



Central London Forward



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Learning from Four Years of Working Capital

Informing the development and
delivery of future services

Introducing Working Capital

Working Capital is an innovative, pilot programme of integrated employment and health support for people with disabilities and/or health conditions who have been out of work for more than two years. It was designed by Central London Forward (CLF), in conjunction with eight central London local authorities, the Mayor of London and central Government, and builds on evidence around the benefits of integrated and intensive support. The programme is funded by the European Social Fund (ESF) and is being delivered, under contract, by Advanced Personnel Management UK (APM). The programme is in its fourth year of delivery and will be completed by 2020.

Working Capital aims to test the effectiveness of providing more intensive and specialised support to Employment and Support Allowance (ESA) claimants in the 'Work Related Activity Group' (WRAG) who completed the government's Work Programme without securing sustained employment.

Between going live in October 2015 and June 2018, Working Capital has;

- Received 1,288 referrals from Jobcentre Plus;
- Completed an initial meeting with 1,076 people (89.1% of referrals), and;
- Converted 841 initial meetings into programme attachments (78.2% of initial meetings).

This Review

This document aims to provide a brief overview of the evaluation findings to date and, more importantly, to draw out key considerations for the development and delivery of future services.

It considers good practice, the challenges encountered, and the outcomes achieved so far. Focus is placed on the lessons learnt and how these can be used to improve the delivery of Working Capital and other programmes of a similar nature. The final section looks forward, discussing how these insights can be integrated into the commissioning and development of future programmes to build on the successes and challenges of Working Capital.

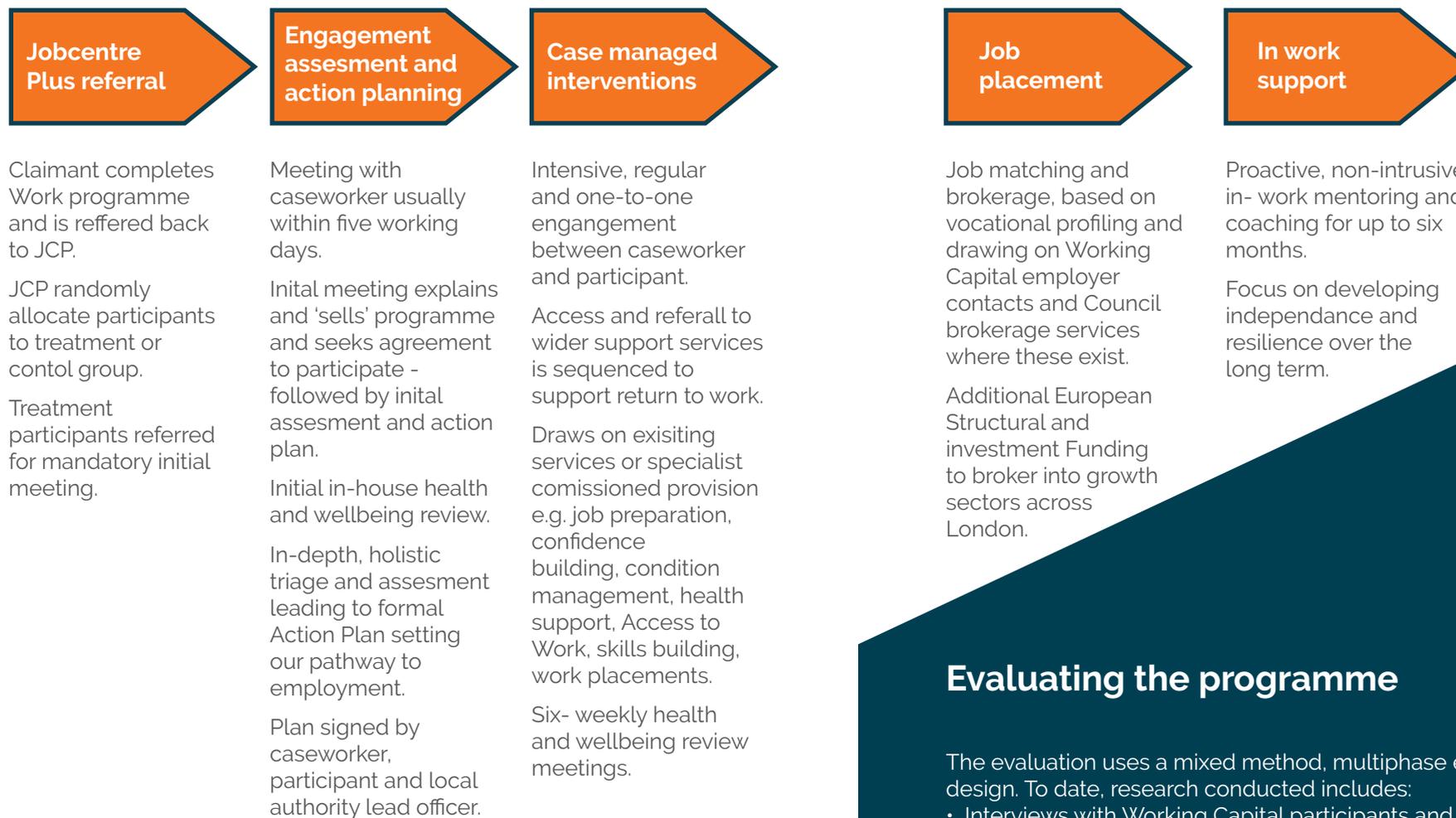
It is structured as follows:

