consider seeking employment or take advantage of the support on offer. Participants' comments capture this, *"They were helpful, but it just wasn't something that I could do at that time"*; *"Anything he did or said went in one ear and straight out the other …* [would do the programme again] *if I was in a better state of mind because they were helpful".*

Similarly, our previous evaluation research found that some participants did not feel that they were able to enter employment or make significant progress because of their health condition. For some, this meant that they were not particularly engaged with the programme, whereas other's conditions had deteriorated, or they had received an additional diagnosis since joining.

"It's not because of the programme, it's because of my health [it] would have been helpful if I was a different person. If I hadn't had my accident…I would have been all over there. I would have been working by now." (Male, 36)

Delays and inability to access services were a significant barrier to progress for some. One participant commented that by the time they were referred to a health and wellbeing adviser the time remaining on the programme meant any support was unable to take place.

While relatively few participants highlighted housing as a barrier, our past research noted that housing issues were particularly problematic to overcome. There were also examples of local authority leads being able to signpost caseworkers to relevant local services, but participants not being able to access support because of these services' eligibility criteria. In some boroughs, there were long-waiting lists for therapy services aimed at people with severe mental health needs.

Where warm handovers did not happen then this was a barrier, the corollary of them being a facilitator, which in turn justified APM's focus on them.

Although some older participants in an earlier wave of research had concerns about their age being a barrier to achieving employment outcomes, this was not an issue

raised by the latest cohort of interviewees. However, in our past research caseworkers acknowledged that it was harder to achieve outcomes for those over 60. Additionally, our analysis of the programme MI and our survey of participants indicated that older participants - aged over 50 - had much lower job and wider positive outcomes including volunteering and skills improvements than younger participants.

Finally, some participants would have liked the length of programme to be lengthened from 12 months to increase the likelihood of them succeeding in finding employment. This would also have helped those who were working on overcoming health or other barriers to be in a position later in the programme to focus on employment outcomes. This was also an observation noted in the previous evaluation report. It should be noted that for some participants caseworkers did extend the length of their participation, but this was only mentioned by a minority of respondents.

Integrated delivery

Our previous rounds of research found that successful integrated delivery was a very important facilitator of outcomes from Working Capital. In line with this, local authority representatives agreed that the ideal model of service integration would offer seamless service provision across providers to maximise the coherency and accessibility of the provision to the client. A key aim of Working Capital was to achieve better participant outcomes by more effectively combining support from the programme provider with those available from local councils, health and voluntary sector services, and other specialist services. Local authority representatives felt that Working Capital had not fully achieved this.

A number of factors were seen as promoting better integration of Working Capital with other local services. Firstly, co-location with other local services was found to be beneficial as this facilitated communication and the building of good working relationships with relevant staff members; this enabled warm handovers (themselves a key facilitator) and referral pathways more generally. Due to changing priorities mid-delivery for some boroughs, co-location could not be sustained throughout. Having pre-existing local employment programmes helped integration because caseworkers were connected with these programmes, making it easier for them to find out more about local services and the job opportunities that were available. Proactive linking with existing services was preferable to re-inventing the wheel.

"So, I think the co-location works when you've got like these small little hubs…Especially when you've got like a brokerage function present there...if they've got a client that they're seeing, and the brokerage person is right next to them, then

they might you know, introduce their clients… It just allows them to put them towards opportunities a bit easier I think." (Local authority lead)

Conversely, where APM did not fully engage with and build partnerships with existing networks this acted as a barrier to full integrated service provision.

Additionally, several local authorities invited APM caseworkers to be part of their local employment forums or networks, which was intended to raise awareness of Working Capital locally and help caseworkers to better understand local issues and services.

"APM was invited to present at that forum about the programme and become part of that partnership and forum...And so we would introduce them to other partners that we thought it would be good for them to work with… there was synergy." (Local authority lead)

However, keeping wider local services engaged proved problematic when the expected numbers were not realised because they were not receiving referrals. These low referrals made it difficult to build the relationships that were seen as essential to achieving service integration. Representatives felt that the low participant numbers impacted on the ability to achieve greater integration.

