



WORLD BANK GROUP
Social Protection & Jobs

PES REVIEW

United Kingdom

Country case studies



United Kingdom

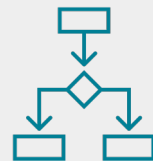
Jobcentre Plus

JCP



Department
for Work &
Pensions

PES is a line department of the Department for Work and Pensions (DWP). DWP plans and oversees the running of the PES.



JCP performs the operational delivery of employment policy designed and held by the DWP.



~ 100

Unemployed per work coach



637 offices

Additionally, services are also delivered from over 1200 outreach locations and mobile services.



Funded by public sources:
The DWP, the National Insurance Fund and the Consolidated Fund.



JCP

Governance



- ▶ The ‘Departmental Framework’ sets out the accountabilities and decision-making rights within the PES.
- ▶ Officials from DWP oversee the running of JCP from a national perspective and are responsible for the longer-term vision of operations.
- ▶ The goals and funding for JCP are decided annually by the DWP and the Treasury.
- ▶ DWP and JCP consult with national, district, and local stakeholders to develop and evaluate policy and delivery.
- ▶ The delivery network is managed in Groups, which encompass broad geographical areas (e.g., Central England) and coordinate the activity of the associated District Offices
- ▶ Cooperation with institutions responsible for adult education, which also finance training programs for the unemployed, is common practice.

*Adult education policies are within the remit of the Department for Business Innovation and Skills (BIS) in England and are devolved matters within the remit of the Scottish and Welsh Governments.



JCP



Management by objectives

- ▷ Results-based approach to service delivery
- ▷ Goals, budget, program design, and key subcontracting are planned by the DWP
- ▷ The Jobcentre Plus Business Plan is published every year; it contains the implementation plan for the goals set by the DWP.
- ▷ Input orientation with registered job openings, unemployed persons, and activity indicators; output orientation with off-flows from benefit and reducing the monetary value of fraud and error as targets.
- ▷ Flexibility at district and local level in the delivery of ALMPs and minor funding through the “Flexible Support Fund”.