- **Delivering the programme**, provides brief details on the delivery model.
- **Overview of findings**, focuses on key factors affecting achievement of outcomes, drawing out wider learning points for similar programmes.
- **Future programme development**, vital lessons for the commissioning and development of future programmes are discussed in terms of managing referrals, use of payment by results models, and data collection.



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Delivering the Programme



Evaluating the programme

The evaluation uses a mixed method, multiphase evaluation design. To date, research conducted includes:

- Interviews with Working Capital participants and frontline delivery staff.
- Observations of support sessions in Jobcentre Plus.
- Data analysis of administrative data obtained from both the Working Capital provider and Department for Work and Pensions (DWP).

The final year of the evaluation will include an additional:

- Participant survey.
- Wave of participant, staff and stakeholder researcher
- Economic impact assessment.

An Overview of Findings

Outcomes at a glance

Between the start of the programme (October 2015) and April 2018:

- 11% of all participants had entered paid work.
- 6% of all participants had achieved sustained employment outcomes after being in work for six months.

Further analysis suggests that the job outcome rate could eventually exceed 14 per cent and that the job sustainment rate could exceed 9 per cent.



The evaluation also reaffirmed the programme's ability to deliver a broader range of outcomes, such as improved confidence and wellbeing, reduced isolation, and improved housing circumstances. For example, respondents reported a better understanding of how to manage their condition, a higher engagement with primary health services and increased optimism. The programme is often regarded very positively by those receiving support. Reasons for this include the personalised and flexible support offer, and the trusting relationship that participants often developed with APM staff.

To date, the evaluation has focused on the processes and contextual factors effecting programme outcomes and participant experiences. These are discussed next, drawing out key learning points in terms of client needs, low referral numbers and partnership working.

Complex and Changing Needs

Working Capital participants have a range of complex needs that often interact, and which create significant barriers to them entering and sustaining work. Health issues were perceived as the most significant barrier to entering work amongst participants interviewed. Many participants experienced multiple disadvantages, and a significant majority had multiple health problems (often concurrently with other forms of social and economic disadvantage). Many participants are in low income households, and often reported housing problems, whilst financial issues and debt caused some participants considerable concern. However, findings suggest that programme participants' backgrounds and needs are not static and vary, both across individuals and over time.

Learning points

- Consequently, **programmes akin to Working Capital require fluidity in their support offer to adjust to these changes in the needs of their client base.** A deeply personalised delivery model (such as Working Capital's), and the resulting relationship between client and caseworker, provides this by allowing support to be easily adapted to individuals' circumstances.
- **There should be a continuation of the tailored approach to supporting participants to overcome barriers and enter and sustain work.** 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.

Referrals and client journey

Working Capital continues to struggle to achieve the volume of referrals and attachments that had been originally estimated, with referrals being around a third of the volume expected.

Naturally, this has consequences on the number of outcomes the programme can achieve. To the programme's credit, both the initial meeting and conversion to attachment rates have been improved, recouping some of the shortfall in participation due to the low footfall. This in part is due to a more embedded process to transit people between Jobcentre Plus and APM. However, the consequence of the low footfall has impacted every part of the programme, including maintaining and resourcing the partnership, encouraging service integration and co-location. Moreover, the commercial implications for APM have led to the restructuring of the core delivery team, and staff turnover. For programme participants, staff retention has most directly shaped their experience of the programme, with less positive programme experiences being associated with losing or not having a single caseworker to provide support throughout their Working Capital journey.

Explaining low referral rates

The implementation of the Central London Works programme may have had an indirect influence over Working Capital. The two programmes share common aims and service features and occupy the same geographical space. Feedback from Jobcentre Plus Work Coaches indicates that referrals to Central London Works may be being prioritised over Working Capital, thereby partially choking the flow of participants to Working Capital.

Furthermore, the pool of available participants to Working Capital fell significantly after December 2015 due to an increase in employment outcomes for ESA WRAG claimants in the Work Programme and Work Capability Assessment (WCA) reassessments. 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 are drawn.