"the whole programme was predicated on a certain volume of referrals, and therefore, the kind of programme was set up around that. Without that volume of referrals, some of those things that we wanted to test just weren't possible, and it became another employment programme, sort of, rather than anything innovative and different." (Local authority lead)

Local authority leads and caseworkers believed that a key benefit of local authority involvement with Working Capital was the local authorities' awareness of available provision in their localities, and their ability to help with the referral process.

"We know where to turn to. We know who to go to and it's having that relationship with that person to be able to pick up the phone or email and say, "I've got this client. This is what they need." It's just a simple referral and they're able to get the support for the client" (Caseworker)

Across different boroughs, multiple decisions were made about where the responsibility for Working Capital should sit. Where the local authority lead had a more strategic role (for example in the council economic development team), this was felt to benefit the programme, as they were able to put the caseworker in touch with council staff to support their clients and had a good overall understanding of the local landscape.

"It's been easy for us to put APM in contact with the right people and kind of broker those relationships from a strategic point of view… on our side it's helped us because we're responsible for employment commissioning and skills commissioning and wider conversations…so it means that we've got that oversight and that link into a frontline service." (Local authority lead)

Hence, this joint-working and local authority involvement in the delivery of the Working Capital programme was felt to benefit participants as they had access to a wider range of support options as a result, and hopefully a better experience of the referral process.

"I think probably for the residents, it's better for them because they're getting a much better, all round service than they would if there was just APM delivering it completely separate from the local authority." (Local authority lead)

An issue felt to reduce the level of integration was staff changes at APM, but also within local authorities and Jobcentre Plus (JCP). Once a main contact changed, it took a long time to rebuild relationships and identify the staff member that could provide the relevant support or guidance. There were examples of local authorities and JCP being unaware who their local APM contact was, and likewise caseworkers being unsure of their local authority lead. High staff turnover interrupted the flow of referrals between services and added to relationship building fatigue.

Whilst progress had been made in integrating Working Capital with council teams, including housing, economic development and adult social care, integration with health services remained more challenging.

"I think some of the services, the teams here, have been more receptive to that approach than others. I don't think we've by any means cracked it with health yet, it's kind of a long way off." (Local authority lead)

However, there were good examples of joint working between caseworkers and wider health teams. This included caseworkers having meetings with a participant and their support worker, referrals being prioritised from APM for a local mental health pilot, and instances of health and wellbeing advisers getting in touch with GPs and encouraging participants to speak to them about their needs.

Local authority leads and Working Capital staff experienced a number of IT related challenges throughout the course of the Working Capital programme. An effective and integrated IT system is crucial for an integrated work and health programme like Working Capital. IT software problems at times hindered the day-to-day working of staff and led to a reduction in operational integration.

Local authority views on partnership working

Local Authority representatives reported working with a range of other services including health, housing, and financial support services. They found that particularly good working relationships were forged with services who were clear about the mutual benefits of partnership working.

Local Authority representatives identified the programme steering group as a useful platform for them to meet and share ideas. However, beyond this they felt it had little added value. They attributed this to the lack of data available due to the low number of participants on the programme. They also highlighted that as each authority had different priorities, context, and ways of working it was challenging to have inter-borough discussions about effective practice.

Overall, Local Authority representatives felt more proactive borough-level and bespoke support would have been useful. They also felt that CLF could have played a stronger role in driving partnership working. Representatives that were interviewed, identified the key hindering factors for partnership working to be a high staff turnover and having work overshadowed by higher profile programmes (such as Central London Works).

Summary

Regular, sequenced support delivered by an understanding, flexible and approachable caseworker helped participants feel appreciated and confident that they could talk about their wider needs. Caseworkers recognised that building up trust with participants was vital to keeping them engaged and supporting them to make progress. Other types of support, such as work placements and ESA permitted hours of work, were seen as important by caseworkers, as they helped gain work experience without having to sign off benefits. Warm handovers were also seen as key to both meeting the potentially wide-ranging needs of clients and to promoting integrated delivery.