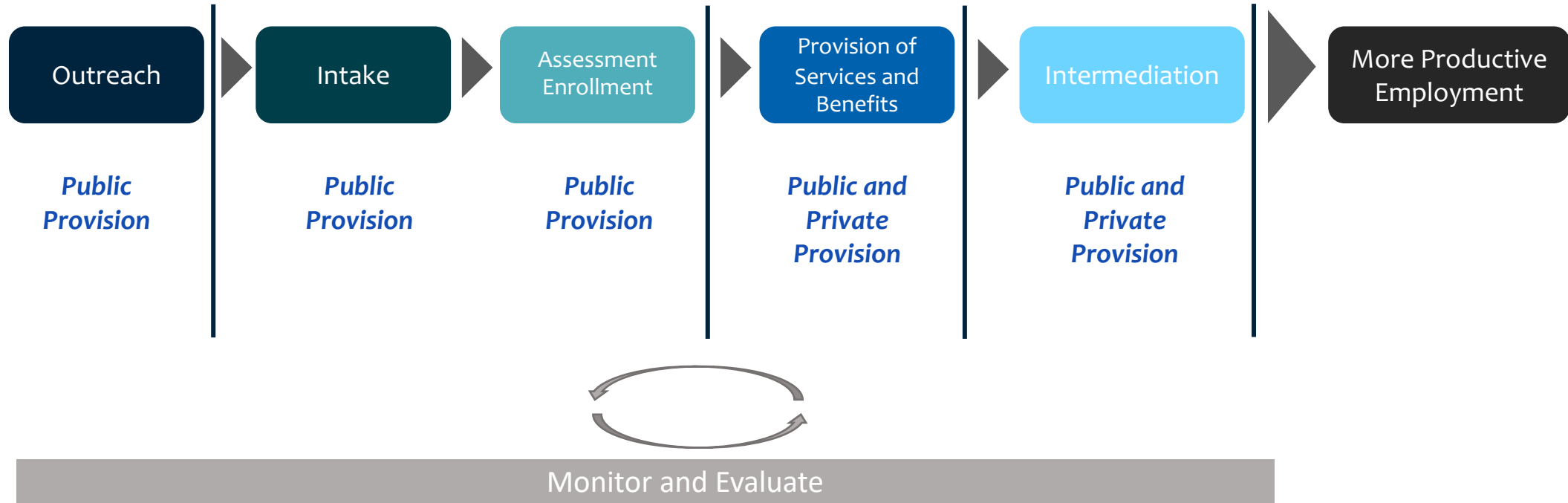
Latest reforms

- ▷ 2010 introduction of Universal Credit (UC) as a replacement for most out-of-work benefits. The full transition will be completed in 2024.
- ▷ 2011 DWP took over the direct management of the PES, and the Work Programme was introduced.



JCP delivers 60% of its services in-house with the option of outsourcing mostly for ALMPs

The ALMP Work Programme is one of the main examples of such outsourcing, offering external services for the long-term unemployed.





JCP has three core delivery arms

- ① Contact centers: take customer calls and claims to benefit.
- ② Jobcenters: help people find work and check each person's entitlement to benefits and job search effort.
- ③ Benefit delivery: processes claims, responds to customers' enquiries and investigates fraud.



JCP provides general information, LM statistics and early guidance at schools.

Outreach

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Contact centers
Handle customer calls and claims to benefit.



Labor market statistics and LM research
JCP is a member of the employment observatory.



Support for schools
Career advice for pupils (12-18 years old) who are at risk of becoming NEET or who face potential disadvantages in the labor market.



National Occupational Standards Database
Data on expected tasks, standards of performance, knowledge, and skills for different occupations.



StatXplore
Tool to explore statistics on benefits administered by the DWP, it currently contains data relating to 16 benefits.



JCP provides services for jobseekers and employers, benefit claimants must register.

Intake

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Clients

- Jobseekers
 - ▲ Mandatory registration for benefit claimants (UI, UA, and SA)
 - ▲ Certain benefits are available for inactive customers (e.g., lone parents)
 - ▲ Those with a right to work can register for certain services.
- Employers
 - ▲ No obligation to register
 - ▲ Assistance for foreign employers

Registration of jobseekers

- ▲ New claims are (mostly) made online.
- ▲ Claimants are contacted to arrange a New Jobseeker Interview within a week.
- ▲ The Work coach assesses the employability and barriers of the claimants, and a “Claimant Commitment”(individual action plan) is set out.



JCP uses a soft profiling approach, a mix of rule-based and caseworker-based profiling.

Assessment
Enrollment

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Provision**

Soft profiling

- Approach: a mixture of rules-based and caseworker-based profiling
- Data: interviews from caseworkers and some features from administrative data
- Measurement: long-term unemployment (12 months)
- Outcome: caseworker's assessment, high caseworker discretion



Through profiling, jobseekers are offered individualized support to return to the labor market.

Target groups include the long-term unemployed, people on sickness benefit, those aged over 50 years, and young people not in education, employment, and training (NEETs).



Services depend on each client's profile and needs and are based on a "work- first" approach.

Assessment
Enrollment

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Services depend on

Work coach's assessment.

Type of benefit received, length of claim and alleviations and exceptions.

Personal and household characteristics, which determine the benefit type and the conditionalities.

Three phases in the provision of services:

- 1) Employment services at JCP for up to 12 months
- 2) Clients are referred to an external provider for the Work Programme (WP), where more individualized support is offered. The WP is available for a maximum of 2 years.
- 3) Client is transferred back to the JCP centers and into the Help to Work Scheme.



JCP manages both unemployment benefits: unemployment insurance and unemployment assistance.