Learning points

- **Greater efforts should be made to advertise employment programmes in referral partner locations, such as Jobcentre Plus, particularly where multiple programmes are available to refer clients in to.** This should highlight its unique elements and value to differentiate it from other programmes operating in the area. Both Jobcentre Plus work coaches and participants suggested that leaflets would be a useful way to inform potential participants about the programme.
- **Providers should celebrate successes and promote case studies which demonstrate how people have been supported on the programme,** as this helps to demonstrate the benefits of involvement to potential participants, whilst recognising outcomes that have been achieved.



Partnership working and integration

A key aim of Working Capital has been to deliver better participant outcomes through service integration. Local authority involvement in the delivery of Working Capital was felt to benefit participants as they had access to a wider range of support options as a result.

However, the extent of local authority involvement appears to be mixed, with some being closely involved in the delivery of the programme, while others maintain a more limited involvement than originally envisaged due to the low number of referrals. Overall sentiment amongst partners about Working Capital appeared more positive over time, with a greater understanding of the challenges of delivering this type of provision within a London sub-region. Though local authorities' role in the action plan process provided limited insight on the support needs of Working Capital participants, it appeared that other processes, such as case conferences and partnership forums were being used to get a better understanding of local resident needs.

- **Where provider staff turnover is high, concerted efforts should be made to re-establish relationships.** Provider teams need to reconnect with other partners such as Jobcentre Plus and local authority teams after periods of disruption, but likewise partners need to ensure that their own staff turnover is handled smoothly to maintain integration. This would help to maintain momentum, whilst ensuring that participant needs can be addressed efficiently through wider support (where relevant).

Key factors enabling integration:

- **Co-location** facilitated communication with relevant staff members and enabled warm handovers, where relevant.
- **Utilising links with pre-existing employment programmes.** Where caseworkers were linked in with existing local employment programmes, they could find out more about local services and job opportunities that were available.
- **Local authority involvement.** Benefits of local authority involvement include awareness of local provision and availability of numerous communication channels to raise awareness of the programme.

Factors hindering integration:

- **Low referrals.** It proved difficult to keep wider local services engaged when they were not receiving referrals.
- **Staff changes.** Once a main contact changes, it takes time to rebuild relationships. There were examples of local authorities and Jobcentre Plus being unaware of who their local APM contact was. This prevented Working Capital from remaining in the forefront of referral and delivery partners' minds.

Future programme development

There are a number of key lessons to be taken from Working Capital. Three areas of consideration for future programme development are discussed: managing referrals, use of payment-by-results models, and data collection. Responding to these will be vital if future programmes are to build on what has been learnt, instead of struggling with the same issues.

Managing referrals

The shortfall of actual from expected referral numbers pervades the performance of Working Capital. Although some potential shortfall in referrals should be mitigated against by any provider, external factors are likely to continue to exert influence on future programme eligibility and referral numbers. To mitigate the impact of this on future programmes:

- **Commissioners should set out not just 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 the 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.

Use of payment-by-results models

The predominance of a payment-by-results (PBR) based model made it difficult for Working Capital to deliver on its wider aims. While the payment model was generous and designed to be as 'up front' as possible to encourage investment in tackling more structural issues, problems still persisted. To mitigate the impact of this on future programmes:

- **Consideration should be given to the use of a more sophisticated payment model incorporating both PBR, to deliver programme outcomes, coupled with a service level payment to deliver activities** (such as referral network building, service integration, service user consultation). Doing so will ensure wider programmes aims can be achieved, even if core performance 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 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 is not 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.

Data collection

Lastly, in order to effectively monitor and evaluation Working Capital and other employment programmes more generally, it is important that good quality management information (suitable for both performance payment and evaluation purposes) is collected regularly and consistently. Therefore, building on lessons from Working Capital:

- It is important that **data collection processes are considered during the programme design stage**. This will ensure that delivery and evaluation activity can be effectively supported, and that progress and outcomes can be monitored.
- There also needs to be a **robust IT system to store participant data which is understood amongst staff so that data is collected appropriately and consistently**.



Next steps

Job starts and sustainment rates will continue to be measured until summer 2020, with the final evaluation report to be published in summer 2020. As well as including findings from the last wave of participant, staff and stakeholder research it will include an appraisal of the costs and economic benefits of the programme and an economic impact assessment. The impact assessment will explore the extent to which participants would have achieved employment outcomes in the absence of the programme, building on data from the Randomised Control Trial.

A full copy of the third evaluation report can be found at:
<http://centrallondonforward.gov.uk/wp-content/uploads/2019/05/Working-Capital-third-report.pdf>

If you wish to find out more about the programme, please contact Jo Asphall at Central London Forward (jo.asphall@cityoflondon.gov.uk).

If you wish to find out more about the evaluation, please contact Lauren Bennett at Learning and Work Institute (lauren.bennett@learningandwork.org.uk).



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European Union

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Social Fund

Central London Forward

1st Floor

West Wing, Guildhall

London

EC2V 7HH

 @CLF_news

 /company/centrallondonforward

 centrallondonforward.gov.uk

@ centrallondonforward@cityoflondon.gov.uk