The major barrier facing participants was health issues, followed by a lack of relevant qualifications, lack of confidence, and lack of relevant skills. Changing caseworker (occasionally multiple times) was perceived as a barrier to a successful outcome by participants, with the resultant delays and need to repeat information at times having an adverse effect on participants. The timing of participant referral to the programme meant some participants were not able to consider seeking employment or take advantage of the support on offer as they were so distanced from the labour market. Delays to and inability to access services were found to be a significant barrier to progress in some cases. A number of participants would have liked the length of

programme to be lengthened, from 12 months, to increase the likelihood of them finding employment.

Joint-working and local authority involvement in the delivery of the Working Capital programme was felt to benefit participants because they had access to a wider range of support options. As part of this co-location with other local services was seen as facilitating communication. Good communication then led to the building of sound working relationships with relevant staff members and enabling warm handovers. Local authorities' awareness of available provision in their localities, and their ability to help with the referral process, were also viewed as important facilitators of successful outcomes.

8. Economic Impact and Value for Money

This chapter first considers the net economic impact of Working Capital and then uses this as an input into the Cost Benefit Analysis (CBA). The purpose of the CBA is to assess how the costs of the programme compare to the socio-economic benefits to society as a whole, and thus whether spending on the programme has represented value for money or not.

Impact of Working Capital

Working Capital was run as a 'Randomised Controlled Trial' (RCT), meaning that eligible participants were referred randomly into either a 'treatment' or 'a control' group, with the difference in outcomes between these groups being used to measure the impact of the intervention. In 2017-18, DWP analysts undertook an assessment of the impact of Working Capital on job entry to that point using administrative data from their systems. We are currently in discussions with DWP about updating that analysis. As that update has not to date been done, we need to utilise some other way of assessing the net impact of Working Capital. Our approach is to assess three different benchmarking methods.

We have previously undertaken an impact assessment of the Working Well pilot in Greater Manchester[20]. This programme was aimed at the same client group of workless individuals with disabilities or long-standing health problems as Working Capital. Hence, it is plausible that the two programmes might have similar impacts. For Working Well, we estimated that it had a statistically significant positive impact on participants' chances of entering paid work and that the level of deadweight (the proportion of people who would have entered employment anyway without the support of the programme) associated with the pilot was 77.7 percent.

Another estimate of deadweight can be obtained by comparing the job entry rate of Working capital participants (13 percent) against the job entry rate for the comparison group from our study of Working Well (5 percent). This comparison group came from across the UK outside Greater Manchester. This simple comparison would suggest deadweight of just 36.5 percent - much lower than we found for Working Well. This estimate of deadweight is likely to be less robust than that obtained from the Working Well pilot because: it compares data drawn from two different data sets (the programme MI and DWP administrative data), two different

[20] Melville, D., Bivand, P., Hoya Quecedo, C., Vaid, L., and McCallum, A. (2018) "Greater Manchester Working Well: Early Impact Assessment", DWP Research Report no. 946.

geographical areas - central / inner London on the one hand against the UK outside Greater Manchester on the other - and for different time periods.

Finally, a third estimate of deadweight can be obtained based on the job entry rate of Working capital participants (13 percent) and the results of DWP analysis in 2017-18 which appeared to suggest that at that point, Working Capital was increasing the job entry rate for participants by 1.7 percentage points. Putting these two figures together suggest a deadweight figure of 86.8 percent.

It is important to note that this earlier DWP analysis suggested that the impact of the programme had risen over time. If that had continued, then it would imply a lower level of deadweight than that calculated. Hence the estimate of 86.8 percent deadweight may well be an overestimate.