Provision
of Benefits

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Provision**

Unemployment insurance (New Style Jobseeker Allowance)

- Contribution-based and taxable
 - The person must be involuntarily unemployed, not engaged in work for more than 16 hours/week, be capable and available for work, be actively seeking employment, not a full-time student, below pension age, and have entered a Claimant Commitment at JCP.
 - •No qualifying period, but the person must have credited enough National Insurance Contributions in the last two full tax years. i.e., the person must have paid employees insurance in at least one of the two previous tax years for a minimum of 26 weeks AND have credited contributions in both relevant tax years for at least 50 times the minimum contribution for that year.
 - Amount: Flat-rate, depends on the age of the person.
e.g., for a person who is 25 years old or more the amount is £74.35 (€85) per week.
 - Paid for a maximum of 182 days.
- * Those who are eligible for New Style JSA and UC can get both or just one, depends on savings, which must be below £16,000 (€17,891) for Universal Credit.



JCP manages both unemployment benefits: unemployment insurance and unemployment assistance.

Provision
of Benefits

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Provision**

Unemployment Assistance (Income-based Jobseeker Allowance)

- Income based and means-tested against income and savings of the household – Savings over £16,000 (€17,891) make the person ineligible.
- The claimant's habitual resident must be in the UK, and the claimant must not work more than 16 hours a week, have a legal residence in the country and have been living in the UK for at least three months previous to the claim.
- Flat-rate benefits, the amount varies according to family condition and income.
- For a single person without children, the amount is £74.35 (€85) per week

*This benefit is being replaced by Universal Credit

*Only people getting Severe Disability Premium are still eligible. The rest must apply for Universal Credit.



JCP also manages Social Assistance benefits, specifically the Universal Credit benefit scheme.

Provision
of Benefits

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Provision**

Social Assistance (Universal Credit)

-Universal Credit was introduced in 2010 and is expected to be fully in place by 2024-

- It is a standard allowance, replacing six benefits for people of working age. Among the benefits to be replaced are Income Support, Income-Based Jobseeker Allowance (UA), and income-related Employment Support Allowance (limited capability allowance).
- It is a means-tested, non-taxable benefit.
- To be eligible, a person must either have a low income or be out of work, be 18 or over and under the State Pension age, and have savings of £16,000 (€17,891) or less between them and their partner.
- The amount depends on the earnings, which are assessed every month. The standard monthly allowance for a single person under 25 is £ 251.77 (~ €274). It is reduced gradually as the earnings increase.
- If the person is out of work, they must also make a “Claimant Commitment” with the work coach at JCP and fulfill the conditionalities.

*Those who are eligible for New Style JSA and UC can get both or just one, depends on savings.



Conditionalities vary according to the benefit type and the profile of the individual.

Provision
of Benefits

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Provision**

Conditionalities

Depend on the type of conditionality and the individual Claimant Commitment. Most common:

- Attend the Fortnightly Job Search Reviews and demonstrate active job search.
- Apply for jobs and accept job offers.
- Apply for and attend training programs.
- Register for and use the online matching service “Find a Job”.

Universal Credit claimants have one of the following types of conditionalities:

- Full work-search: full conditionality on job-search efforts. Individuals must do anything they can to find a job.
- Work preparation: Individuals must meet their coach regularly and prepare for work by training and preparing for the job search (e.g., writing a CV).
- Work-focused interview: claimants must meet regularly with their coach.
- No work-related requirements.



Different sanctions apply depending on the benefit type.

Provision
of Benefits

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Provision**

Sanctions

For those covered by UI and UA → Benefits are stopped

- Low: failure to meet requirements such as attending or participating in an interview with the coach, updating the CV, or complying with the coach's instructions. Claimants will be sanctioned for 4 weeks for a first failure, further 4 weeks for a second failure within 2 weeks, and 13 weeks for further failures.
- Intermediate: for claimants who fail to be available for and to actively seek work. Claimants will be sanctioned for 4 weeks for a first failure, further 4 weeks for a second failure within 2 weeks, and 13 weeks for any further failures.
- High: failure to meet essential requirements, including failing to apply for a suitable job when required to do so by their coach or rejecting a job offer. Sanctions are imposed for 13 weeks for a first failure, 13 weeks for a second failure within 2 weeks, 26 weeks for the two subsequent failures, and 156 weeks for further failures.