Given the uncertainty surrounding the level of deadweight associated with Working Capital in the absence of an updated impact assessment we adopt three scenarios in our Cost Benefit Analysis as follows:

- A central scenario assuming deadweight of 77.7 percent.
- An upside scenario assuming deadweight of 36.5 percent.
- A downside scenario assuming deadweight of 86.8 percent.

Costs of Working Capital

We estimated the cost of Working Capital based on the Working Capital Payment Model. Working Capital involved payment by results and APM, the provider, received payment fees as set out in Table 8.1.

Table 8.1: Working Capital Payment Fees

Activity	Fee
Attachments to September 2017	£1,734
Attachments after September 2017	£924
Job Starts	£2,068
Job Sustainments	£4,139

Table 8.1 uses data from the programme provider APM delivered in November 2019, which showed 949 attachments onto Working Capital in combination with a later data set from CLF which indicated that there had been 1,122 participants (attachments) on the programme. We cannot use this later CLF data directly because it does not include information on the number of job starts and job sustainments by financial year. Instead, we use data on job starts and job sustainments by financial year from the APM dataset which are then uprated in line with the higher number of participants shown in the CLF dataset.

Table 8.2 shows our calculations as to the total payments made to APM in connection with attachments, job starts and job sustainments by financial year. These figures have been adjusted for inflation using the GDP deflator to put them on a common 2015/16 price basis.

Table 8.2: Working Capital Payments to APM in 2015/16 prices

Financial Year	Payments
2015/16	£411,415
2016/17	£1,100,710
2017/18	£430,704
2018/19	£284,214
2019/20	£11,080

Benefits

The benefits from Working Capital potentially take two forms: the economic benefits of people being in employment who otherwise would not have been and the additional economic output this generates, and the non-employment social benefits that flow from these people being in work.

These non-employment benefits include, for example, individual health improvements, reductions in drug and alcohol abuse, improved housing outcomes, and consequent reductions in demand for a range of public services.

Economic Benefits

Data from the programme provider APM indicated that there were 122 job entries and 72 job sustainments from the 949 participants it covered. The later data from

CLF indicated that there had been 1,122 participants on Working Capital. Proportionating up the APM figures within each financial year to the higher CLF participant numbers gave estimates of the number job entries and job sustainments of 141 and 80 respectively. These represent estimates of the gross number of jobs and job sustainments obtained via Working Capital. As discussed at the start of this chapter we need to take account of deadweight, that is the proportion of jobs that would occur in the absence of the programme, and our central estimate of deadweight is 77.7 percent. Applying this deadweight assumption produces estimates of the net additional jobs and job sustainments from Working Capital of 31 and 18 respectively.

The economic value of these additional jobs will depend on the weekly hours worked by those entering work, the hourly rates they are paid, and how long these jobs last. Our survey of participants indicates that those entering work, worked on average 16.8 hours per week and that their average hourly pay rate was £10.55. Our assumption as to how long jobs last varies by whether they are sustained. Jobs which were not sustained lasted up to 6 months and we assume that on average they lasted half this time – 3 months. For sustained jobs we assume they lasted 5 years in line with the standard assessment period set out in the 'Manchester New Economy' model[21] (which we use to estimate the non-economic benefits of Working Capital).

Combining these figures for net jobs, weekly hours worked, hourly pay, and duration of jobs gives an estimate of the additional wages or wage bill resulting from Working Capital. The final step is to convert this estimate of the wage bill into an estimate of the extra economic output associated with this. In order to do this, the ratio of economic output to wage costs for London for 2015-18 taken from the Annual Business Survey is applied. Over the period 2015-18, this ratio averages 1.96. Our resulting estimates are shown in Table 8.3 below.

[21] See HM Treasury, Public Services Transformation Network, and New Economy (2014), "Supporting public service transformation: cost benefit analysis guidance for local partnerships". https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/300214/cost_benefit_analysis_guidance_for_local_partnerships.pdf (Last accessed: date?)