Different sanctions depending on the benefit type.

Provision
of Benefits

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Sanctions

For those covered by Universal Credit → Benefits are reduced

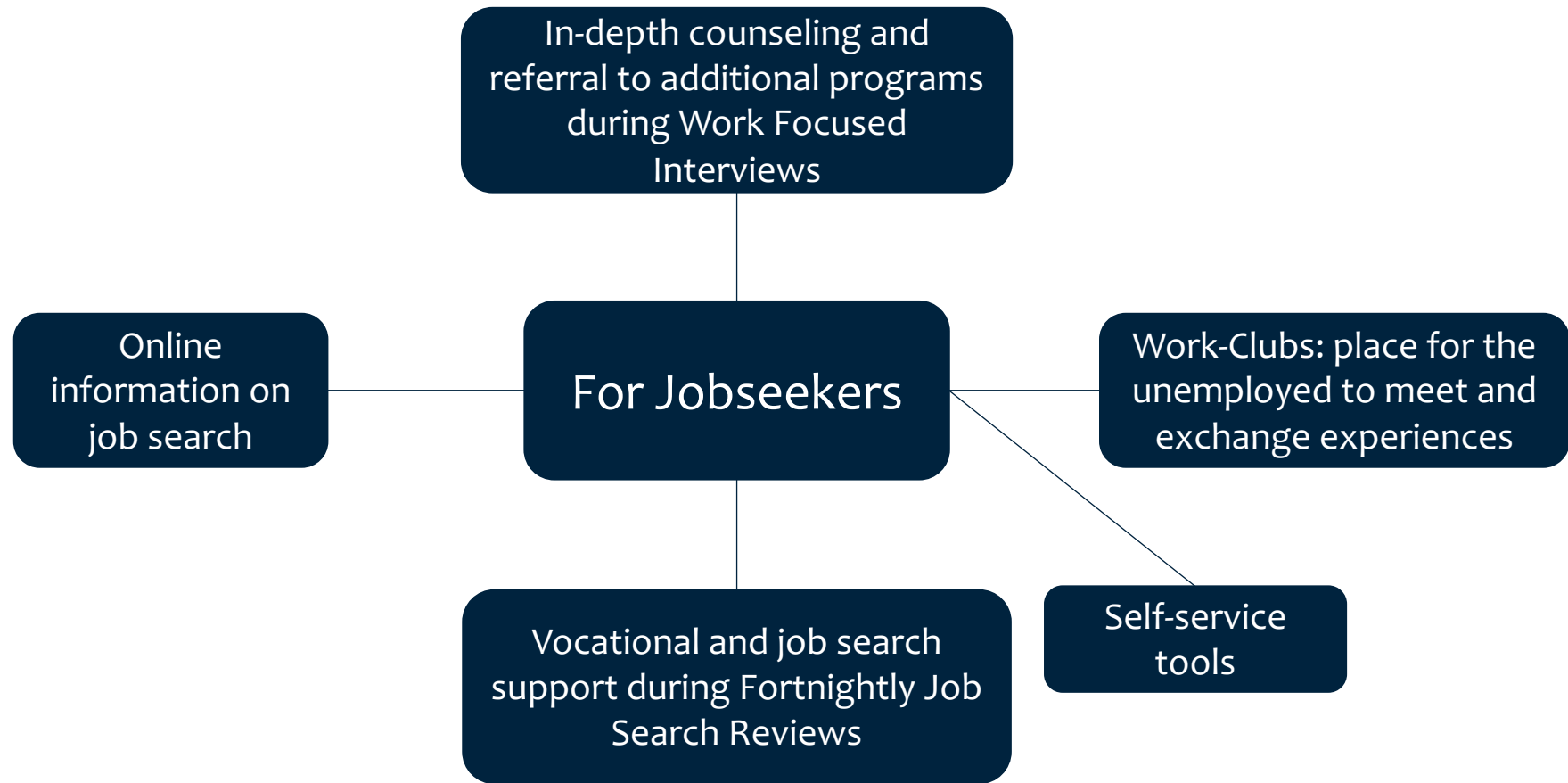
- **Lowest:** if claimants fail to attend an interview with the work coach. The sanction lasts until s/he attends or moves to another conditionality.
- **Low:** sanction lasts until the claimants comply with the requirement or an alternative condition is met. Additionally, 7, 14, or 28 days are added for the first, second, and third sanction in a 12-month period.
- **Medium:** sanction lasts 28 days for the first sanction in any 12-month period and 96 days in case of a second violation. These sanctions apply in case of a failure to meet the work availability conditions.
- **High:** sanction lasts 96 days for the first failure, 182 days for the second, and 1095 days for the third. These sanctions may apply when a claimant refuses a job offer or leaves work voluntarily.
- *Reductions vary according to the household composition and the capability to work, with a maximum reduction of 100%.



JCP provides different services for jobseekers.

Provision of Services

Public Provision

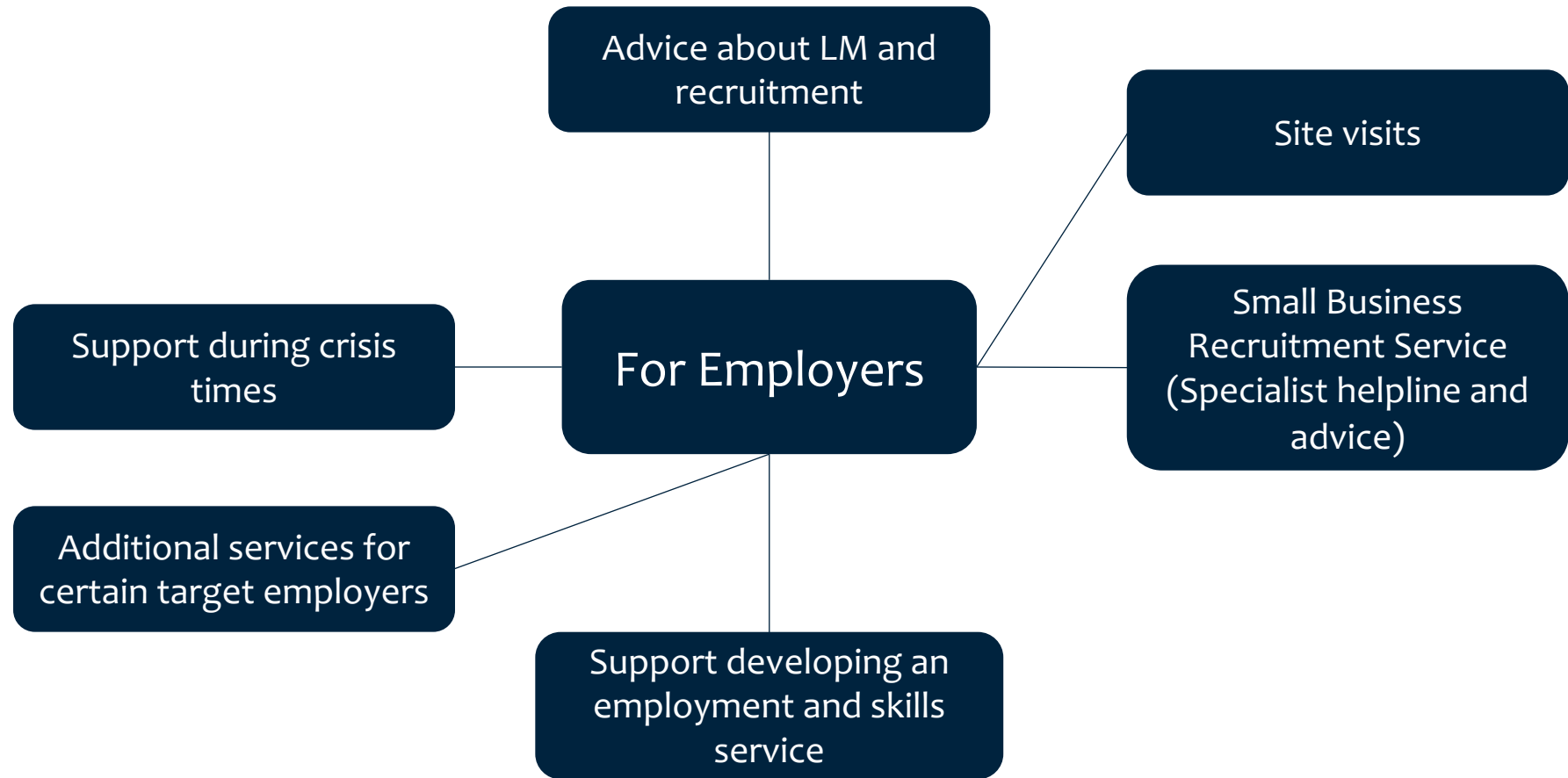




As well as for employers.

Provision of Services

Public and Private Provision





The majority of ALMPs are offered by private providers.

Provision of Services

Public and Private Provision

ALMPs	
Early activation for most disadvantaged customers (e.g., ex-prisoners)	Provided in-house
Temporary work trials	Provided in-house
Wage subsidies and incentives	Provided in-house
Youth Obligation Support Programme (YOSP): intensive support for young jobseekers	Provided in-house
Training: pre-employment, vocational training, job search and soft skill training	Outsourced
Work Experience Programme: required for people under 24	Outsourced
Mandatory Work Activities	Outsourced
Sector-based Work Academies: training and job experience program	Outsourced
Work Together: volunteering opportunities	Outsourced
New Enterprise Allowance: support to start own businesses	Outsourced
Work Programme: personalized support for long-term unemployed	Outsourced
Special programs to get the disabled population back to work Specialized advisers, Access to Work, Work Choice, and Residential Training Colleges	Outsourced



Several intermediation services are available.

Intermediation

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Computerized matching service *Find a Job*



Job fairs



For Jobseekers

Self-service access to job vacancies at PES offices and online
Individual plans for job search



For Employers

Recruitment support and advice on opening job vacancies
Development of flexible working arrangements
Support finding candidates
Direct contact to candidates
Small Business Recruitment Service



Partnerships

Local Employment Partnership and REC



Outsourcing



More individualized support and more intensive employment and training programs.



Providers found in the private, public, and voluntary sector.



Performance-based contracting .



Job-outcome payment system: prime providers are paid primarily in arrears after they have secured job outcomes, i.e., they must invest ‘upfront.’



Few “prime provider” contracts: long-term and higher value. The provider is responsible for managing the subcontracting and the delivery system.



Black-box approach, prime providers are given great flexibility in designing the delivery system due to the higher risk they incur in the outcome-payment contracts.



To control the quality of the services, the PES conducts independent evaluation and provides a code of practices. DWP also monitors the performance through two Departmental Business Plan transparency indicators, and managers conduct site visits in the initial phases to identify problems.

In the Work Programme, performance is measured in terms of the difference between actual outcomes and predefined Minimum Performance Levels for the same outcomes.



Digitalization

The PES is moving major transactional services online and providing help to people to use digital services. JCP uses several tools to share information internally: email circulation lists, databases, and a dedicated staff intranet.