Table 8.3: Working Capital Estimated Economic Benefits in 2015/16 prices

Financial Year	Economic Benefits
2015/16	£375,562
2016/17	£878,134
2017/18	£229,153
2018/19	£195,864
2019/20	£0[22]

Non-Economic Benefits

Many participants in Working Capital have multiple disadvantages which successful entry into work as a result of the programme can be expected to relieve. This potentially generates a range of potential social benefits in the following areas:

- Improved mental health.
- Reduced costs of admission to hospitals.
- Reductions in the risk of evictions and homelessness.
- Crime reductions.
- Reductions in drug and alcohol dependency.
- Wellbeing benefits e.g. increased self-esteem, reduced isolation.

We use the 'Manchester New Economy' model to estimate these non-economic benefits.

Mental health

The economic value here is based on the reduced health cost of interventions such as prescribed drugs, inpatient care, GP costs, other NHS services, supported

[22] No participants joining Working Capital towards the end of its operation in 2019-20 had achieved a job outcome or sustainment in the data supplied to us. Hence, estimated economic benefits for this year are zero.

accommodation and social services costs. The economic benefit figures are based on a Kings Fund report from 2008[23] which uses 2007 figures, and these are uprated to present values. For Working Capital there were 446 clients with a mental health issue of which 71 achieved a job outcome.

Reduced cost of admissions to hospital.

Savings to the NHS can arise from a reduction in the number of participants who regularly attend accident and emergency services and subsequent savings for the reduced cost of an admissions to hospital (elective and non-elective).

This cost is calculated from the NHS Reference Costs and represents the average cost per 'finished consultant episode' (FCE) - an FCE (or hospital episode) is a period of admitted patient care under a single consultant, within a single healthcare provider. It is derived from the average costs for elective inpatient, non-elective (long stay) and non-elective (short stay) episodes. We have applied this value to all those with a health condition who achieved a job outcome.

Risk of evictions and homelessness

There are potential reduced costs of legal proceedings and repair of property for those who are no longer at risk of evictions because of entering work. Values are based on a Shelter Research Briefing[24]. This includes avoiding having to write off arrears at the point of an eviction, costs of repairing and re-letting the property, administrative and legal costs.

Savings from reducing the number of individuals who were homeless include the reduced costs of accommodation, administration and legal advice For Working Capital, there were 25 people at risk of homelessness or living in temporary accommodation, however, none of these individuals achieved a job outcome.

Criminality

The benefits here come from reduced incidents of crime as a result of individuals being in work, and thus less likely to engage in crime, especially acquisitive crime to provide themselves with an income. The benefits come from a reduction in strain on the criminal justice system, the economic benefits of lower insurance costs and property loss, and the physical and emotional impacts on the victims of crime.

[23] Paying the Price - The cost of mental health care in England to 2026, Kings Fund, 2008.

[24] Research Briefing: Immediate costs to government of loss of home, Shelter, 2012.

Alcohol and drug abuse

The benefits of people with substance abuse problems entering work come from reductions in crime, and health benefits from treatment and recovery programmes.

Wellbeing benefits

We can also estimate the wellbeing benefits from Working Capital. The list of social outcomes included is shown in Box 8.1. The values applied for each of these social outcomes are again drawn from the Manchester New Economy Model.

To calculate the wellbeing benefits of Working Capital, we have applied the wellbeing values from the model to all those individuals achieving a job progression and indicating that they had a mental health issue at the beginning of the programme. This amounted to 71 individuals.

Box 1: Wellbeing benefits

Outcome Type	Outcomes / Benefits	Description
Improved wellbeing of individuals	Increased confidence / self-esteem	Drawn from the national accounts of well-being model (where it is described as resilience and self-esteem)
	Reduced isolation	Drawn from the national accounts of well-being model (where it is described as supportive relationships)
	Positive functioning	Drawn from the national accounts of well-being model. This includes features such as autonomy and meaning and purpose
	Emotional well-being	Drawn from the national accounts of well-being model

Table 8.4 shows our estimates of these various non-economic benefits. Again, as for the economic benefits we take deadweight into account in calculating these benefits.