Services for Jobseekers

- ✓ Large amount of information at the gov.uk website, including employment-related topics and further training opportunities; as well as:
 - Apprenticeship database *Find an apprenticeship*
 - Traineeship database *Find a traineeship*
 - CV matching system and vacancy database
 - Checking eligibility and claiming UB
 - Changing and canceling appointments
 - List of unemployment benefit calculators
- ✓ Support on the job help website:
 - Hints and tips on applying for jobs
 - Advice on job search and how to use transferable skills
 - Tips on how to prepare for an interviews
 - Training opportunities

Services for Employers

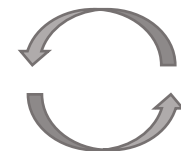
- ✓ Information about JCP services for employers and other employment-related topics are available at the gov.uk website; as well as:
 - Guidance on employing staff for the first time
 - Guidance on offering work experience for unemployed people
- ✓ In the *Find a Job* platform, employers can:
 - Find a CV database
 - Post job vacancies
 - Manage their account

Monitoring jobseekers



- Regular monitoring and control through fortnightly interviews and conditionality checks.
- Unemployment Insurance end after a maximum of 182 days or once the person returns to the labor market
- Universal Credit benefits are not limited in time; however, earnings are reviewed monthly to ensure eligibility
- For both benefits, conditionalities are checked, and strict sanctions are put in place in case of violation.
- In-depth reviews for every jobseeker take place during the 13th, 26th, and 52nd week of unemployment. During these longer interviews, JCP advisers meet to address the person's challenges from joining the workforce. They also determine if outsourcing to expert providers is necessary.

Monitor and Evaluate

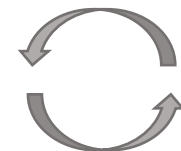


Monitoring the PES



- JCP is monitored by the Treasury.
- Achievement of each goal is checked quarterly, and a report for the DWP is delivered.
- Annual reports informing of the progress and accounts of JCP compared to the Business Plan are produced. These reports are used for decision-making in future budget plans.
- Regular performance dialogues.
- Weekly updates of regional and national developments.
- Output monitoring system done by the Jobcentre Plus Performance Measurement and Analysis Division,
- A Diagnostic Tool Kit that shows every employment office's current placement performance in relation to the average performance of equivalent offices from the previous year is also in place.
- Digital management system to monitor outputs, information about developments is updated weekly, accompanied by monthly, quarterly and annual reports.

Monitor and Evaluate



Covid-19 responses



- Applications for new benefits continued to be made online; claimants did not have to attend interviews or appointments during the contingency period.
- Anyone out of work or with low income affected by the impact of Covid-19 could profit from the welfare benefits, including Universal Credit. From April 6th, 2020 onwards, the standard allowance in UC and the Working Tax Credit (income boost) were increased.
- Job Retention Scheme (furlough): if an agreement between employer and employee was reached, the employee could be kept on the payroll even if the company could not operate or had no work for the worker due to Covid-19. In this case, the employee could get paid 80% of the wage (up to a cap of (£2,500)). All employers could claim 80% of the furloughed employees usual monthly wage costs (up to £2,500) for up to three months.
- Statutory Sick Pay (SSP): individuals could get £94.25 per week if they were too ill to work or stayed at home because of COVID-19. The employer paid SSP for up to 28 weeks. Gig workers and zero-hour contract workers were also eligible for SSP. SMEs (with under 250 employees) paying Statutory Sick Pay could apply for a refund of up to 2 weeks' SSP (COVID-19 related) per employee.



General observations



Focus on ALMPs.
Majority of outsourcing
in place to provide these
programs.



Interesting unified
means-tested income
support system →
benefits are
interconnected



Well-defined
monitoring
accompanied with
strong sanctions.



Targets can be problematic
since an increase in “off
flows from benefit” ≠
moving into employment



Black box approach
seems difficult to
monitor