Table 8.4: Working Capital Estimated Non-Economic Benefits in 2015/16 prices

Financial Year	Non-Economic Benefits
2015/16	£206,992
2016/17	£206,992
2017/18	£206,992
2018/19	£206,992
2019/20	£206,992

Net Present Values and Benefit to Cost Ratios

With the costs and benefits of Working Capital having been calculated the standard metrics for value for money for the overall programme can be calculated. These are the net present values (NPVs) and the benefit to cost ratios (BCRs).

In order to calculate NPVs of the above costs and benefits are discounted[25] back to a common base year, in this case 2015/16. We use the 3.5 percent real discount rate as per the Treasury Green Book guidance. The overall NPV of the programme is then equal to the difference between the NPV of the programme benefits and the NPV of its costs. The programme's benefit to cost ratios (BCRs) are another way of expressing how the programme's benefits and costs compare and are equal to the programme benefits divided by the programme's costs. For a programme's benefits to outweigh its costs, and so for it to represent value for money, the overall NPV should be positive and the BCR should be above one. The results of our calculations of the NPV and BCR for the programme are set out in Table 8.5. The estimated overall NPV is £436,612 and the BCR is 1.204. These results indicate that the benefits from Working Capital exceed its costs and this that the programme has achieved value for money. For every £1 of costs, Working Capital is estimated to have generated £1.20 of additional benefits to society.

[25] Discounting in this way allows us to compare costs and benefits occurring over different periods of time and with different relativities in different years on a consistent basis. Discounting is based on the notion of time preference – that in general people prefer to receive benefits now rather than later

Table 8.5: Net Present Value (NPV) and Benefit to Cost Ratios (BCR)

NPV Costs (1)	**£2,142,970**
NPV Benefits (2)	£2,579,582
Overall Programme NPV (2) – (1)	£436,612
Benefit to Cost Ratio (2) / (1)	1.204

The results shown in Table 8.5 are based on our central estimate of deadweight. Table 8.6 shows the equivalent results with the alternative high and low deadweight assumptions of 86.8 percent and 36.5 percent respectively.

Table 8.6: Alternative Net Present Value (NPV) and Benefit to Cost Ratios (BCR)

	High Deadweight (86.8%)	**Low Deadweight (36.5%)**
NPV Costs (1)	£2,142,970	£2,142,970
NPV Benefits (2)	£1,526,927	£7,345,446
Overall Programme NPV (2) – (1)	-£616,043	£5,202,475
Benefit to Cost Ratio (2) / (1)	0.713	3.428

With high deadweight estimate, the NPV of the programme is no longer positive and the BCR is below one suggesting that the programme would not achieve value for money with this higher level of deadweight. The low deadweight estimate is much lower than either the central or the high deadweight estimate. Hence, not surprisingly, assuming this level of deadweight leads to a much higher NPV and a BCR ratio above three.

9. Conclusions and recommendations

Working Capital participants faced significant levels of disadvantage; there were low levels of qualifications amongst participants, many participants were unemployed for very long periods, and there was also evidence of homelessness, substance misuse and of social isolation. The research also found that two health conditions predominate among participants: around a half of participants had mental health or neurological conditions and around a quarter had musculoskeletal conditions.

Working Capital has achieved a much lower level of participation than was anticipated when it was planned. This was down to fewer individuals being eligible for participation as a result of improved performance from the Work Programme and work capacity reassessments moving people out of the ESA work related activity group who were eligible for the programme.

Regular sequenced support delivered by a skilled caseworker was vital for supporting participants' progress and achieving positive outcomes. Participants often had a range of barriers to entering employment which required holistic support to address and implied an often long journey to employment. The sequencing of support typically required that other problems be addressed before the participant was in a position to successfully enter and sustain work. Health concerns were the most frequent barrier to work (unsurprising given the nature of the client group). In addition, confidence levels, having the rights skills, and relevant work experience were commonly identified as significant barriers to work. Hence, the provision of health and wellbeing support was very important, especially mental health support. Job related support – such as help with CVs – was also highly valued by participants.

Caseworker and adviser continuity were strongly favoured by participants. For those impacted, changing caseworker / adviser had a number of downsides: having to explain their situation again, building up another relationship of trust and delaying the provision of support. Such delays, for whatever reason, were in themselves a significant barrier to progress for participants affected.

Successful integrated delivery was important for the achievement of outcomes. Co-location with other local services was beneficial to such integration as this facilitated communication and relationship building between different support services. Local authority involvement also supported integrated provision via their awareness of the local provision available, and their ability to assist with referrals to these. However, maintaining the engagement necessary for integration was negatively impacted by low referral numbers, which were themselves a product of the lower than anticipated

participant numbers. Staff changes which broke established personal relationships between different service providers also negatively affected integration.

One to one support was found to be the most useful form of support received by participants. In general, there was a reasonably close fit between the support received and the support deemed most useful by participants. This suggests that in general Working Capital was successful in providing participants with support appropriate to their needs.

The research found that 13 percent of participants achieved a job outcome, with 59 percent of these securing a sustained outcome of being in work at least 26 out of the next 32 weeks. Positive and sustained outcomes were found to vary by characteristics such as gender, age, and the length of time out of work. In particular, those aged over 50 had much lower job outcome rates. This age group also received support at lower frequencies than other younger age groups.

There has been a variation in programme performance across the different cohorts who started on the programme at different times. The earlier Cohorts 1-3 achieved better performance on job outcomes than the later Cohorts 4-6. This may be linked to the reconfiguration of the programme which took place to make it more financially viable for the provider, APM. The earlier Cohorts 1-3 achieved a job outcome rate at or above 14 percent, which could be indicative of its long run impact.

The central estimate of our indicative Cost Benefit Analysis is that the benefit to cost ratio is 1.2 suggesting that Working Capital provided value for money. However, our Cost Benefit Analysis calculations vary greatly with the assumed level of deadweight. Our assumptions here are based on the information that is available to us at the time of calculation. This includes the results of an impact assessment undertaken by DWP in 2018. This impact assessment is now being updated but is not yet complete. This obviously creates some uncertainty around the results of the Cost Benefit Analysis. This points to the importance of having available the results of an up to date impact assessment, both to establish whether or not Working Capital had an impact over and above those of business as usual and to underpin the Cost Benefit Analysis. The importance of undertaking timely impact assessments should be something that future integrated work and health programmes should take note of, since these will provide a more robustly based estimate of deadweight for Cost Benefit Analysis.

Recommendations

Our conclusions above suggest a suite of recommendations for existing and future programmes which are set out below.

- **Information should be provided to participants via a range of means including in written form and on-line.** Some, especially those with mental health issues, struggle to take in and retain information which has been provided verbally. This information should also make clear whether a programme is voluntary or mandatory.
- **Employment programmes that aim to address multiple and complex needs should be designed to be flexible and responsive enough to respond to individuals**. The relationship between the caseworker and client, that was central to Working Capital's design, allowed for adaptions and support for individual's needs, rather than applying a one size fits all model.
- **When commissioning new interventions, the criteria against which potential contractors should be judged should include their record on staff retention and their strategies for maintaining a stable workforce.** This reflects the importance clients placed on retaining the same caseworker for their progression, and the importance of staff continuity to building effective partnership working between providers and other agencies.
- **A tailored approach to supporting participants, which offers a range of support services to overcome barriers and enter and sustain work, is central.** On the basis of Working Capital, for participants with physical or mental health related barriers to work, this should include health and wellbeing support, job search assistance and training support, especially for those with pre-existing very low levels of qualifications**.** A key part of Working Capital's delivery model was personalised support based on individual circumstances and needs. This was well-received by participants and identified as good practice by local authority leads and APM staff.
- **But support should be delivered intensively across all clients with minimum levels of provision required to ensure all participants are adequately supported.** There was evidence that some groups, such as those aged over 50, did not receive the same intensity of support as others, while their outcomes were also much lower. This reflects findings from the Work Programme, and other intensive support programmes, where particularly vulnerable groups do not receive the same level of support as others.

- **Low caseloads are a necessary condition for the provision of intensive support by caseworkers to individuals who are disadvantaged and distanced from the labour market.** This was an issue that the programme aimed to test.

- **Commissioners should set out not only a central projection for the volumes of referrals and attachments, but also and upper and lower bound estimates**. Responses from contractors should be assessed against this range of volume projections and their proposed mitigation strategy if volumes turn out to be different and, in particular, lower than anticipated. One way to address issues of commercial viability - in light of lower than anticipated programme volumes - is to guarantee minimum volumes up front by committing to widening the programme eligibility in such circumstances.

- **DWP should support local areas both with the development of initial volume forecasts for local programmes and the review and revision of such projections in the light of subsequent events**. In developing its own policies and programmes, DWP should also consider any potential competition for participants in areas where devolved programmes already exist, and the impact this may have on the volumes of referrals and attachments flowing through to such local devolved programmes.

- **Consideration should be given to the use of a more sophisticated payment model.** This could include both payment by results (PBR), to incentivise the delivery of programme outcomes, coupled with a service level payment to deliver activities such as referral network building, service integration, and service user consultation. Doing so will ensure wider programmes aims can be achieved, even if core performance of the desired job outcomes is not achieved. Currently the programme appears ill equipped to fully cross-subsidise these wider aims through the PBR arrangement. Service Level Agreements will also ensure that performance is taken seriously, and that all participants are suitably supported.

- **The payment model should reflect the aims of the programme**. For instance, if the aim of a programme is to test a particular delivery model (which is the case for Working Capital) then a PBR system may not be appropriate. This is because the delivery model that ends up being tested is a model that is commercially viable within the PBR framework. This often requires making significant alterations to the service (e.g. a smaller team, working in a more conventional way, staff working across several Borough Councils). These alterations, made to achieve commercial viability, mean that

the implemented model becomes very different to the one intended to be tested from the outset. Therefore, we are learning less about what a particular delivery model can achieve, and more about what is commercially viable to deliver within the confines of the PBR system. To overcome this, future programmes should be tested in two stages. Firstly, testing the delivery model (delivered via a Service Level Agreement, and heavily audited/project managed by the commissioners). Secondly, testing the payment model, introducing PBR to see if it increases performance. There are political challenges around this, but in order for commissioners to learn about what works in service delivery there needs to be precision about the questions that are asked.

- **Future programmes for individuals who are distanced from the labour market, including those who are long-term sick and disabled, should test the impact of varying programme length.** Some participants on Working Capital would have liked the length of programme to be lengthened, from 12 months, to increase their chances of entering work. This would potentially have helped those who were initially focusing on health or other barriers to be in a position later in the programme to focus on entering employment. However, it is difficult to judge whether or not the benefits of a longer programme would have outweighed the additional costs of so doing. This is a question that has occurred in other programme evaluations and there is currently a lack of evidence around this question.

Appendix 1: Primary health conditions – grouped

Ability to Grip	6
Ability to Perform Arm / Finger / Hand Movements	23
Asthma	8
Bending or Stooping	42
Blackouts / Dizziness	28
Bladder or Bowel Control	17
Diabetes	17
Fainting	3
Fits	17
Hearing	2
Heart Trouble	20
Lapses / Problems with Concentration	17
Lifting / Carrying	24
Mental Health Problems	384
Prolonged Sitting	19
Prolonged Standing	21
Reaching / Stretching	6
Respiratory Problems	30
Skin Problems	9
Temporary Disability following Illness	40
Vision problems that are not corrected by Glasses or Contact Lenses	10
Walking	123
GROUPS	
Cardiovascular	20
Respiratory	38
High dependency and other long-term conditions	17
Mental health and neurology	446
Musculoskeletal	264
Other disabilities and health conditions	81